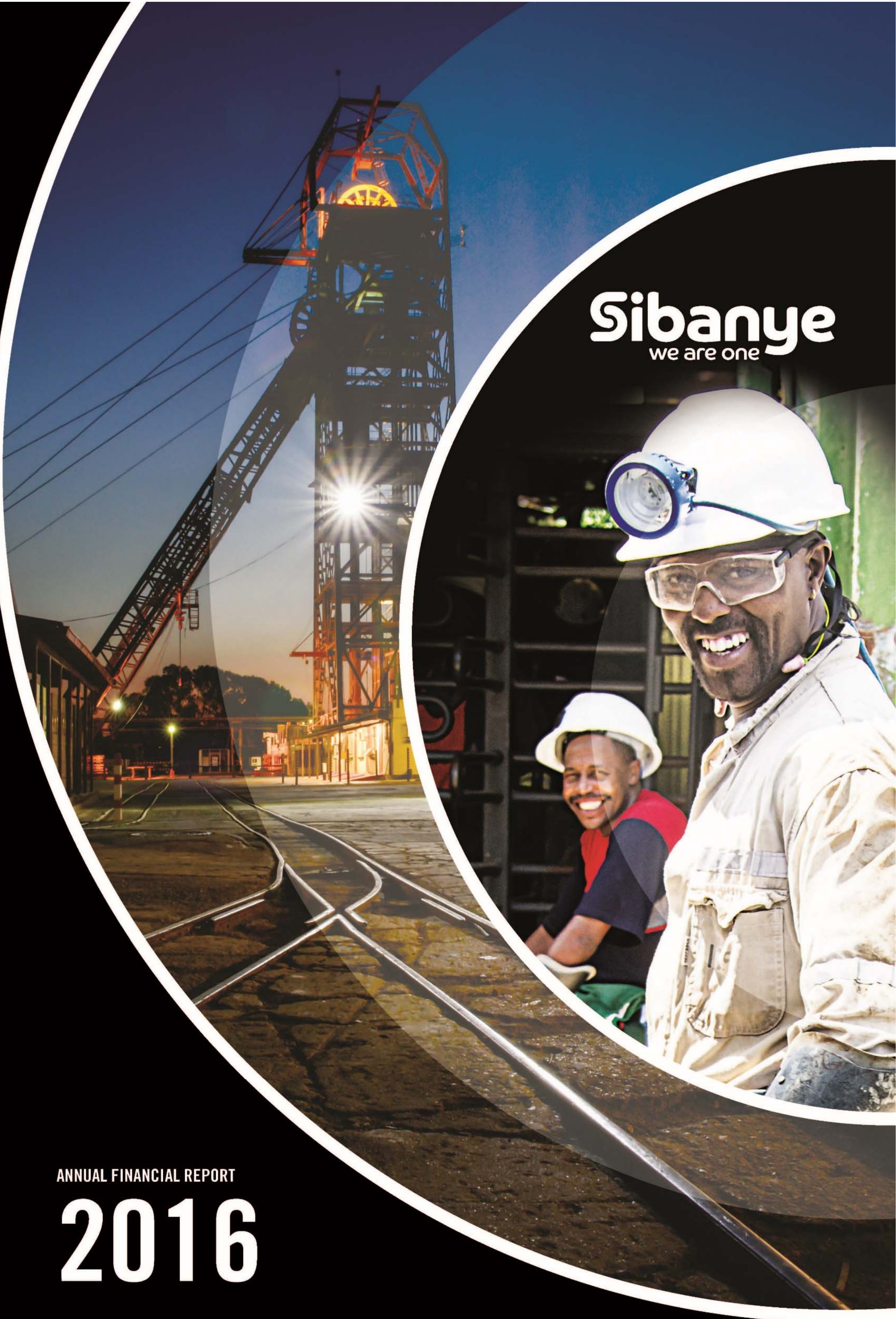


Sibanye
we are one

ANNUAL FINANCIAL REPORT

2016

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 judgement of the senior management and directors of Sibanye, and involve a number of known and unknown risks and uncertainties that could cause actual results, performance or achievements of the Group to differ materially from those suggested by the forward-looking statements. As a consequence, these forward-looking statements should be considered in light of various important factors, including those set forth in this document. Important factors that could cause the actual results to differ materially from estimates or projections contained in the forward-looking statements include, without limitation, economic, business, political and social conditions in South Africa, Zimbabwe and elsewhere; changes in assumptions underlying Sibanye’s estimation of its current Mineral Reserves and Resources; the ability to achieve anticipated efficiencies and other cost savings in connection with past and future acquisitions, as well as at existing operations; the ability of Sibanye to successfully integrate acquired businesses and operations (whether in the gold mining business or otherwise) into its existing businesses; 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 Stillwater 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 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.

CONTENTS

OVERVIEW

ACCOUNTABILITY

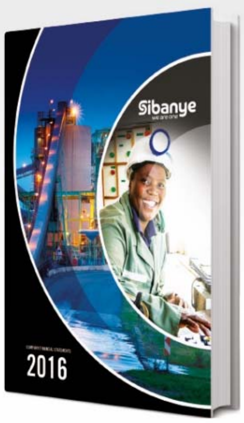
The audited consolidated financial statements for the year ended 31 December 2016 have been prepared by Sibanye's group financial reporting team headed by Alicia Brink. This process was supervised by the Group's CFO, Charl Keyter and authorised for issue by Sibanye's Board of Directors on 30 March 2017.

ANNUAL FINANCIAL STATEMENTS

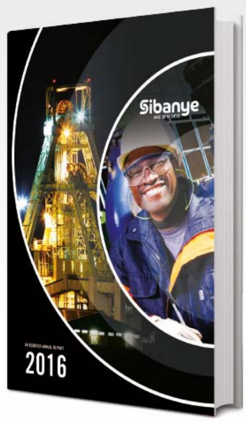
ADMINISTRATIVE DETAILS

This report should be read in conjunction with the **Company Financial Statements 2016**, **Integrated Annual Report 2016**, **Summarised Report 2016 and Notice of Annual General Meeting**, and **Mineral Resources and Mineral Reserves Report 2016**.

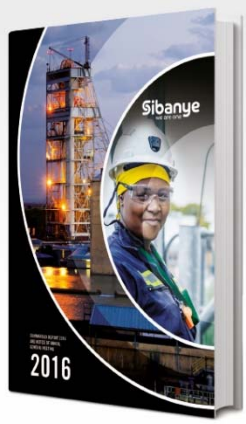
COMPANY FINANCIAL STATEMENTS 2016



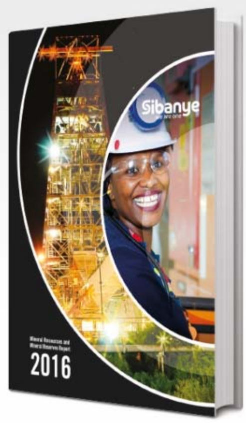
INTEGRATED ANNUAL REPORT 2016



SUMMARISED REPORT 2016 AND NOTICE OF ANNUAL GENERAL MEETING



MINERAL RESOURCES AND MINERAL RESERVES REPORT 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 also produce an annual report, the Form 20-F, that is filed with the US Securities and Exchange Commission. 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 JSE and the NYSE.

FIVE-YEAR FINANCIAL PERFORMANCE

		2016	2015	2014	2013	2012
GROUP OPERATING STATISTICS						
GOLD DIVISION						
Gold produced	kg	**47,034**	47,775	49,432	44,474	38,059
	'000oz	**1,512**	1,536	1,589	1,430	1,224
Gold sold	kg	**46,905**	47,775	49,432	44,474	38,059
	'000oz	**1,508**	1,536	1,589	1,430	1,224
Ore milled	'000t	**20,181**	19,861	18,235	13,624	12,185
Gold price	R/kg	**586,319**	475,508	440,615	434,663	434,943
	US$/oz	**1,242**	1,160	1,267	1,408	1,652
Operating cost	R/t	**862**	825	785	879	888
Operating margin	%	**37**	28	34	38	35
Total cash cost[1]	R/kg	**377,034**	347,613	295,246	273,281	285,851
	US$/oz	**799**	848	849	885	1,086
Total capital expenditure	Rm	**3,824**	3,345	3,251	2,902	3,107
All-in sustaining cost[2]	R/kg	**450,152**	422,472	372,492	354,376	382,687
	US$/oz	**954**	1,031	1,071	1,148	1,453
All-in cost[2]	R/kg	**472,585**	430,746	375,854	354,376	382,687
	US$/oz	**1,002**	1,051	1,080	1,148	1,453
All-in cost margin[3]	%	**19**	9	15	18	12
PLATINUM DIVISION						
Platinum produced	kg	**7,423**	-	-	-	-
	'000oz	**239**	-	-	-	-
PGM 4E production	kg	**13,087**	-	-	-	-
	'000oz	**421**	-	-	-	-
Ore milled	'000t	**11,612**	-	-	-	-
Average basket price	R/4Eoz	**12,209**	-	-	-	-
	US$/4Eoz	**832**	-	-	-	-
Operating cost	R/ton	**373**	-	-	-	-
Operating margin	%	**10**	-	-	-	-
Operating cost	R/4Eoz	**10,296**	-	-	-	-
	US$/4Eoz	**701**	-	-	-	-
Total capital expenditure	Rm	**327**	-	-	-	-
GROUP FINANCIAL STATISTICS[4]						
INCOME STATEMENT						
Revenue	Rm	**31,241**	22,717	21,781	19,331	16,554
Amortisation and depreciation	Rm	**4,042**	3,637	3,255	3,104	2,363
Net operating profit	Rm	**6,490**	2,700	4,215	4,254	3,367
Profit for the year	Rm	**3,271**	538	1,507	1,698	2,980
Profit for the year attributable to owners of Sibanye	Rm	**3,702**	717	1,552	1,692	2,980
Basic earnings per share	cents	**402**	79	186	260	297,960,000
Diluted earnings per share	cents	**401**	78	182	255	297,960,000
Headline earnings per share	cents	**270**	74	170	355	297,790,000
Dividend per share	cents	**175**	72	125	37	73,130,000
Weighted average number of shares	'000	**921,733**	912,038	835,936	650,621	1
Diluted weighted average number of shares	'000	**923,894**	917,709	854,727	664,288	1
Number of shares in issue at end of period	'000	**929,004**	916,140	898,840	735,079	1
STATEMENT OF FINANCIAL POSITION						
Property, plant and equipment	Rm	**27,240**	22,132	22,704	15,151	16,376
Cash and cash equivalents	Rm	**968**	717	563	1,492	292
Total assets	Rm	**41,721**	28,266	27,922	19,995	19,698
Net assets/(liabilities)	Rm	**16,697**	14,985	14,986	9,423	(9,673)
Stated share capital	Rm	**21,735**	21,735	21,735	17,246	–
Borrowings[5]	Rm	**8,974**	3,804	3,170	1,991	4,220
Total liabilities	Rm	**25,024**	13,281	12,936	10,572	29,371

FIVE YEAR FINANCIAL PERFORMANCE continued

		2016	2015	2014	2013	2012
STATEMENT OF CASH FLOWS						
Cash from operating activities	Rm	**4,406**	3,515	4,053	6,360	2,621
Cash used in investing activities	Rm	**(9,444)**	(3,340)	(4,309)	(3,072)	(3,126)
Cash from/(used in) financing activities	Rm	**5,446**	(21)	(673)	(2,088)	434
Net increase/(decrease) in cash and cash equivalents	Rm	**408**	155	(930)	1,201	(71)
OTHER FINANCIAL DATA						
EBITDA[6]	Rm	**10,532**	6,337	7,469	7,358	5,730
Net debt[7]	Rm	**6,293**	1,362	1,506	499	3,928
Net debt to EBITDA[8]	ratio	**0.60**	0.21	0.20	0.07	0.69
Net asset value per share	R	**17.97**	16.36	16.67	12.80	(9,672,700.00)
Average exchange rate[9]	R/US$	**14.68**	12.75	10.82	9.60	8.19
Closing exchange rate[10]	R/US$	**13.69**	15.54	11.56	10.34	8.57
SHARE DATA						
Ordinary share price – high	R	**70.23**	32.26	29.52	16.30	n/a[11]
Ordinary share price – low	R	**21.98**	13.66	12.34	6.73	n/a[11]
Ordinary share price at year end	R	**25.39**	22.85	22.55	12.30	n/a[11]
Average daily volume of shares traded	’000	**6,165**	3,024	2,869	4,755	n/a[11]
Market capitalisation at year end	Rbn	**23.6**	20.9	20.3	9.04	n/a[11]

[1] 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. The Gold Institute was a non-profit international industry association of miners, refiners, bullion suppliers and manufacturers of gold products that ceased operation in 2002, which developed a uniform format for reporting production costs on a per ounce basis. The Gold Institute has now been incorporated into the National Mining Association. The guidance was first adopted in 1996 and revised in November 1999. An investor should not consider these items in isolation or as alternatives to cost of sales, net operating profit, profit before tax, profit for the year, cash from operating activities or any other measure of financial performance presented in accordance with IFRS. While the Gold Institute provided definitions for the calculation of total cash costs, the calculation of total cash cost per kilogram and the calculation of total cash cost per ounce, these may vary significantly among gold mining companies, and by themselves do not necessarily provide a basis for comparison with other gold mining companies. Total cash costs is defined as cost of sales as recorded in profit or loss, less amortisation and depreciation and off-site (i.e. 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. Management considers total cash cost and total cash cost per kilogram to be a measure of the on-going costs of production. For a reconciliation of operating costs to total cash cost, see Overview–Management’s discussion and analysis of the financial statements–2016 financial performance compared with 2015 and 2014–Cost of sales–Operating costs – Cost of sales less amortisation and depreciation.

[2] 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). Despite not being a current member of the Council, Sibanye adopted the principles prescribed by the Council. The Council is a non-profit association of the world’s leading gold mining companies established in 1987 to promote the use of gold from industry, consumers and investors and is not a regulatory organisation. The Council has worked with its member companies to develop a metric that expands on IFRS measures such as cost of goods sold and currently accepted non-IFRS measures to provide relevant information to investors, governments, local communities and other stakeholders in understanding the economics of gold mining operations related to expenditures, operating performance and the ability to generate cash flow from operations. This is especially true with reference to capital expenditure associated with developing and maintaining gold mines, which has increased significantly in recent years and is reflected in this metric.

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 metrics are intended to provide additional information only, do not have any standardised meaning prescribed by IFRS and should not be considered in isolation or as alternatives to cost of sales, profit before tax, profit for the year, cash from operating activities or any other measure of financial performance presented in accordance with IFRS. 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 as presented in this document may not be comparable to other similarly titled measures of performance of other companies. Other companies may calculate these measures differently as a result of differences in the underlying accounting principles, policies applied and accounting frameworks such as in US GAAP. Differences may also arise related to definitional differences of sustaining versus development capital activities based upon each company’s internal policies.

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.

For a reconciliation of operating costs to All-in cost, see Overview–Management’s discussion and analysis of the financial statements–2016 financial performance compared with 2015 and 2014–Cost of sales–All-in cost.

[3] All-in cost margin is defined as revenue minus All-in cost divided by revenue.

[4] The selected historical consolidated financial data set out above have been derived from Sibanye’s consolidated financial statements for those periods and as of those dates which have been prepared in accordance with IFRS.

[5] Borrowings of R7,221 million that have recourse to Sibanye excludes the Burnstone Debt. Borrowings also exclude related-party loans.

[6] 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 and should be considered in addition to, and not as a substitute for, other measures of financial performance and liquidity reported in accordance with IFRS.

[7] 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.

[8] Net debt to EBITDA ratio is defined as net debt as at the end of a reporting period divided by EBITDA of the last 12 months ending on the same reporting date.

FIVE YEAR FINANCIAL PERFORMANCE continued

[9] The average exchange rate during the relevant period as reported by I-Net Bridge. The average exchange rate for the period through 28 March 2017 was R13.21/US$. The following table sets forth the high and low exchange rates for each month during the previous six months.

Month ended	High	Low
30 September 2016	14.58	13.44
31 October 2016	14.35	13.46
30 November 2016	14.42	13.24
31 December 2016	14.13	13.45
31 January 2017	13.79	13.24
28 February 2017	13.45	12.87
Through 28 March 2017	13.31	12.42

[10] The closing exchange rate at period end. The closing exchange on 28 March 2017, as reported by I-Net Bridge, was R12.98/US$. Fluctuations in the exchange rate between the rand and the US dollar will affect the US dollar equivalent of the price of the ordinary shares on the JSE, which may affect the market price of the ADRs on the NYSE. These fluctuations will also affect the US dollar amounts received by owners of ADRs on the conversion of any dividends paid in rand on the ordinary shares.

[11] Sibanye was previously a wholly owned subsidiary of Gold Fields Limited (Gold Fields). The Company separated from Gold Fields in February 2013 to become an independent and publicly traded company.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS

The following discussion and analysis should be read together with Sibanye's consolidated financial statements including the notes, which appear elsewhere in this annual financial report. Certain information contained in the discussion and analysis set forth below includes forward-looking statements that involve risks and uncertainties. See Forward-looking statements for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in this annual financial report.

INTRODUCTION

The Sibanye Group is an independent, South African domiciled precious metals mining group, which currently owns and operates gold and uranium operations and projects throughout the Witwatersrand Basin in South Africa, as well as PGM operations in the Bushveld Igneous Complex in South Africa and the Great Dyke in Zimbabwe. The Group currently owns and operates four underground and surface gold operations, namely Driefontein, Kloof and Cooke in the West Witwatersrand region and Beatrix in the southern Free State province. The Group also owns and operates underground and surface PGM operations, including the Rustenburg Operations in South Africa, a 50% interest in the Kroondal Operations in South Africa and a 50% interest in the Mimosa Operations, a PGM joint venture in Zimbabwe.

In addition to its mining activities, the Group owns and manages significant extraction and processing facilities at its gold and uranium operations, where gold-bearing ore is treated and processed to produce gold doré.

According to estimates based on the best information available to its management, Sibanye is the largest producer of gold in South Africa and one of the ten largest globally, and Sibanye's PGM operations (which were acquired during 2016), taken together, were the fifth largest producer of PGM in the world, based on annual production in 2016.

In 2016, Sibanye produced 47,034kg (1.51Moz) (2015: 47,775kg (1.54Moz) and 2014: 49,432kg (1.59Moz)) of gold and delivered attributable production of 420,763oz (4E).

During the year, Sibanye recognised profit of R3,271 million (2015: R538 million and 2014: R1,507 million), of which R3,702 million (2015: R717 million and 2014: R1,552 million) is attributable to the owners of Sibanye.

At 31 December 2016, Sibanye had gold mineral reserves of 28.7Moz (2015: 31.0Moz and 2014: 28.4Moz), uranium mineral reserves of 113.2Mlb (2015: 113.8Mlb and 2014: 102.5Mlb) and maiden 4E PGM mineral reserves of 23.2Moz.

The following financial review provides stakeholders with greater insight into the financial performance and position of the Group during the periods indicated.

FACTORS AFFECTING SIBANYE'S PERFORMANCE

COMMODITY PRICES

Sibanye's revenues are primarily derived from the sale of the gold and PGMs that it produces. Sibanye does not generally enter into forward sales, commodity derivatives or other hedging arrangements in order to establish a price in advance of the sale of its production. As a result it is normally fully exposed to changes in commodity prices. Gold and PGM hedging however could be considered under one or more of the following circumstances: to protect cash flows at times of significant capital expenditures; financing projects; or to safeguard the viability of higher cost operations, see *note 29.2: Risk management activities to the consolidated financial statements*.

The market price of gold has historically been volatile and is affected by numerous factors over which Sibanye has no control, such as general supply and demand, speculative trading activity and global economic drivers. Further, over the period from 2014 to 2016, the gold price has declined from an average price of US$1,265/oz to US$1,250/oz. Should the gold price decline below Sibanye's unit production cost the Group may experience losses and, should this situation remain for an extended period, Sibanye may be forced to curtail or suspend some or all of its projects, operations and/or reduce operational capital expenditure. Sibanye might not be able to recover any losses incurred during, or after, such events. A sustained period of significant gold price volatility may also adversely affect Sibanye's ability to evaluate the feasibility of undertaking new capital projects or continuing existing operations or to make other long-term strategic decisions.

The volatility of, and recent decline in, the price of gold is illustrated in the gold price table below (which shows the annual high, low and average of the London afternoon fixing price of gold).

	US$/oz[1]		
Gold	**High**	**Low**	**Average**
2011	1,895	1,319	1,571
2012	1,792	1,540	1,669
2013	1,694	1,192	1,409
2014	1,385	1,142	1,265
2015	1,296	1,049	1,159
2016	1,366	1,077	1,250
2017 (through 28 March 2017)	1,258	1,151	1,218

[1] *Rounded to the nearest US dollar.*

On 28 March 2017, the London afternoon fixing price of gold was US$1,257/oz.

Historically, platinum, palladium and rhodium prices have been subject to wide fluctuations and are affected by numerous factors beyond Sibanye's control, including international macroeconomic conditions and outlook, levels of supply and/or demand, any actual or potential threats to the stability of supply and/or demand, inventory levels maintained by users and producers, actions of participants in the commodities markets and currency exchange rates, particularly the rand to the US dollar. Further, between 2014 and 2016, the average platinum price has decreased from US$1,385/oz to US$990/oz.

In addition, the introduction of platinum, palladium and rhodium exchange-traded funds (ETFs) have added a further element of unpredictability and volatility to the pricing environment and may increase volatility in PGM prices, as investors may purchase shares in ETFs at times of rising prices, adding to the upward pressure on prices, and sell during periods of falling prices, potentially increasing the fall in prices. The market prices of platinum, palladium, rhodium and other PGMs have been, and may in the future be, subject to rapid short-term changes.

	US$/oz[1]		
Platinum	**High**	**Low**	**Average**
2011	1,906	1,372	1,720
2012	1,726	1,385	1,552
2013	1,736	1,304	1,487
2014	1,514	1,181	1,385
2015	1,287	831	1,053
2016	1,178	821	990
2017 (through 28 March 2017)	1,028	934	982

[1] *Rounded to the nearest US dollar.*

On 28 March 2017, the London market price of platinum was US$952/oz.

EXCHANGE RATE

Sibanye's operations (with the exception of Mimosa) are all located in South Africa and its revenues are equally sensitive to changes in the US dollar gold and PGM (4E) basket prices and the rand/US dollar exchange rate (the exchange rate). Depreciation of the rand against the US dollar results in Sibanye's revenues and operating margins increasing. Conversely, should the rand appreciate against the US dollar, revenues and operating margins would decrease. The impact on profitability of any change in the exchange rate can be substantial. Furthermore, the exchange rates obtained when converting US dollars to rand are set by foreign exchange markets, over which Sibanye has no control. The relationship between currencies and commodities, which includes the gold and PGM (4E) basket prices, is complex and changes in exchange rates can influence commodity prices and vice versa.

As a general rule, Sibanye does not enter into long-term currency hedging arrangements and is exposed to the spot market exchange rate. Sibanye's operating costs are primarily denominated in rand and forward cover could be considered for significant expenditures based in foreign currency or those items which have long lead times to production or delivery. No foreign exchange hedging contracts were entered into in 2016.

COSTS

Sibanye's operating costs (being cost of sales less amortisation and depreciation) comprise mainly labour and contractor costs, power and water, and consumable stores which include, *inter alia*, explosives, timber, cyanide and other consumables. Sibanye expects that its operating costs, particularly the input costs noted above, are likely to continue to increase in the near future and will be driven by inflation, general economic trends, market dynamics and other regulatory changes. In order to restrict these cost inputs, there is a continuous restructuring programme throughout the Group to improve efficiencies and productivity. Cost saving initiatives, especially with reference to reducing the impact of electricity consumption, have been specifically successful.

The South African inflation rate or Consumer Price Index (CPI) was 6.6% in 2016 (2015: 4.5% and 2014: 6.1%). Mining inflation has historically been higher than CPI driven by above inflation wage increases and more recently increases in electricity tariffs, which increased 12.69% effective 1 April 2015.

Sibanye's operations are labour intensive. Labour represented 45%, 45% and 47% of operating costs during 2016, 2015 and 2014, respectively.

An agreement signed by the gold operations with all unions in 2015 expires on 30 June 2018. At the assets acquired from Anglo American Platinum Limited (Anglo American Platinum) (the Rustenburg Operations), 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 is expected to begin in April 2017.

Despite above inflation increases in electricity tariffs, power and water comprised 18%, 19% and 19% of operating costs in 2016, 2015 and 2014, respectively. During 2013 Eskom applied to the National Energy Regulator of South Africa for an average annual tariff increase of 16% for a five-year period as of 1 April 2013, of which an increase of 8% was approved. However, in addition to the 8%, a further increase of 4.69% was approved effective from 1 April 2015 and further increases are expected in the future to meet the growing cost of the service provider, Eskom.

The effect of the abovementioned increases, especially being above the average inflation rate, has adversely affected and, may continue to adversely affect, the profitability of Sibanye's operations. Further, Sibanye's operating costs are primarily denominated in rand, while revenues from gold and PGM sales are in US dollars. Generally when inflation is high the rand tends to devalue, thereby increasing rand revenues, and potentially offsetting any increase in costs. However, there can be no guarantee that any cost saving measures or the effects of any potential devaluation will offset the effects of increased inflation and production costs.

PRODUCTION

Sibanye's revenues are driven by its production levels and the price it realises from the sale of gold, PGMs and associated co- and by-products, as discussed above. Production can be affected by a number of factors including industrial action, safety related work stoppages, mining grades and other mining related incidents. These factors could have an impact on production levels in the future.

In recent years, the South African mining industry has experienced increased union unrest. The entry of new unions such as AMCU, which has become a significant rival to the traditionally dominant NUM, has resulted in more frequent industrial disputes, including violent protests, intra-union violence and clashes with police authorities. Sibanye's gold operations experienced very little disruption to production as a result of industrial action during 2014, 2015 and 2016. In the first half of 2014, however the South African platinum majors experienced a five month wage strike, which impacted among others the South African operations acquired by Sibanye as part of the Rustenburg Operations Acquisition.

Sibanye's operations are also subject to South African health and safety laws and regulations that impose various duties on Sibanye's mines while granting the authorities' powers to, among other things, close or suspend operations and order corrective action relating to health and safety matters. During 2016, Sibanye's gold operations experienced 171 work stoppages (2015: 109 and 2014: 77). The platinum operations experienced 35 work stoppages.

Sibanye's gold operations are in their mature life stage and have encountered lower mining grades and yields. Sibanye's platinum operations are at steady state production levels.

Sibanye's key focus is to maintain profitable operations and sustain current production levels for a longer period than had previously been envisaged, through an increased focus on productivity. Furthermore, focus will be on realising the extensive reserves and resources potential that still exists.

ROYALTIES AND MINING TAX

South African mining operations pay a royalty tax. The formula for calculating royalties takes into account the profitability of individual operations. The royalty formula is detailed in *note 8.1: Royalties to the consolidated financial statements*.

Under South African tax legislation, gold mining companies and non-gold mining companies are taxed at different rates. Sibanye's gold operations are subject to the gold tax formula on their respective mining incomes. The formula calculating tax payable, which is detailed in *note 8.2: Mining and income tax to the consolidated financial statements*, is affected by the profitability of the applicable mining operation. In addition, these operations are ring fenced, so each operation is taxed separately and, as a result, taxable losses and capital expenditure at one of the operations cannot be used to reduce taxable income from another operation. Depending on the profitability of the operations, the tax rate can vary significantly from year to year.

CAPITAL EXPENDITURE

Sibanye will continue to invest capital in new and existing infrastructure and possible growth opportunities. Therefore, management will be required to consider, on an ongoing basis, the capital expenditure necessary to achieve its sustainable production objectives against other demands on cash.

As part of its strategy, Sibanye may investigate the potential exploitation of mineralisation below its current infrastructure limits as well as other capital-intensive projects. Management expects that Sibanye's dividend policy will not, however, be affected by its capital expenditure.

In 2016, Sibanye's total capital expenditure was R4,151 million (2015: R3,345 million and 2014: R3,251 million). Sibanye expects to spend approximately R4.9 billion on capital in 2017, excluding any acquisitions.

The actual amount of capital expenditure will depend on a number of factors, such as production volumes, the commodity prices and general economic conditions and may differ from the amount forecast above. Some of these factors are outside of the control of Sibanye.

RECENT PLATINUM ACQUISITIONS

AQUARIUS ACQUISITION

On 6 October 2015 Sibanye announced a cash offer of US$0.195 per share for the entire issued share capital of Aquarius Platinum Limited (Aquarius) (the Aquarius Transaction), valuing Aquarius at US$294 million. The transaction was subject to the fulfilment of various conditions precedent which were completed on 12 April 2016, when Sibanye paid R4,301.5 million to the Aquarius shareholders and obtained control (100%) of Aquarius.

Results of Aquarius are presented for the nine months ended 31 December 2016 following the completion of the acquisition, see *note 12.1: Aquarius acquisition to the consolidated financial statements*.

THE RUSTENBURG OPERATIONS ACQUISITION

On 9 September 2015, Sibanye announced that it had entered into written agreements with Rustenburg Platinum Mines Limited (RPM), a wholly owned subsidiary of Anglo American Platinum to acquire the Bathopele, Siphumelele (including Khomanani), and Thembelani (including Khuseleka) mining operations, two concentrating plants, an on-site chrome recovery plant, the

Western Limb Tailings Retreatment Plant, associated surface infrastructure and related assets and liabilities on a going concern basis, including normalised levels of working capital (the Rustenburg Operations) (the Rustenburg Operations Transaction).

The purchase consideration comprises an upfront payment of R1.5 billion at the closing of the Rustenburg Operations Transaction (Closing) and a deferred payment calculated as being equal to 35% of the distributable free cash flow generated by the Rustenburg Operations over a six year period from the later of Closing or 1 January 2017 (Deferred Payment), subject to a minimum payment of R3.0 billion. In addition to the Deferred Payment, which allows for a favourable extended payment period; should the Rustenburg Operations generate negative distributable free cash flows in either 2016, 2017 or 2018, RPM will be required to pay up to R267 million per annum to ensure that the free cash flow for the relevant year is equal to zero.

On 19 October 2016, Sibanye obtained consent in terms of section 11 of the Mineral and Petroleum Resources Development Act for the transfer of the mining right and prospecting right pursuant to the Rustenburg Operations Transaction, and control of the Rustenburg Operations on this date.

Results of the Rustenburg Operations are presented for the two months ended 31 December 2016 following the completion of the acquisition, see *note 12.2: The Rustenburg Operations acquisition to the consolidated financial statements*.

ACQUISITION COSTS

Sibanye incurred R157 million on acquisition related costs in 2016 (2015: R26 million and 2014: R112 million).

Sibanye has pursued and may continue to pursue growth opportunities that allow it to leverage its existing processing capacity and infrastructure and to extend its operating life. Such growth may continue to occur through the acquisition of other companies and assets, development projects, or by entering into joint ventures. Sibanye may incur acquisition and integration related costs with regard to any operations or entities that it acquires or seeks to acquire in the future.

2016 FINANCIAL PERFORMANCE COMPARED WITH 2015 AND 2014

Group profit increased by 508% to R3,271 million in 2016 from R538 million in 2015 (2014: R1,507 million). The reasons for this increase are discussed below.

The primary factors explaining the movements in net profit are set out in the table below.

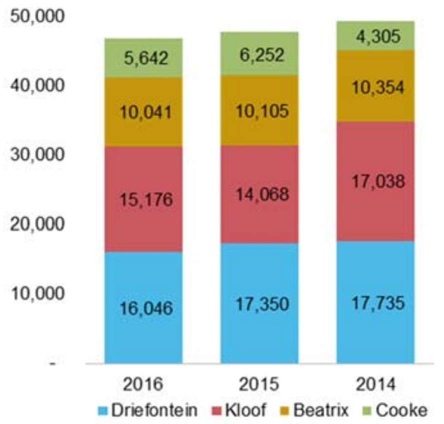
Figures in million - SA rand	2016	2015	% change 2016/2015	2014	% change 2015/2014
Revenue	**31,241**	22,717	38	21,781	4
Cost of sales	**(24,751)**	(20,017)	(24)	(17,566)	(14)
Net operating profit	**6,490**	2,700	140	4,215	(36)
Finance expense	**(903)**	(562)	(61)	(400)	(41)
Share-based payments	**(496)**	(274)	(81)	(418)	34
Loss on financial instruments	**(1,033)**	(230)	(349)	(108)	(113)
Gain/(loss) on foreign exchange differences	**220**	(359)	161	(63)	(470)
Share of results of equity-accounted investees after tax	**13**	116	(89)	(471)	125
Impairments	**(1,381)**	-	(100)	(275)	100
Gain on acquisition	**2,428**	-	100	-	-
Transaction costs	**(157)**	(26)	(504)	(112)	77
Net loss on derecognition of financial guarantee asset and liability	**-**	(158)	100	-	(100)
Reversal of impairment	**-**	-	-	474	(100)
Net other movements	**(120)**	109	(210)	(76)	243
Profit before royalties and tax	**5,061**	1,316	285	2,766	(52)
Royalties	**(547)**	(401)	(36)	(431)	7
Profit before tax	**4,514**	915	393	2,335	(61)
Mining and income tax	**(1,243)**	(377)	(230)	(828)	54
Profit for the year	**3,271**	538	508	1,507	(64)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS continued

REVENUE

Revenue increased by 38% to R31,241 million in 2016 from R22,717 million in 2015. This included first time revenue of R3,739 million from the platinum operations, Aquarius and the Rustenburg Operations, acquired during 2016. Revenue from the Gold Division increased by 21% to R27,501 million in 2016 from R22,717 million in 2015 driven by the average rand gold price, which increased by 23% partly offset by the level of gold sold, which decreased by 2%. The decrease in the gold sold to 46,905kg in 2016 from 47,775kg in 2015, was mainly due to the cumulative impact of operational disruptions relating to engineering issues, power outages and more significantly as a result of the closure of the Cooke 4 shaft in September 2016, due to continued poor production performance. Gold production from the operations is shown in the graph below. The increase in the average rand gold price was due to an increase in the average realised US dollar gold price to US$1,242/oz in 2016 from US$1,160/oz in 2015 and the 15% weaker rand of R14.68/US$ in 2016 compared with R12.75/US$ in 2015.

Gold sold (kg)



Revenue increased by 4% to R22,717 million in 2015 from R21,781 million in 2014 driven by the average rand gold price, which increased by 8% partly offset by the level of gold produced and sold, which decreased by 3%. The decrease in the gold produced to 47,775kg in 2015 from 49,432kg in 2014 was mainly due to the cumulative impact of operational disruptions and underground fires at Kloof during the quarter ended 31 March 2015, as well as the disruptive effect of periodic load curtailments by the state utility, Eskom during the quarters ended 31 March and 30 June 2015. Productivity and cost trends improved throughout the remainder of the year but it was not possible to recoup the production lost earlier in the year. The increase in the average rand gold price was due to the 18% weaker rand of R12.75/US$ in 2015 compared with R10.82/US$ in 2014. However, this was partly offset by the decrease in the average realised US dollar gold price to US$1,160/oz in 2015 from US$1,267/oz in 2014.

COST OF SALES

Cost of sales, which consist of operating costs and amortisation and depreciation, increased by 24% to R24,751 million in 2016 from R20,017 million in 2015, with the incorporation of Aquarius and the Rustenburg Operations for nine and two months respectively, which together accounted for R3,591 million of this increase. Cost of sales increased by 14% to R20,017 million in 2015 from R17,566 million in 2014, with the incorporation of Cooke for 12 months, which accounted for R3,683 million of this increase.

The primary drivers of cost of sales are set out in the table below.

Figures in million - SA rand	2016	2015	% change 2016/2015	2014	% change 2015/2014
Salaries and wages	**9,276**	7,345	(26)	6,665	(10)
Consumable stores	**5,243**	3,996	(31)	3,481	(15)
Utilities	**3,709**	3,128	(19)	2,753	(14)
Mine contracts	**2,105**	1,458	(44)	1,136	(28)
Other	**2,770**	2,758	-	2,403	(15)
Ore reserve development (ORD) costs capitalised	**(2,394)**	(2,305)	(4)	(2,127)	(8)
Operating costs	**20,709**	16,380	(26)	14,311	(14)
- Gold Division, excluding Cooke	**14,361**	13,402	(7)	12,618	(6)
- Cooke	**2,985**	2,978	-	1,693	(76)
- Platinum Division	**3,363**	-	(100)	-	-
Amortisation and depreciation	**4,042**	3,637	(11)	3,255	(12)
- Gold Division, excluding Cooke	**3,043**	2,932	(4)	2,947	1
- Cooke	**771**	705	(9)	308	(129)
- Platinum Division	**228**	-	(100)	-	-
Total cost of sales	**24,751**	20,017	(24)	17,566	(14)
– Gold Division, excluding Cooke	**17,404**	16,334	(7)	15,565	(5)
– Cooke	**3,756**	3,683	(2)	2,001	(84)
– Platinum Division	**3,591**	-	(100)	-	-

The analysis that follows provides a more detailed discussion of cost of sales, together with the total cash cost, All-in sustaining cost and All-in cost.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS continued

OPERATING COSTS – COST OF SALES LESS AMORTISATION AND DEPRECIATION

Operating costs increased by 26% to R20,709 million in 2016 from R16,380 million in 2015, or just less than 6% excluding operating costs at the platinum operations of R3,363 million, and increased by 14% in 2015 from R14,311 million in 2014, or just over 6% excluding Cooke. The increase in operating costs excluding the platinum operations in 2016 was due to above inflation wage and electricity tariffs, increased maintenance costs and consumable stores, and additional crews and contractors to improve productivity. These increases were partly offset by ongoing cost-saving initiatives and further restructuring across the group which included the closure of Cooke 4 shaft in September 2016.

The increase in operating costs excluding Cooke in 2015 was due to above inflation wage increases, increased electricity tariffs, increased maintenance costs and inflationary increases in consumable stores, as well as additional crews to improve productivity. These increases were partly offset by ongoing cost-saving initiatives, which included further restructuring across the group – including reduced number of contractors, improved efficiencies and programmes aimed at reducing electricity costs.

The table below presents a reconciliation from cost of sales at the gold operations to total cash cost.

		2016					
		Total Gold	**Driefontein**	**Kloof**	**Beatrix**	**Cooke**	**Corporate**
Cost of sales	Rm	**21,161**	**6,580**	**6,232**	**4,571**	**3,756**	**22**
Deduct: Amortisation and depreciation	Rm	**(3,815)**	**(1,013)**	**(1,191)**	**(818)**	**(771)**	**(22)**
Operating costs	Rm	**17,346**	**5,567**	**5,041**	**3,753**	**2,985**	**-**
Adjusted for:	Rm						
General and admin costs	Rm	**(189)**	**(68)**	**(64)**	**(35)**	**(22)**	**-**
Royalties[1]	Rm	**528**	**205**	**194**	**113**	**16**	**-**
Total cash cost[2]	Rm	**17,685**	**5,704**	**5,171**	**3,831**	**2,979**	**-**
Gold sold	kg	**46,905**	**16,046**	**15,176**	**10,041**	**5,642**	
	‘000oz	**1,508.0**	**515.9**	**487.9**	**322.8**	**181.4**	
Total cash cost[2]	R/kg	**377,034**	**355,416**	**340,762**	**381,625**	**527,916**	
	US$/oz	**799**	**753**	**722**	**809**	**1,119**	

		2015					
		Total Gold	**Driefontein**	**Kloof**	**Beatrix**	**Cooke**	**Corporate**
Cost of sales	Rm	20,017	6,377	5,806	4,130	3,683	21
Deduct: Amortisation and depreciation	Rm	(3,637)	(1,143)	(1,029)	(739)	(705)	(21)
Operating costs	Rm	16,380	5,234	4,777	3,391	2,978	-
Adjusted for:	Rm						
General and admin costs	Rm	(174)	(57)	(53)	(36)	(28)	-
Royalties[1]	Rm	401	197	98	89	17	-
Total cash cost[2]	Rm	16,607	5,374	4,822	3,444	2,967	-
Gold sold	kg	47,775	17,350	14,068	10,105	6,252	
	‘000oz	1,536.0	557.8	452.3	324.9	201.0	
Total cash cost[2]	R/kg	347,613	309,764	342,764	340,792	474,584	
	US$/oz	848	756	836	831	1,158	

		2014					
		Total Gold	**Driefontein**	**Kloof**	**Beatrix**	**Cooke**	**Corporate**
Cost of sales	Rm	17,566	6,041	5,824	3,673	2,001	27
Deduct: Amortisation and depreciation	Rm	(3,255)	(1,129)	(1,322)	(469)	(308)	(27)
Operating costs	Rm	14,311	4,912	4,502	3,204	1,693	-
Adjusted for:	Rm						
General and admin costs	Rm	(147)	(56)	(55)	(36)	-	-
Royalties[1]	Rm	431	166	175	82	8	-
Total cash cost[2]	Rm	14,595	5,022	4,622	3,250	1,701	-
Gold sold	kg	49,432	17,735	17,038	10,354	4,305	
	‘000oz	1,589.3	570.2	547.8	332.9	138.4	
Total cash cost[2]	R/kg	295,246	283,129	271,282	313,888	395,168	
	US$/oz	849	814	780	902	1,136	

The average exchange rate for the year ended 31 December 2016 was R14.68/US$ (2015: R12.75/US$ and 2014: R10.82/US$).
[1] Royalties are included as part of total cash cost but are reflected below operating profit in profit or loss.
[2] For information on how Sibanye has calculated total cash cost, total cash cost per kilogram and total cash cost per ounce, see Overview–Five year financial performance–Footnote 1.

Total cash cost per kilogram for the Gold Division increased by 8% to an average of R377,034/kg in 2016 from R347,613/kg in 2015, and increased by 18% in 2015 from R295,246/kg in 2014. The increase in 2016 was mostly due to the 2% decrease in production and inflationary increases from the operations as detailed above. In US dollar terms, total cash cost per ounce decreased by 6% to US$799/oz from US$848/oz primarily due to the 15% weaker rand/US dollar exchange rate partly offset by the decrease in production and increase in costs, mentioned above.

The increase in 2015 was mostly due to the 3% decrease in production and an increase in unit costs at Cooke. In US dollar terms, total cash cost per ounce decreased marginally to US$848/oz from US$849/oz primarily due to the 18% weaker rand/US dollar exchange rate partly offset by the decrease in production and increase in unit costs at Cooke mentioned above.

AMORTISATION AND DEPRECIATION

Amortisation and depreciation increased by 11% to R4,042 million from R3,637 million in 2015, increased by 12% to R3,637 million in 2015 from R3,255 million in 2014. The increase in 2016 was due to the inclusion of the platinum operations, which added R228 million, and amortisation and depreciation at Kloof due to the increased production in 2016.

The increase in 2015 was due to the inclusion of Cooke for 12 months, which added R397 million, and amortisation and depreciation at Beatrix, which increased by R270 million due to accelerated depreciation of 2 shaft of R65 million and an increase in the mine's overall rate of depreciation due to the reversal of the R474 million impairment at the West Section late in 2014. These increases were partly offset by a decrease in amortisation and depreciation at Kloof due to the lower production in 2015 and a reduction stemming from the impairment of the Python plant in 2014.

ALL-IN COST

All-in cost per ounce, was introduced in 2013 by the members of the World Gold Council. Sibanye has adopted the principle prescribed by the Council. This non-IFRS measure provides more transparency into the total costs associated with gold mining.

The All-in cost per ounce metric provides relevant information to investors, governments, local communities and other stakeholders in understanding the economics of gold mining. This is especially true with reference to capital expenditure associated with developing and maintaining gold mines, which has increased significantly in recent years and is reflected in this new metric.

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 associated with growth.

The table below presents a reconciliation from operating costs at the gold operations to All-in sustaining cost and All-in cost.

		2016					
		Total Gold	**Driefontein**	**Kloof**	**Beatrix**	**Cooke**	**Corporate**
Operating costs	Rm	**17,346**	**5,567**	**5,041**	**3,753**	**2,985**	**-**
Plus:							
Community costs[1]	Rm	**80**	**16**	**20**	**27**	**17**	**-**
Share-based payments[2]	Rm	**39**	**16**	**14**	**9**	**-**	**-**
Royalties[3]	Rm	**528**	**205**	**194**	**113**	**16**	**-**
Rehabilitation[4]	Rm	**141**	**(29)**	**44**	**23**	**100**	**3**
ORD[5]	Rm	**2,394**	**779**	**913**	**543**	**159**	**-**
Sustaining capital expenditure[6]	Rm	**614**	**219**	**261**	**85**	**49**	**-**
Less:							
By-product credit[7]	Rm	**(28)**	**(9)**	**(7)**	**(8)**	**(4)**	**-**
All-in sustaining cost[8]	Rm	**21,114**	**6,764**	**6,480**	**4,545**	**3,322**	**3**
Plus:							
Group exploration growth and other capital expenditure	Rm	**1,052**	**54**	**130**	**5**	**41**	**822**
All-in cost[8]	Rm	**22,166**	**6,818**	**6,610**	**4,550**	**3,363**	**825**
Gold sold	kg	**46,905**	**16,046**	**15,176**	**10,041**	**5,642**	
	'000oz	**1,508.0**	**515.9**	**487.9**	**322.8**	**181.4**	
All-in sustaining cost[8]	R/kg	**450,152**	**421,501**	**427,036**	**452,754**	**588,745**	
	US$/oz	**954**	**893**	**905**	**960**	**1,248**	
All-in cost[8]	R/kg	**472,585**	**424,872**	**435,609**	**453,232**	**595,959**	
	US$/oz	**1,002**	**901**	**923**	**961**	**1,263**	

		2015					
		Total Gold	Driefontein	Kloof	Beatrix	Cooke	Corporate
Operating costs	Rm	16,380	5,234	4,777	3,391	2,978	-
Plus:							
Community costs[1]	Rm	41	14	9	15	3	-
Share-based payments[2]	Rm	274	35	27	24	-	188
Royalties[3]	Rm	401	197	98	89	17	-
Rehabilitation[4]	Rm	138	23	23	17	75	-
ORD[5]	Rm	2,305	727	841	510	227	-
Sustaining capital expenditure[6]	Rm	654	249	226	86	93	-
On-mine exploration	Rm	18	14	1	1	2	-
Less:							
By-product credit[7]	Rm	(27)	(8)	(6)	(6)	(7)	-
All-in sustaining cost[8]	Rm	20,184	6,485	5,996	4,127	3,388	188
Plus:							
Group exploration and other	Rm	9	-	-	-	-	9
Corporate cost and growth capital	Rm	386	18	64	-	17	287
All-in cost[8]	Rm	20,579	6,503	6,060	4,127	3,405	484
Gold sold	kg	47,775	17,350	14,068	10,105	6,252	
	‘000oz	1,536.0	557.8	452.3	324.9	201.0	
All-in sustaining cost[8]	R/kg	422,472	373,752	426,223	408,422	541,843	
	US$/oz	1,031	912	1,040	996	1,322	
All-in cost[8]	R/kg	430,746	374,790	430,751	408,422	544,658	
	US$/oz	1,051	914	1,051	996	1,329	

		2014					
		Total	Driefontein	Kloof	Beatrix	Cooke	Corporate
Operating costs	Rm	14,311	4,912	4,502	3,204	1,693	-
Plus:							
Community costs[1]	Rm	37	12	11	14	-	-
Share-based payments[2]	Rm	418	69	58	46	-	245
Royalties[3]	Rm	431	166	175	82	8	-
Rehabilitation[4]	Rm	138	39	33	18	48	-
ORD[5]	Rm	2,127	684	880	446	117	-
Sustaining capital expenditure[6]	Rm	975	465	356	102	52	-
Less:							
By-product credit[7]	Rm	(24)	(10)	(7)	(7)	-	-
All-in sustaining cost[8]	Rm	18,413	6,337	6,008	3,905	1,918	245
Plus:							
Group exploration and other	Rm	16	-	-	9	6	1
Corporate cost and growth capital	Rm	150	-	-	-	61	89
All-in cost[8]	Rm	18,579	6,337	6,008	3,914	1,985	335
Gold sold	kg	49,432	17,735	17,038	10,354	4,305	
	‘000oz	1,589.3	570.2	547.8	332.9	138.4	
All-in sustaining cost[8]	R/kg	372,492	357,333	352,624	377,101	445,645	
	US$/oz	1,071	1,027	1,014	1,084	1,281	
All-in cost[8]	R/kg	375,854	357,333	352,624	378,008	461,045	
	US$/oz	1,080	1,027	1,014	1,087	1,325	

The average exchange rate for the year ended 31 December 2016 was R14.68/US$ (2015: R12.75/US$ and 2014: R10.82/US$).

[1] Community costs includes costs related to community development.

[2] Share-based payments includes share-based payments compensation cost to support Sibanye's corporate structure not directly related to current gold production. Share-based payments are calculated based on the fair value at initial recognition and do not include the fair value adjustment of the cash-settled share-based payment liability to the reporting date fair value.

[3] Royalties is the royalty on refined minerals payable to the South African government.

[4] Rehabilitation includes the interest charge related to the environmental rehabilitation obligation and the amortisation of the related capitalised rehabilitation costs recorded as an asset. The interest charge related to the environmental rehabilitation obligation and the amortisation of the capitalised rehabilitation costs do not reflect annual cash outflows and are calculated in accordance with IFRS. The interest charge and amortisation reflect the periodic costs of rehabilitation associated with current gold production and are therefore included in the measure.

[5] ORD are those capital expenditures that allow access to reserves that are economically recoverable in the future, including, but not limited to, crosscuts, footwalls, return airways and box holes which will avail gold production or reserves.

[6] Sustaining capital expenditure are those capital expenditures that are necessary to maintain current gold production and execute the current mine plan. Sustaining capital costs are relevant to the All-in cost metric as these are needed to maintain Sibanye's current operations and provide improved transparency related to Sibanye's ability to finance these expenditures.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS continued

[7] By-product credit—The All-in cost metric is focused on the cost associated with producing and selling a kilogram of gold, and therefore the metric captures the benefit of mining other metals when gold is produced and sold. In determining the All-in cost, the costs associated with producing and selling a kilogram of gold is reduced by the benefit received from the sale of silver, recognised as product sales, which is extracted and processed along with the gold produced. This is relevant to the All-in cost metric as it aids in the investor's analysis of the profitability of producing a kilogram of gold, without the need to consider multiple metal prices.

[8] For information on how Sibanye has calculated 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, see Overview–Five year financial performance–Footnote 2.

All-in sustaining cost, a sub-set of All-in cost increased by 7% to R450,152/kg (US$954/oz) in 2016 from R422,472/kg (US$1,031/oz) in 2015, and increased by 13% to R422,472/kg (US$1,031/oz) in 2015 from R372,492/kg (US$1,071/oz) in 2014. The increase in 2016 was as a result of the effect of fixed costs on the lower production at Driefontein but more significantly due to continued underperformance at Cooke 4 shaft, subsequently closed, which increased 9% year on year from an already high cost of R541,843/kg in 2015. The increase in 2015 was as a result of the effect of fixed costs on the lower production at Driefontein and Beatrix but more significantly due to the 17% decrease at Kloof, together with increased labour costs and the increase in the electricity tariff, as well as the full year impact of higher cost Cooke production, which was 45% higher in 2015 than in 2014, primarily due to the fact that 2014 had only seven months of production.

All-in cost increased by 10% to R472,585/kg (US$1,002/oz) in 2016 from R430,746/kg (US$1,051/oz) in 2015, and increased by 15% to R430,746/kg (US$1,051/oz) in 2015 from R375,854/kg (US$1,080/oz) in 2014. The increase in 2016 was mainly due to the doubling of expenditure to R746 million on growth projects at Driefontein and Kloof as well as the Burnstone project. The increase in 2015 included corporate expenditure of R287 million, which relates to capital expenditure at Burnstone of R272 million and corporate expenditure of R15 million.

NET OPERATING PROFIT

As a result of the factors discussed above, net operating profit increased by 140% to R6,490 million in 2016 from R2,700 million in 2015 and decreased by 36% in 2015 from R4,215 million in 2014.

FINANCE EXPENSE

Finance expense increased by 61% to R903 million in 2016 from R562 million in 2015, and increased by 41% in 2015 from R400 million in 2014. Included in finance expense in 2016 was R428 million interest on borrowings (2015: R248 million and 2014: R188 million), R141 million unwinding of the Burnstone Debt (2015: R102 million and 2014: R43 million), R291 million environmental rehabilitation liability accretion expense (2015: R198 million and 2014: R162 million), and R43 million sundry interest charges (2015: R14 million and 2014: R7 million).

The increase in interest on borrowings in 2016 was due to the increase in the average indebtedness and effective interest rate year-on-year. 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 increase in environmental rehabilitation liability accretion expense was primarily due to the inclusion of the platinum operations, which added R62 million.

The increase in interest on borrowings in 2015 was due to the increase in the average indebtedness and effective interest rate year-on-year. Sibanye's average gross debt outstanding, excluding the Burnstone Debt, was approximately R2.2 billion in 2015 compared with approximately R2.0 billion in 2014. The increase in environmental rehabilitation liability accretion expense was primarily due to the incorporation of Cooke and Burnstone for 12 months, which added R25 million, and new disturbances.

SHARE-BASED PAYMENTS

The share-based payments expense increased by 81% to R496 million in 2016 from R274 million in 2015, and decreased by 34% in 2015 from R418 million in 2014. The share-based payments expense consists of R172 million relating to equity-settled share options granted under the Sibanye Gold Limited 2013 Share Plan (SGL Share Plan), Gold Fields Limited 2012 Share Plan and Gold Fields Limited 2005 Share Plan (2015: R119 million and 2014: R176 million), R84 million relating to instruments granted under the Sibanye Gold 2013 Phantom Share Scheme (the SGL Phantom Scheme) (2015: R155 million and 2014: R242 million) and R240 million relating to share-based payment on BEE transaction.

The increase in the share-based payment expense in 2016 was due to the increase in the SGL Share Plan expense as a result of the fair value of each option granted under the scheme increasing with the appreciation of Sibanye's share price, and the share-based payment on BEE transaction which was recognised as part of the Rustenburg Operations acquisition which represents the BEE shareholders attributable value over the expected life of mine partly offset by the decrease in the SGL Phantom Scheme expense as a result of the number of performance shares that vested on 1 March 2015, with no new allocations in 2015 or 2016.

The decrease in the share-based payment expense in 2015 was mainly due to the number of performance shares that vested on 1 March 2015, with no new significant allocations in 2015.

LOSS ON FINANCIAL INSTRUMENTS

The loss on financial instruments of R1,033 million in 2016 compared with R230 million in 2015 and R108 million in 2014. The loss on financial instruments primarily consists of R1,070 fair value loss relating to SGL Phantom Scheme options (2015: R87 million and 2014: R202 million) and R29 million (2015: R163 million and 2014: Rnil) loss on revised estimated cash flows of the Burnstone Debt, partly offset by R11 million fair value gain on investments under the environmental rehabilitation obligation funds (2015: R8 million and 2014: R63 million), R41 million fair value gain on the Cooke hedges and R21 million fair value gain on the purchase of concentrate debtor acquired on acquisition of the Rustenburg Operations.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS continued

The cash-settled share instruments are valued at each reporting date based on the fair value of the instrument at that reporting date. The difference between the reporting date fair value and the initial recognition fair value of these cash settled share options is included in loss/gain on financial instruments in profit or loss. 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 depreciation in the share price for the six months ended 31 December 2016 of approximately 49%, resulted in a fair value gain of R111 million.

GAIN/LOSS ON FOREIGN EXCHANGE DIFFERENCES

The gain on foreign exchange differences of R220 million in 2016 compared with a loss of R359 million in 2015 and a loss of R63 million in 2014. The gain on foreign exchange differences in 2016 was mainly due to exchange rate gains on the Burnstone Debt of R224 million (2015: R412 million loss and 2014: R89 million loss) and US$350 million revolving credit facility of R192 million, partly offset by the effect of exchange rate fluctuation on other financial assets and financial liabilities of R196 million (2015: R53 million and 2014: R26 million)

SHARE OF RESULTS OF EQUITY-ACCOUNTED INVESTEES AFTER TAX

The profit from share of results of associates of R13 million in 2016 (2015: R116 million and 2014: R471 million loss) was primarily due to share of profits of R115 million relating to Sibanye's attributable share in Mimosa and losses of R117 million relating to its 33.1% interest in Rand Refinery.

IMPAIRMENTS

Impairments were R1,381 million in 2016, Rnil in 2015 and R275 million in 2014.

Despite joint efforts of stakeholders, the Cooke 4 underground mine and Ezulwini Gold and Uranium processing plant (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 (CGU) by R201 million and the Cooke 1, 2 and 3 mining assets by R355 million. For additional information on the impairments, see *note 7: Impairments to the consolidated financial statements*.

The impairment in 2014 related to a R155 million impairment of the Python plant at Kloof, which was decommissioned in July 2014 due to process design flaws, and the R120 million impairment of investment in Rand Refinery.

GAIN ON ACQUISITION

A gain on acquisition of R2,428 million arose on the acquisition of the Rustenburg Operations and is attributable to the fact that Anglo American Platinum has repositioned its portfolio by among others exiting certain assets. The Rustenburg Operations Transaction represented an attractively priced entry for Sibanye into the PGM sector. For additional information on the Rustenburg Operations acquisition and related gain on acquisition, see *note 12.2: The Rustenburg Operations acquisition to the consolidated financial statements*.

TRANSACTION COSTS

The transaction costs were R157 million in 2016 compared with R26 million in 2015 and R112 million in 2014. The transaction costs in 2016 related to the Aquarius and Rustenburg Operations acquisitions of R93 million (2015: R16 million) and R64 million (2015: R10 million), respectively. The transaction costs in 2014 related to the finalisation of the Cooke and Burnstone acquisitions of R82 million and R30 million, respectively.

NET LOSS ON DERECOGNITION OF FINANCIAL GUARANTEE ASSET AND LIABILITY

On 24 April 2015, Sibanye was released as guarantor by the note holders of Gold Fields' US$1 billion bond, resulting in a net loss on derecognition of the financial guarantee asset and financial guarantee liability of R158 million.

REVERSAL OF IMPAIRMENT

Due to the positive results of a restructuring process at the Beatrix West Section it has subsequently returned to profitability. As a result a decision was taken at 31 December 2014 to reverse the impairment by R474 million.

ROYALTIES

Royalties increased by 36% to R547 million in 2016 from R401 million in 2015 and decreased by 7% in 2015 from R431 million in 2014. The increased royalty in 2016 was mainly due to the increase in gold revenue. The decreased royalty in 2014 was mainly due to the decrease in earnings before interest and taxes.

The rate of royalty tax payable as a percentage of revenue is set out in the table below.

%	2016	2015	2014
Driefontein	**2.2**	2.4	2.1
Kloof	**2.2**	1.5	2.3
Beatrix	**1.9**	1.8	1.8
Cooke	**0.5**	0.6	0.5
Kroondal	**0.5**	-	-
Rustenburg Operations	**0.5**	-	-
Average for Group	**1.7**	1.8	2.0

MINING AND INCOME TAX

Mining and income tax increased by 230% to R1,243 million in 2016 from R377 million in 2015 and decreased by 54% in 2015 from R828 million in 2014. The table below indicates Sibanye's effective tax expense rate in 2016, 2015 and 2014.

		2016	2015	2014
Mining and income tax	Rm	**1,243**	377	828
Effective tax rate	%	**27.5**	41.2	35.5

In 2016, the effective tax expense rate of marginally lower than the South African statutory company tax rate of 28% mainly due to the tax effect of the following:

- R161 million reduction related to the mining tax formula rate adjustment;
- R680 million non-taxable gain on acquisition;

The above were offset by the following:

- R116 million non-deductible charges related to share-based payments;
- R52 million non-deductible loss on foreign exchange differences;
- R35 million non-deductible amortisation and depreciation;
- R66 million non-deductible impairments;
- R60 million deferred tax charge on increase of the long-term expected tax rate;
- R430 million assessed losses and other deductible temporary differences not recognised; and
- R61 million net non-taxable income and non-deductible expenditure.

In 2015, the effective tax expense rate of 41% was higher than the South African statutory company tax rate of 28% mainly due to the tax effect of the following:

- R33 million non-deductible charges related to share-based payments;
- R26 million non-deductible amortisation and depreciation;
- R29 million deferred tax charge on increase of long-term expected tax rate; and
- R267 million assessed losses and other deductible temporary differences not recognised.

The above were offset by the following:

- R130 million reduction related to the mining tax formula rate adjustment;
- R18 million non-taxable gain on foreign exchange differences;
- R33 million non-taxable share of results of equity-accounted investees; and
- R55 million non-taxable gain on derecognition of financial guarantee liability.

In 2014, the effective tax expense rate of 36% was higher than the South African statutory company tax rate of 28% mainly due to the tax effect of the following:

- R49 million non-deductible charges related to share-based payments;
- R132 million non-taxable share of results of equity-accounted investees;
- R19 million non-deductible amortisation and depreciation;
- R34 million non-deductible impairments; and
- R66 million assessed losses and other deductible temporary differences not recognised.

The above was offset by the following:

- R112 million reduction related to the mining tax formula rate adjustment; and
- R14 million net non-taxable income and non-deductible expenditure

PROFIT FOR THE YEAR

As a result of the factors discussed above, the profit in 2016 was R3,271 million compared with R538 million in 2015 and R1,507 million in 2014. Of this, R3,702 million (2015: R717 million and 2014: R1,552 million) is attributable to the owners of Sibanye.

The following table depicts contributions from various segments to the profit.

Figures in million - SA rand	2016	2015	2014
Gold	**1,186**	**538**	**1,507**
Driefontein	**1,744**	1,089	938
Kloof	**1,615**	510	839
Beatrix	**760**	356	870
Cooke	**(1,957)**	(699)	(188)
Corporate (and reconciling items)	**(976)**	(718)	(952)
Platinum	**2,085**	-	-
Kroondal	**91**	-	-
Platinum Mile	**18**	-	-
Mimosa	**115**		
Rustenburg Operations	**2,278**	-	-
Corporate (and reconciling items)	**(417)**	-	-

LIQUIDITY AND CAPITAL RESOURCES

CASH FLOW ANALYSIS

Net cash generated in 2016 was R408 million compared with R154 million in 2015 and R930 million utilised in 2014.

The principal factors explaining the changes in net cash flow for the year are set out in the table below.

Figures in million - SA rand	2016	2015	% change 2016/2015	2014	% change 2015/2014
Net cash from operating activities	**4,406**	**3,515**	25	4,053	(13)
Dividends paid	**(1,612)**	**(658)**	(145)	(1,005)	34
Additions to property, plant and equipment	**(4,151)**	**(3,345)**	(24)	(3,251)	(3)
Free cash flow[1]	**1,866**	**829**	125	1,807	(54)
Net borrowings raised/(repaid)	**5,446**	**(21)**	(26,033)	(673)	97

[1] One of the most important drivers to sustain and increase shareholder value is free cash flow generation as that determines the cash available for dividends and other investing activities. Free cash flow is defined as net cash from operating activities before dividends, less additions to property, plant and equipment.

CASH FLOWS FROM OPERATING ACTIVITIES

Cash from operating activities increased to R4,406 million in 2016 from R3,515 million in 2015 and decreased in 2015 from R4,053 million in 2014. The items contributing to the increase in 2016 and decrease in 2015 are indicated in the table below.

Figures in million - SA rand	2016	2015
Increase/(decrease) in cash generated by operations[1]	**3,706**	**(951)**
(Increase)/decrease in cash-settled share-based payments paid[2]	**(1,476)**	**124**
Decrease/(increase) in investment in working capital	**430**	**(882)**
Increase in interest paid	**(181)**	**(66)**
(Increase)/decrease in royalties paid[3]	**(161)**	**255**
(Increase)/decrease in tax paid[3]	**(520)**	**691**
(Increase)/decrease in dividends paid[4]	**(954)**	**347**
Other	**46**	**(55)**
Increase/(decrease) in cash flows from operating activities	**890**	**(537)**

[1] The increase in cash generated by operations in 2016 was mainly due to the increase in the average realised US dollar gold price to US$1,242/oz in 2016 from US$1,160/oz in 2015 and the 15% weaker rand of R14.68/US$ in 2016 compared with R12.75/US$ in 2015. The decrease in cash generated by operations in 2015 was mainly due to higher operating costs.
[2] Approximately 70% of cash-settled instruments vested during the year resulting in an increase in the cash-settled share-based payments paid.
[3] The increase in royalties and tax paid in 2016 was due to increased revenue.
[4] The dividend declared and paid in 2016 related to the final dividend of 90 cents per share (cps) or R825 million in respect of the six months ended 31 December 2015 (2014: 62cps or R567.1 million) and the interim dividend of 85cps or R785 million in respect of the six months ended 30 June 2016 2015: 10cps or R91.3 million).

CASH FLOWS FROM INVESTING ACTIVITIES

Cash used in investing activities increased to R9,444 million in 2016 from R3,340 million in 2015 and decreased in 2015 from R4,309 million in 2014. The increase in cash from investing activities in 2016 was mainly due the acquisitions of Aquarius and the Rustenburg Operations in 2016 for R5,802 million. The decrease in cash from investing activities in 2015 was mainly due the acquisitions of Wits Gold, Cooke and Burnstone in 2014 for R616 million and the loan advanced to Rand Refinery in 2014 of R385 million.

Capital expenditure increased by 24% to R4,151 million in 2016 from R3,345 million in 2015 and increased by 3% in 2015 from R3,251 million in 2014. Capital expenditure at the individual mines is shown in the table below.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS continued

Figures in million - SA rand	2016	2015	2014
Gold	**3,824**	**3,345**	**3,251**
Driefontein	**1,052**	994	1,149
Kloof	**1,304**	1,130	1,236
Beatrix	**628**	597	548
Cooke	**249**	337	230
Corporate	**591**	287	88
Platinum	**327**	**-**	**-**
Kroondal	**176**	-	-
Rustenburg Operations	**149**	-	-
Platinum Mile and Corporate	**2**	-	-

CASH FLOWS FROM FINANCING ACTIVITIES

Cash from financing activities increased to R5,446 million in 2016 from R21 million used in 2015 and cash used in financing activities decreased in 2015 from R673 million in 2014.

On 4 April 2016, Sibanye drew down R1,330 million under the R4.5 billion Facilities and US$145 million (R2,218 million) under the US$350 million revolving credit facility (RCF) to fund the acquisition of Aquarius. On various dates during 2016, Sibanye made further additional drawdowns of R606 million and repaid R650 million under the R4.5 billion Facilities, and repaid US$45 million (R653 million) under the US$350 million RCF. On 15 November 2016, Sibanye cancelled and refinanced the R4.5 billion Facilities by drawing R3.2 billion under the R6.0 billion RCF. Sibanye made additional drawdowns of R1.9 billion under the R6.0 billion RCF to fund the upfront cash payment for the acquisition of the Rustenburg Operations and for other working capital requirements.

On various dates during 2015, Sibanye made additional drawdowns of R1,000 million and repaid R1,021 million under the R4.5 billion Facilities.

In 2014, Sibanye repaid R656 million debt assumed through the acquisitions of Wits Gold and Cooke. On various dates during 2014, Sibanye made additional drawdowns of R500 million and repaid R900 million under the R4.5 billion Facilities. On 18 December 2014, Sibanye borrowed a further R385 million to fund its portion of the Rand Refinery loan, increasing its debt under the facility to just below R2.0 billion.

NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS

As a result of the above, net cash generated in 2016 amounted to R408 million compared with R155 million in 2015 and R930 million utilised in 2014.

Total Group cash and cash equivalents amounted to R968 million at 31 December 2016 (2015: R717 million and 2014: R563 million).

STATEMENT OF FINANCIAL POSITION

BORROWINGS

Total debt (short- and long-term) excluding R1,753 million attributable to the Burnstone project, which has no recourse to Sibanye's balance sheet, increased to R7,221 million at 31 December 2016 from R1,995 million at 31 December 2015 (2014: R2,036 million).

At 31 December 2016, Sibanye had committed unutilised banking facilities of R4.3 billion available under the R6.0 billion RCF and US$350 million RCF.

For a description of borrowings, see *note 23: Borrowings to the consolidated financial statements*.

WORKING CAPITAL AND GOING CONCERN ASSESSMENT

As at 31 December 2016, the Group's current assets exceeded its current liabilities by R1,466.6 million (2015: current liabilities exceeded current assets by R2,596.6 million) and during the year then ended Sibanye generated cash from operating activities of R4,405.5 million (2015: R3,515.3 million).

Sibanye has entered into a definitive agreement to acquire all of the outstanding common stock of Stillwater Mining Company (Stillwater) for US$18.00 per share, or US$2,200 million (approximately R30 billion) in cash (the Stillwater Transaction). The consideration represents a premium of 23% to Stillwater's prior day closing share price, and 20% to Stillwater's 20-day volume-weighted average closing share price. Sibanye has obtained a US$2,650 million bridge loan facility from a syndicate of banks initially led by Citibank and HSBC which will be utilised only to fund the Stillwater acquisition, refinance existing indebtedness at Stillwater, and pay certain related fees, costs and expenses (see *note 23.6: Acquisition bridge facilities to the consolidated financial statements*). Together with cash on hand, the bridge loan facility is sufficient to fully fund the Stillwater Transaction and is expected to close in the second quarter of 2017.

Post-closing of the Stillwater Transaction, Sibanye expects to raise in the capital markets new equity (of between US$750 million and US$1,300 million) and long-term debt (of between US$1,600 million and US$1,050 million), primarily through a proposed rights offer and a bond issue. Both the rights offer and bond issue are envisaged to be underwritten by some of the bridge facility arranging and funding banks, negotiation of which is ongoing, with the objective of maintaining a strong balance sheet and its

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS continued

dividend policy, and preserving its long-term financial flexibility. To enhance its capital structure and financing mix, Sibanye will also evaluate additional financing structures, which may include, among others, streaming facilities and the issuance of warrants and convertible bonds, all of which will be assessed considering prevailing market conditions, exchange rates and commodity prices. Consistent with its long-term strategy, Sibanye plans to deleverage over time to its targeted leverage (net debt to EBITDA ratio) of no greater than 1.0x EBITDA.

The bridge loan facility currently provides for the equity refinancing to be concluded by 31 October 2017 with the balance to be refinanced within 1 year of closing of the Stillwater Transaction. The bridge loan facility, as well as Sibanye's existing facilities, permit a leverage ratio of 3.0x through to 31 October 2017, and 2.5x thereafter. The leverage ratio provides for pro forma adjustments to include EBITDA from acquired businesses in the calculation.

Sibanye's leverage ratio post the conclusion of the Stillwater Transaction and prior to the proposed rights offer is expected to peak at no more than 2.2x EBITDA. Cash generated from operations and the proceeds of the proposed rights offer is expected to reduce Sibanye's leverage ratio to below 2.2x by 31 December 2017, with the targeted leverage ratio of no greater than 1.0x EBITDA achieved shortly after 31 December 2018.

Aside from the bridge loan facility, the Group has further committed unutilised debt facilities of R4.3 billion at 31 December 2016 (2015: R6.2 billion).

The directors believe that the cash generated by its operations, the Stillwater Transaction bridge loan facility and the remaining balance of the Group's revolving credit facilities will enable the Group to continue to meet its obligations as they fall due. If the Stillwater Transaction is not successful, the directors believe that the cash generated by its operations and the remaining balance of the Group's revolving credit facilities will enable the Group to continue to meet its obligations as they fall due. The consolidated financial statements for the year ended 31 December 2016, therefore, have been prepared on a going concern basis.

OFF BALANCE SHEET ARRANGEMENTS AND CONTRACTUAL COMMITMENTS

At 31 December 2016, Sibanye had no off balance sheet items. For a description of Sibanye's contractual commitments, see the following notes to the consolidated financial statements.

Contractual commitments	Note per the consolidated financial statements
Environmental rehabilitation obligation	24 – Environmental rehabilitation obligation
Commercial commitments	30 – Commitments
Contingent liabilities	31 – Contingent liabilities
Debt	
– capital	23 – Borrowings
– interest	29.2 – Risk management activities

These contractual commitments for expenditure, together with other expenditure and liquidity requirements, will be met from internal cash flow and, to the extent necessary, from the existing facilities.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Sibanye's significant accounting policies are fully described in the various notes to its consolidated financial statements. Some of Sibanye's accounting policies require the application of significant judgements and estimates by management that can affect the amounts reported in the consolidated financial statements.

These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to previous experience, but actual results may differ from the amounts included in the consolidated financial statements.

For Sibanye's significant accounting policies that are subject to significant judgements, estimates and assumptions, see the following notes to the consolidated financial statements:

Significant accounting policy	Note per the consolidated financial statements
Basis of preparation	1 – Accounting policies
Consolidation	1 – Accounting policies
Revenue	3 – Revenue
Royalties, mining and income tax, and deferred tax	8 – Royalties, mining and income tax, and deferred tax
Property, plant and equipment	11 – Property, plant and equipment
Business combinations	12 – Acquisitions
Goodwill	13 – Goodwill
Equity-accounted investments	14 – Equity accounted investments
Environmental rehabilitation obligation funds	16 – Environmental rehabilitation obligation funds
Financial assets and financial liabilities	17 – Financial assets and financial liabilities
Inventories	18 – Inventories
Borrowings	23 – Borrowings
Environmental rehabilitation obligation	24 – Environmental rehabilitation obligation
Contingent liabilities	31 – Contingent liabilities

STATEMENT OF RESPONSIBILITY BY THE BOARD OF DIRECTORS

The directors are responsible for the preparation and fair presentation of the consolidated financial statements of Sibanye, comprising the consolidated statement of financial position at 31 December 2016, and consolidated income statement and consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the consolidated financial statements, which include a summary of significant accounting policies, and other explanatory notes, in accordance with IFRS, as issued by the International Accounting Standards Board (IASB), the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides issued by the Accounting Practices Committee and Financial Reporting Pronouncements issued by the Financial Reporting Standards Council, as well as the requirements of the South African Companies Act and the JSE Listings Requirements.

In addition, the directors are responsible for preparing the directors' report.

The directors consider that, in preparing the consolidated financial statements, they have used the most appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all IFRS standards that they consider to be applicable have been complied with for the financial year ended 31 December 2016. The directors are satisfied that the information contained in the consolidated financial statements fairly presents the results of operations for the year and the financial position of the Group at year end. The directors are responsible for the information included in the annual financial report, and are responsible for both its accuracy and its consistency with the consolidated financial statements.

The directors have responsibility for ensuring that accounting records are kept. The accounting records should disclose with reasonable accuracy the financial position of the Group to enable the directors to ensure that the consolidated financial statements comply with the relevant legislation.

The Group operated in a well-established control environment, which is well documented and regularly reviewed. This incorporates risk management and internal control procedures, which are designed to provide reasonable assurance that assets are safeguarded and the material risks facing the business are being controlled.

The directors have made an assessment of the ability of the Company and its subsidiaries to continue as going concerns and have no reason to believe that Sibanye and its subsidiaries will not be going concerns in the year ahead.

Sibanye has adopted a Code of Ethics, applicable to all directors and employees, which is available on Sibanye's website.

The Group's external auditors, KPMG Inc. audited the consolidated financial statements. For their report, see *Accountability–Independent auditor's report*.

The consolidated annual financial statements were approved by the Board of Directors and are signed on its behalf by:

Neal Froneman
Chief Executive Officer

Charl Keyter
Chief Financial Officer
30 March 2017

COMPANY SECRETARY'S CONFIRMATION

In terms of section 88(2)(e) of the Companies Act 71 of 2008, as amended, I certify that the Company has lodged with the Companies and Intellectual Property Commission all such returns as are required to be lodged by a public company in terms of the Companies Act, and that all such returns are true, correct and up to date.

Cain Farrel
Company Secretary
30 March 2017

CORPORATE GOVERNANCE REPORT

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

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

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 we 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 Bank of New York Mellon (BNYM). 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).

BOARD

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

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

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.

The roles of the Chairman of the Board and the CEO are separate. Independent non-executive director Sello Moloko was the Chairman of the Board and Neal Froneman the CEO for the period under review.

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

For additional information on the Board and its members see *Accountability–Board and executive committee*.

MEMBERSHIP AND ATTENDANCE OF BOARD MEETINGS

	Date				
	23/2	24/5	23/8	17/10	8/11
Sello Moloko (Chairman)	✓	✓	✓	✓	✓
Chris Chadwick	✓	✓	✓	✓	✓
Robert Chan	✓	✓	✓	✓	✓
Tim Cumming	✓	✓	✓	✓	✓
Barry Davison	✓	✓	✓	✓	✓
Neal Froneman	✓	✓	✓	✓	✓
Charl Keyter	✓	✓	✓	✓	✓
Rick Menell	✓	✓	✓	–	✓
Nkosemntu Nika	✓	✓	✓	✓	✓
Keith Rayner	✓	✓	✓	✓	✓
Sue van der Merwe	✓	✓	✓	✓	✓
Jerry Vilakazi	✓	✓	–	✓	✓
Jiyu Yuan	✓	✓	✓	✓	–

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.

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 broad based black economic empowerment (BBBEE) 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 Section 54 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 Chairman is appointed annually by the Board which, with the assistance of the Nominating and Governance Committee, carried out a rigorous review of the Chairman's performance and independence during 2016. The Board concluded that there were no factors that impaired his independence and appointed the Chair for another year.

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

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.

ROTATION AND RETIREMENT FROM THE BOARD

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

Chris Chadwick, Robert Chan, Tim Cumming, Charl Keyter and Sello Moloko retire by rotation at the upcoming AGM to be held on 23 May 2017, and have indicated that they are available for election or re-election

Barry Davison, Neal Froneman, Rick Menell, Keith Rayner and Jerry Vilakazi retire by rotation in 2018.

REMUNERATION

The Board obtains independent advice before making recommendations to shareholders for the remuneration of non-executive directors. The remuneration is paid in accordance with a special resolution approved by the shareholders within the previous two years.

Non-executive directors only receive remuneration due to them as members of the Board. Directors serving on Board sub-committees receive additional remuneration. For details of the directors' remuneration packages as well as those of the prescribed officers, see *Annual financial statements–Notes to the consolidated financial statements–Note 32: Related-party transactions*.

BOARD OF DIRECTORS' CHARTER

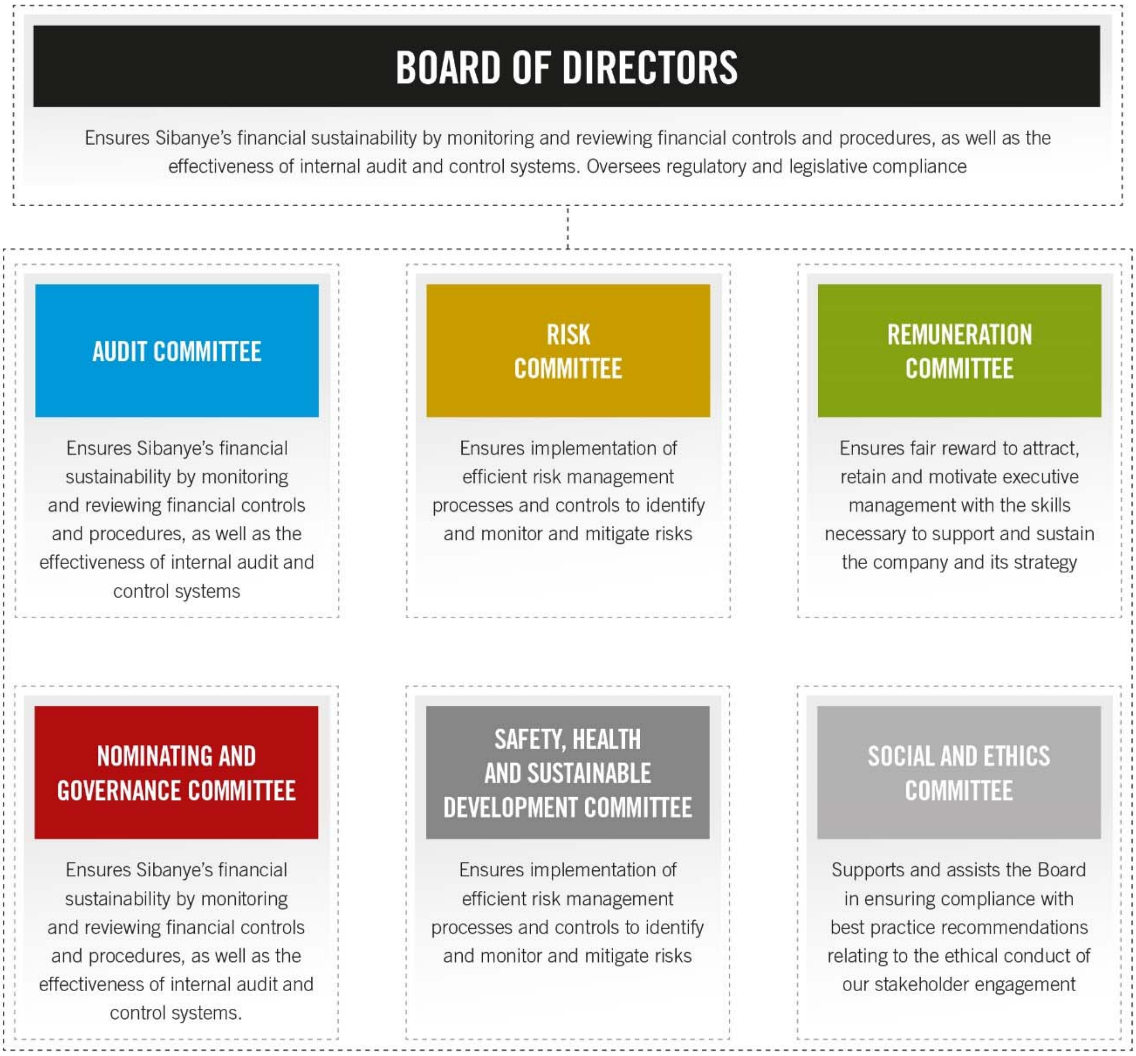
In 2016, the Board reviewed and re-assessed the adequacy of the Charter. This document compels directors to promote the vision of the Group, while upholding sound principles of corporate governance. Directors' responsibilities under the Charter include:

- determining the Group's Code of Ethics and conducting the Group's affairs in a professional manner, upholding the core values of integrity, transparency and enterprise;
- evaluating, determining and ensuring the implementation of corporate strategy and policy;
- determining compensation, development, skills development and other relevant policies for employees;

- developing and setting best-practice disclosure and reporting practices that meet the needs of all stakeholders;
- authorising and controlling capital expenditure and reviewing investment capital and funding proposals;
- constantly updating the risk management systems, including setting management expenditure authorisation levels and exposure limit guidelines; and
- reviewing executive succession planning and endorsing senior executive appointments, organisational changes and general remuneration policies.

In this regard, the Board is guided by the Audit Committee, the Risk Committee, the Nominating and Governance Committee, the Remuneration Committee, and Safety, Health and Sustainable Development Committee.

The Board considers that this annual financial report and associated reports comply in all material respects with the relevant statutory requirements of the various regulations governing disclosure and reporting by Sibanye; and that the consolidated financial statements comply in all material respects with IFRS, the SAICA Financial Reporting Guides issued by the Accounting Practices Committee and Financial Reporting Pronouncements issued by the Financial Reporting Standards Council, the Companies Act and the JSE Listings Requirements. As such, the Board has approved the content of the annual financial report, including the consolidated financial statements on 30 March 2017.



BOARD SUB-COMMITTEES

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

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

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

AUDIT COMMITTEE

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

The CFO's expertise was evaluated by the Audit Committee. The committee was satisfied that the incumbent has the appropriate expertise and experience to carry out his duties as the financial director of the Group and that he was supported by qualified competent senior staff.

The committee reviewed and assessed the independence of the external auditors, including their confirmation in writing that the criteria for independence as set out in the rules of the Independent Regulatory Board for Auditors and international bodies have been followed. The committee is satisfied that KPMG Inc. is independent of the Group and is accredited by the JSE.

Sibanye's CFO and internal and external auditors as well as senior management attend all the Audit Committee meetings and have unrestricted access to the Chairman of this committee. The Audit Committee, in turn, communicates freely with other members of the Board not serving as members of the Audit Committee. To perform its functions effectively, the Audit Committee meets at least quarterly, but more frequently if required.

The Sarbanes-Oxley Act requires the Board to identify an audit committee financial expert from within its ranks or to determine that the Audit Committee does not have a financial expert. The Board has resolved that the committee's Chair, Keith Rayner, is the Audit Committee's financial expert. Further, the Board of Directors believes that the members of the Audit Committee collectively possess the knowledge and experience to oversee and assess the performance of Sibanye's management and auditors, the quality of Sibanye's disclosure controls, the preparation and evaluation of Sibanye's financial statements and Sibanye's financial reporting. Sibanye's Board of Directors also believes that the members of the Audit Committee collectively possess the understanding of audit committee functions necessary to diligently execute their responsibilities.

MEMBERSHIP AND ATTENDANCE OF THE AUDIT COMMITTEE

	Date				
	22/2	10/3	23/5	22/8	7/11
Keith Rayner (Chairman)	✓	✓	✓	✓	✓
Rick Menell	✓	✓	✓	✓	✓
Nkosemntu Nika	✓	✓	✓	✓	✓
Sue van der Merwe	✓	✓	✓	✓	✓

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

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

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

MEMBERSHIP AND ATTENDANCE OF THE RISK COMMITTEE

	Date	
	23/5	7/11
Rick Menell (Chairman)	✓	✓
Chris Chadwick	✓	✓
Robert Chan	✓	✓
Tim Cumming	✓	✓
Keith Rayner	✓	✓
Jiyu Yuan	✓	–

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

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

MEMBERSHIP AND ATTENDANCE OF THE NOMINATING AND GOVERNANCE COMMITTEE

	Date			
	22/2	23/5	22/8	7/11
Sello Moloko (Chairman)	✓	✓	✓	✓
Barry Davison	✓	✓	✓	✓
Rick Menell	✓	✓	✓	✓
Nkosemntu Nika	✓	✓	✓	✓
Jerry Vilakazi	✓	✓	✓	✓

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

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

MEMBERSHIP AND ATTENDANCE OF THE REMUNERATION COMMITTEE

	Date			
	22/2	23/5	22/8	7/11
Tim Cumming (Chairman)	✓	✓	✓	✓
Barry Davison	✓	✓	✓	✓
Sello Moloko	✓	✓	✓	✓
Nkosemntu Nika	✓	✓	✓	✓
Keith Rayner	✓	✓	✓	✓

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.

SAFETY, HEALTH AND SUSTAINABLE DEVELOPMENT COMMITTEE

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

MEMBERSHIP AND ATTENDANCE OF THE SAFETY, HEALTH AND SUSTAINABLE DEVELOPMENT COMMITTEE

	Date			
	22/2	23/5	22/8	7/11
Barry Davison (Chairman)	✓	✓	✓	✓
Chris Chadwick	✓	✓	✓	✓
Neal Froneman	✓	✓	✓	✓
Rick Menell	✓	✓	✓	✓
Sello Moloko	✓	✓	✓	✓
Sue van der Merwe	✓	✓	✓	✓

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

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

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

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

MEMBERSHIP AND ATTENDANCE OF THE SOCIAL AND ETHICS COMMITTEE

	Date			
	22/2	23/5	22/8	7/11
Jerry Vilakazi (Chairman)	✓	✓	✓	✓
Robert Chan	✓	✓	✓	✓
Tim Cumming	✓	✓	✓	✓
Barry Davison	✓	✓	✓	✓
Rick Menell	✓	✓	✓	✓
Sello Moloko	✓	✓	–	✓
Keith Rayner	✓	✓	✓	✓

KEY FOCUS AREAS IN 2016

- United Nations Global Compact (UNGC) principles
- International Council on Mining and Metals (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 Social and Labour Plans, and the Mining Charter scorecard.

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.

JSE CORPORATE GOVERNANCE PRACTICES COMPARED WITH NYSE LISTING STANDARDS

Sibanye's corporate governance practices are regulated by the JSE Listings Requirements. The following is a summary of the significant ways in which South Africa's corporate governance standards and Sibanye's corporate governance practices differ from those followed by domestic companies under the NYSE Listing Standards.

The NYSE Listing Standards require that the non-management directors of US listed companies meet at regularly scheduled executive sessions without management. The JSE Listing Requirements do not require such meetings of listed company non-executive directors. Sibanye's non-management directors meet regularly without management.

The NYSE Listing Standards require US listed companies to have a nominating/corporate governance committee composed entirely of independent directors. The JSE Listings Requirements do not require the appointment of such a committee, however if such a committee is appointed it must stipulate that all members of this committee must be non-executive directors, the majority of whom must be independent and the chair must be the chair of the Board, if independent, or must be the lead independent director, if the Board chair is not independent. Sibanye has a Nominating and Governance Committee which is currently comprised of five non-executive directors, all of whom are independent under the JSE Listings Requirements and chaired by the Chairman of Sibanye, as required by the JSE Listings Requirements.

The NYSE Listing Standards require US listed companies to have a compensation committee composed entirely of independent directors. The JSE Listings Requirements merely require the appointment of such a committee. Sibanye has appointed a Remunerations (or Compensation) Committee, currently comprised of five board members, all of whom are independent under the JSE Listings Requirements.

The NYSE Listings Standards require US listed companies to have an audit committee composed entirely of independent directors. The Companies Act requires that the Audit Committee be approved by shareholders on an annual basis at a company's AGM. The Companies Act and the JSE Listings Requirements also require an audit committee composed entirely of independent directors. Sibanye has appointed an Audit Committee, currently comprised of four board members, all of whom are independent non-executive, as defined under the Companies Act and the JSE Listings Requirements. One of these non-executive directors is also a non-executive director of Gold Fields, the former parent of Sibanye; however, Sibanye believes he satisfies the requirements of Rule 10A-3 under the US Securities Exchange Act of 1934 and applicable NYSE Listing Standards

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.

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.

CHAIRMAN AND INDEPENDENT NON-EXECUTIVE DIRECTOR

SELLO MOLOKO (51)

BSc (Hons) and Postgraduate Certificate in Education, University of Leicester

Advanced Management Programme, University of Pennsylvania Wharton School

Sello Moloko was appointed non-executive Chairman on 1 January 2013. Sello is a founder and the executive Chairman of the Thesele Group Proprietary Limited and Chairman of Alexander Forbes Group Holdings Limited. He has an established career in financial services, including periods as an executive director at Brait Asset Managers as well as CEO of Old Mutual Asset Managers until 2004. Prior to Sibanye, he served as a director of several listed companies including Gold Fields from February 2011 to December 2012. He is a trustee of the Nelson Mandela Foundation. Sello's other directorships include Sycom Property Fund Managers Limited and Acucap Properties Limited.

EXECUTIVE DIRECTORS

NEAL FRONEMAN (57)

Chief Executive Officer and Chairman of the Executive Committee

BSc Mech Eng (Ind Opt), University of the Witwatersrand

BCompt, University of South Africa

PrEng

Neal Froneman was appointed executive director and CEO of Sibanye on 1 January 2013. His career in technical, operations management and corporate development positions spans more than 30 years during which time he worked at Gold Fields of South Africa Limited, Harmony Gold Mining Company Limited (Harmony) and JCI Limited. In April 2003, Neal was appointed CEO of Aflease Gold Limited (Aflease Gold), which, through a series of reverse take-overs, became Gold One International Limited (Gold One) in May 2009. He was primarily responsible for the creation of Uranium One Incorporated (Uranium One) from the Aflease Gold uranium assets. During this period, he was CEO of Aflease Gold and Uranium One until his resignation from Uranium One in February 2008. He held the CEO position at Gold One until his appointment at Sibanye. He is also a non-executive director of 17 Perissa Proprietary Limited, Delview Three Proprietary Limited, Forestry Services Proprietary Limited and Ultimate Marine Ventures Limited. In May 2016, he was elected to serve as a Vice President of the Chamber of Mines of South Africa (Chamber of Mines).

CHARL KEYTER (43)

Chief Financial Officer

BCom, University of Johannesburg

MBA, North-West University

ACMA and CGMA

Charl Keyter was appointed a director on 9 November 2012, and executive director and CFO on 1 January 2013. Previously, he was Vice President and Group Head of International Finance at Gold Fields. Charl has more than 20 years' mining experience, having begun his career at Gold Fields in February 1995. He is also a non-executive director of Oil Recovery and Maintenance Services Proprietary Limited.

NON-INDEPENDENT NON-EXECUTIVE DIRECTORS

CHRISTOPHER CHADWICK (48)

BCompt (Hons) (CTA), University of South Africa

CA(SA)

Christopher (Chris) Chadwick was appointed as a non-executive director on 16 May 2014. Having completed his articles at Deloitte Touche Tohmatsu Limited in 1991, the earlier part of his career was spent with Comair Limited, the largest privately owned airline in South Africa, where he assisted in growing the company tenfold over a period of four years. After financial executive roles in the advertising, fast-moving consumer goods and services industries, Christopher moved into the information technology industry where he assumed financial and strategic directorships for five years. He spent another four years at an investment holding group where he was involved in corporate development and finance across many different sectors. Christopher joined Gold One in July 2008 as a director, having been closely involved in the creation of Gold One through the reverse take-over of Australian-listed BMA Gold Limited.

ROBERT TZE LEUNG CHAN (70)

BSc (Economics) (Hons), University of London

MBA, University of Liverpool

Robert Chan was appointed as a non-executive director on 16 May 2014. He is an experienced banker with over 39 years' experience in commercial and investment banking, having worked in London, Malaysia and Singapore. He retired from the United Overseas Bank Limited (United Overseas Bank) on 31 December 2011 after 35 years' service (25 years as CEO of United Overseas Bank, Hong Kong). Robert has served as an independent non-executive director of Noble Group Limited since 1996. He is an independent non-executive director of Hutchison Port Holdings Trustees Pte Limited, Trustee Manager of Hutchison Port Holdings Trust, a business trust listed in Singapore, as well as Quam Limited, which is listed in Hong Kong. He is currently non-executive Chairman of The Hour Glass (HK) Limited. He is also a Fellow of the Hong Kong Institute of Directors.

JIYA YUAN (55)

Mining Engineering, Xi'an University of Architecture and Technology

Jiyu Yuan was appointed a non-executive director on 12 May 2015. He has 33 years of experience as a mining engineer in China and Peru. He is currently a director of Gold One and a general manager of Shouxin Peru Mine Company Limited. Previously, Jiyu served as a general manager at Xinjiang Mine Development Limited of Baiyin Nonferrous Group Company Limited (Baiyin), General Manager, at Changba Lead and Zinc Mine of Baiyin, Director in the Mine Department of Baiyin and Senior Engineer at Northwest Research Institute of Mining and Metallurgy.

INDEPENDENT NON-EXECUTIVE DIRECTORS

TIMOTHY CUMMING (59)

BSc (Hons) (Engineering), University of Cape Town

BA (PPE)

MA (Oxford)

Timothy (Tim) Cumming was appointed as a non-executive director on 21 February 2013. He is the founder and executive director of Scatterlinks Proprietary Limited, a South African-based company providing mentoring and coaching services to senior business executives as well as leadership and strategic advisory services to companies. He was previously involved with the Old Mutual Group in various capacities: CEO of Old Mutual Investment Group (South Africa) Proprietary Limited; Executive Vice President: Director of Global Business Development of Old Mutual Asset Management for Old Mutual (US) Holdings Inc; Managing Director: Head of Corporate Segment at Old Mutual (South Africa); Strategy Director of Old Mutual Emerging Markets and Interim CEO of Old Mutual Investment Group (South Africa). He was also executive director and Head of Investment Research (Africa) for HSBC Securities (Africa), General Manager at Allan Gray Limited and independent non-executive director of Nedgroup Investments Limited. Tim started his career as an engineer and management trainee at the Anglo American Corporation of South Africa Limited (Anglo American). He worked on a number of diamond mines and was Resident Engineer at Anglo American's gold mines in Welkom, South Africa. He is also a trustee of the Woodside Endowment Trust and chairs the Investment Committee of the Mandela Rhodes Foundation.

BARRY DAVISON (71)

BA (Law and Economics), University of the Witwatersrand

Graduate Commerce Diploma, Birmingham University

CIS Diploma in Advanced Financial Management and Advanced Executive Programme, University of South Africa

Barry Davison was appointed as a non-executive director on 21 February 2013. He has more than 40 years' experience in the mining industry and served as Executive Chairman of Anglo American Platinum, Chairman of Anglo American's Platinum Division, and Ferrous Metals and Industries Division, and was an executive director of Anglo American. He has been a director of a number of listed companies, including Nedbank Group Limited, Kumba Resources Limited, Samancor Limited and the Tongaat-Hulett Group Limited.

RICHARD MENELL (61)

BA (Hons), MA (Natural Sciences, Geology), Trinity College, University of Cambridge

MSc (Mineral Exploration and Management), Stanford University

Richard (Rick) Menell was appointed as a non-executive director on 1 January 2013. He has over 35 years' experience in the mining industry and has been a director of Gold Fields since 8 October 2008. Previously, he occupied the positions of President and Member of the Chamber of Mines; President and CEO of TEAL Exploration & Mining Inc; Chairman of Anglovaal Mining Limited and Avgold Limited; Chairman of Bateman Engineering Proprietary Limited; Deputy Chairman of Harmony and of African Rainbow Minerals Limited. He has also been a director of Telkom Group Limited, Standard Bank of South Africa Limited, and Mutual and Federal Insurance Company Limited. He is currently a non-executive director and Chairman of Credit Suisse Securities

Johannesburg Proprietary Limited, and non-executive director of Gold Fields and The Weir Group plc. Rick is a trustee of the Carrick Foundation. He is co-Chairman of the City Year South Africa Citizen Service Organisation, and Chairman and trustee of the Palaeontological Scientific Trust.

NKOSEMNTU NIKA (58)

BCom, University of Fort Hare

BCompt (Hons), University of South Africa

Advanced Management Programme, INSEAD

CA(SA)

Nkosemntu Nika was appointed as a non-executive director on 21 February 2013. He is currently an independent non-executive director of Scaw South Africa Proprietary Limited and Chairman of the Audit and Risk Committee of Foskor Proprietary Limited. He also serves as non-executive director of Trollope Mining Services Proprietary Limited and Coega Dairies Proprietary Limited, and executive chairman of Mavala Holdings Proprietary Limited. He was previously CFO and Finance Director of PetroSA (SOC) Limited (PetroSA) and Executive Manager: Finance at the Development Bank of Southern Africa. He has held various internal auditing positions at Eskom Holdings (SOC) Limited, Shell Company of South Africa Limited (Shell) and Anglo American. He was also a non-executive Board member of the Industrial Development Corporation of South Africa Limited and chaired its Audit and Risk Committee and Governance and Ethics Committee.

KEITH RAYNER (60)

BCom, Rhodes University

CTA

CA(SA)

Keith Rayner was appointed as a non-executive director on 1 January 2013. Keith is CEO of KAR Presentations, an advisory and presentation corporation specialising in corporate finance and regulatory advice and presentations covering, *inter alia*, the JSE Listings Requirements, Financial Markets Act, Companies Act, governance, takeover law, corporate action strategy, valuation theory and practice, IFRS and various directors' courses. He is an independent non-executive director of Ecponent Limited, and a non-executive director of Nexus Intertrade Proprietary Limited, 2Quins Engineered Business Information Proprietary Limited, Sabi Gold Proprietary Limited, Keidav Properties Proprietary Limited and Appropriate Process Technologies Proprietary Limited. He is a member of the JSE Limited's Issuer Regulation Advisory Committee, a fellow of the Institute of Directors in South Africa (IOD), a non-broking member of the Institute of Stockbrokers in South Africa and a member of the Investment Analysts Society. He is a past member of the SAMREC/SAMVAL working group, the Takeover Regulation Panel's rewrite committee, the IOD's CRISA committee and the South African Institute of Chartered Accountants Accounting Practices Committee.

SUSAN VAN DER MERWE (62)

BA, University of Cape Town

Susan (Sue) van der Merwe was appointed as a non-executive director on 21 February 2013. She served as a member of Parliament for 18 years until October 2013, and held various positions, including Deputy Minister of Foreign Affairs from 2004 to 2010. She is currently a member of the National Executive Committee of the African National Congress (ANC). She has participated in various civil society organisations and currently serves as a trustee and Chair of the Kay Mason Foundation, which is a non-profit organisation assisting disadvantaged scholars in Cape Town. Susan was appointed to the National Council of the South African Institute of International Affairs in 2014.

JERRY VILAKAZI (56)

BA, University of South Africa

MA, Thames Valley University

MA, University of London

MBA, California Coast University

Jerry Vilakazi was appointed a non-executive director on 1 January 2013. He is Chairman of Palama Investment Holdings Proprietary Limited, which he co-founded to facilitate investments in strategic sectors. He is a past CEO of Business Unity South Africa. Prior to this, he was Managing Director of the Black Management Forum. In 2009, Jerry was appointed to the Presidential Broad-based Black Economic Empowerment Advisory Council and, in 2010, he was appointed as a Commissioner of the National Planning Commission, and completed both terms in 2015. He was previously appointed Public Service Commissioner in 1999 and has played a critical role in shaping major public service policies in post-1994 South Africa. Jerry was Chairman of the Mpumalanga Gambling Board from 2006 to 2015 and the State Information Technology Agency (SOC) Proprietary Limited until end of the term in 2015. He previously held the position of Chairman of Netcare Limited and holds non-executive directorships in Blue Label Telecoms Limited, Palama Industrial and Saatchi & Saatchi SA. He is also a former non-executive director of Pretoria Portland Cement Limited.

EXECUTIVE COMMITTEE

The Executive Committee drives and oversees implementation of Sibanye's strategy. The committee has nine members, two of whom are executive directors and meets on a regular basis to discuss and make decisions on the strategic and operating issues facing Sibanye.

ORGANISATIONAL RESTRUCTURING

With effect from 1 January 2016, Sibanye revised its organisational structure in order to ensure that it is optimally positioned for its entry into the PGM mining sector in 2016.

Sibanye has re-structured into two separate, commodity-specific divisions – the Gold Division and the Platinum Division – that focus on operational delivery. Sibanye's Group Services functions provide all non-core, production support services required by the two operating divisions, thereby eliminating any duplication of support and management services so as to achieve cost and efficiency advantages.

The internal restructuring will ensure a sustained focus on the delivery of safe, cost-effective production as Sibanye diversifies and transforms into a multi-commodity business, while striving to minimise operational disruptions. The restructuring also allows for operations management to be positioned closer to the mining face so as to promote operational effectiveness.

As at the end of the year, 31 December 2016, Sibanye was structured as follows:

GOLD DIVISION

The structure of this division is mostly unchanged. Wayne Robinson remains the CEO of the Gold Division. The executive management team supporting Wayne, is Adam Mutshinya as Senior Vice President: Human Capital, Pieter Henning, formerly Vice President: Finance, appointed as Senior Vice President: Finance for the division and Corne Strydom, formerly Vice President: Driefontein, appointed as Senior Vice President: Organisational Effectiveness.

PLATINUM DIVISION

The Platinum Division's executive management team is aligned with that of the Gold Division. Robert van Niekerk, previously Executive Vice President: Organisational Effectiveness at Sibanye, is CEO of the Platinum Division, with Bheki Khumalo appointed as Senior Vice President: Human Capital, Dawie van Aswegen appointed as Senior Vice President: Technical Services and Kevin Robertson appointed as Senior Vice President: Organisational Effectiveness. This follows the appointment, in 2015, of Justin Froneman as Senior Vice President: Finance and Shadwick Bessit, previously Senior Vice President: Underground Operations, Kloof and Driefontein, as Senior Vice President: Mining.

GROUP EXECUTIVE

At a group-level, the Executive Committee oversees implementation of and drives Sibanye's strategy. This committee is headed up by the CEO, Neal Froneman, and comprise executive director Charl Keyter (CFO) and prescribed officers Hartley Dikgale (General Counsel and Regulatory Affairs), Dawie Mostert (Commercial Services), Themba Nkosi (Human Capital), Wayne Robinson (Gold and Uranium Division), Richard Stewart (Business Development), Robert van Niekerk (Platinum Division) and John Wallington (Corporate Affairs and Sustainability). The Executive Committee is complemented by members of the CEO's Office, which houses key strategic functions including Protection Services (Nash Lutchman), Investor Relations (James Wellsted) and Strategy (George Ashworth).

Sibanye's revised leadership structures aims to facilitate the seamless transition of Sibanye into a multi-commodity business, and in particular to facilitate the effective integration of the Rustenburg and Aquarius operations into the Platinum Division.

At 28 March 2017, the membership of Sibanye's Executive Committee is as follows:

Membership of the Executive Committee	
Neal Froneman (CEO)	Wayne Robinson
Charl Keyter (CFO)	Richard Stewart
Hartley Dikgale	Robert van Niekerk
Dawie Mostert	John Wallington[2]
Themba Nkosi[1]	

[1] Appointed as a prescribed officer on 4 July 2016.
[2] Appointed as a prescribed officer on 1 February 2016.

HARTLEY DIKGALE (56)

Executive Vice President: General Counsel and Regulatory Affairs

Bluris, University of the North

LLB, HDip (Company Law), University of the Witwatersrand

LLM, Vista University

Hartley Dikgale is an admitted advocate of the High Court of South Africa and has more than 30 years of corporate experience as a business executive. He has served on more than 20 boards of directors of listed and unlisted companies. He was introduced to the mining sector in 2004 when he was appointed to the Board of Pamodzi Gold Limited as a non-executive director. He has worked for, among others, Sanlam Limited, Old Mutual, the Independent Communications Authority of South Africa, Rand Water Board and Pamodzi Investment Holdings Proprietary Limited. In recent years (from 2010 to 2012), Hartley has worked for Rand Uranium Proprietary Limited (Rand Uranium) in an executive capacity as Senior Vice President: General Counsel. When Gold One acquired Rand Uranium, Hartley joined Gold One as Senior Vice President: General Counsel from 2012 to 2013. Hartley joined Sibanye in May 2013 where he served in a similar capacity until he was recently appointed as the Executive Vice President: General Counsel and Regulatory Affairs.

DAWIE MOSTERT (47)

Executive Vice President: Commercial Services

Diploma in Labour Relations

MDP (Adv Labour Law)

MBA, University of South Africa

Dawie Mostert, who has more than 20 years' experience in the mining industry, was appointed on 1 January 2013 as Senior Vice President: Organisational Effectiveness, focused on introducing new operating and business models in support and directing the turnaround at Sibanye. With Sibanye adopting value creation as its strategic intent and consequently entering PGM mining sector, he accepted the position and role as Executive Vice President: Commercial Services. Prior to joining Sibanye, he served as Vice President: Commercial Services at Gold One in 2012 and Vice President: Human Capital at Great Basin Gold from 2006 to 2012. Prior to joining Great Basin Gold in 2006, he was Executive: Organisational Development and Employee Relations at Harmony from 2002 to 2006. Dawie joined Harmony in 1996 as part of the acquisition transformational team and was appointed Mine Manager at the then Elandsrand mine from 2001 to 2002.

THEMBA NKOSI (43)

Executive Vice President: Human Capital

BA Hons (Employment Relations), University of Johannesburg

BTech, Human Resources – Peninsula Technikon

Human Resources Executive Program – University of Michigan

Themba Nkosi was appointed on 1 August 2016. He has more than 20 years' experience in human resources, corporate affairs, communication and stakeholder engagement. Prior to joining Sibanye, he was Head: Human Resources, Transformation and Corporate Communications at ArcelorMittal from March 2015. He previously occupied several senior management positions at ArcelorMittal (from June 2009 to June 2016) and Human Resources Director for Sub-Saharan Africa at the PepsiCo Group (from April 2004 to March 2009).

WAYNE ROBINSON (54)

Divisional CEO: Gold and Uranium

BSc (Mechanical Engineering), University of Natal

BSc (Mining Engineering), University of the Witwatersrand

PrEng

South African Mine Manager's Certificate of Competency (Metalliferous)

South African Mechanical Engineer's Certificate of Competency

Wayne Robinson was appointed as Divisional CEO: Gold and Uranium after serving as Senior Vice President: Underground Operations – Beatrix and Cooke from June 2014. Wayne has worked in the South African gold and platinum mining sectors for more than 25 years with experience in underground mine management. Prior to joining Sibanye, he was the Executive Vice President of Cooke Operations and served on Gold One's Executive Committee from 2012 to 2014. He held senior management positions at Eastern Platinum Limited from 2006 to 2012, at Richards Bay Minerals, from 2005 to 2006 and at Gold Fields, after qualifying as a mechanical and mining engineer.

RICHARD STEWART (41)

Executive Vice President: Business Development

BSc (Hons), PhD (Geology), University of the Witwatersrand

MBA, Warwick Business School (UK)

PrSciNat

Richard Stewart has over 17 years' experience in South Africa's geological and mining industries, and is a Fellow of the Geological Society of South Africa. Prior to joining Sibanye in 2014, he served on the Gold One Executive Committee (from August 2009 to April 2014) with the most recent appointment at Gold One as Executive Vice President: Technical Services and was also CEO of Goliath Gold Limited (from January 2013 to April 2014). Prior to that he held management positions at the Council for Scientific and Industrial Research Mining Technology division, Shango Solutions (where he remains a director), Uranium One and was an Investment Consultant for African Global Capital Proprietary Limited.

ROBERT VAN NIEKERK (52)

Divisional CEO: Platinum

National Higher Diploma (Metalliferous Mining), Technikon Witwatersrand

BSc (Mining Engineering), University of the Witwatersrand

South African Mine Manager's Certificate of Competency

Robert van Niekerk was recently appointed to this position in November 2016 after serving as Executive Vice President: Organisational Effectiveness from January 2016 and Senior Vice President: Organisational Effectiveness from February 2013. Prior to joining Sibanye (in February 2013), he was the Senior Vice President and Group Technical Head of Mining at Gold Fields Limited from November 2011. He previously occupied several senior operational and executive management positions at Harmony Gold Mining Company Limited, Anglo American Platinum, Uranium One Incorporated and Gold One International Limited. Robert began his mining career in 1982 at Barlows as a Learner Official and progressed through the ranks at a number of South African underground and surface mining operations.

JOHN WALLINGTON (59)

Executive Vice President: Corporate Affairs and Sustainability

BSc (Mining Engineering), University of the Witwatersrand

South African Mine Manager's Certificate of Competency

Senior Executive Management Programme, London School of Business

John Wallington was appointed to this position in February 2016. Prior to joining Sibanye, he served as the CEO of Coal of Africa and for Anglo American Coal. He has over 30 years' experience in the coal exploration and mining industry.

REPORT OF THE AUDIT COMMITTEE

The Audit Committee has formal terms of reference which are updated on an annual basis. The Board is satisfied that the Audit Committee has complied with these terms, and with its legal and regulatory responsibilities as set out in the Companies Act, King III and the JSE Listings Requirements.

The Audit Committee consisted of four independent non-executive directors throughout the financial year. For membership and attendance at meetings, see *Accountability–Corporate governance report–Board sub-committees–Audit Committee*.

The Board believes that the members collectively possess the knowledge and experience to supervise Sibanye's financial management, internal and external auditors, the quality of Sibanye's financial controls, the preparation and evaluation of Sibanye's consolidated financial statements and Sibanye's financial reporting.

The Board has established and maintains internal controls and procedures, which are reviewed on a regular basis. These are designed to manage the risk of business failures and to provide reasonable assurance against such failures. However, this is not a guarantee that such risks are eliminated.

It is the duty of the Audit Committee, *inter alia*, to monitor and review:

- the effectiveness of the internal audit function; findings and the appointment of external auditors; reports of both internal and external auditors;
- evaluation of the performance of the CFO;
- the governance of information technology (IT) and the effectiveness of the Group's information systems;
- interim and annual financial and operating reports, the consolidated annual financial statements and all other widely distributed financial documents;
- the Form 20-F filing with the SEC;
- accounting policies of the Group and proposed revisions;
- compliance with applicable legislation, requirements of appropriate regulatory authorities and Sibanye's Code of Ethics;
- the integrity of the annual financial report and associated reports (by ensuring that its content is reliable and recommending it to the Board for approval); and
- policies and procedures for preventing and detecting fraud.

Internal and external auditors have unrestricted access to the Audit Committee, the Audit Committee Chairman and the Chairman of the Board, ensuring that auditors are able to maintain their independence. Both the internal and external auditors report at Audit Committee meetings. The Audit Committee also meets with both internal and external auditors separately without other invitees being present. Management may attend the Audit Committee meetings by invitation.

The Audit Committee is responsible for recommending the appointment of an independent firm of external auditors to the Board who will in turn recommend the appointment to the shareholders.

The Audit Committee is also responsible for determining that the designated appointee has the necessary independence, experience, qualifications and skills, and that audit and other fees are reviewed and approved.

The Audit Committee has reviewed and assessed the independence of the external auditor, and has confirmed in writing that the criteria for independence, as set out in the rules of the Independent Regulatory Board for Auditors and international bodies, have been followed. The Audit Committee is satisfied that KPMG Inc. is independent of the Group. The following aggregate audit, audit-related fees, tax fees and all other fees were billed by our external auditors (KPMG Inc.) for 2016, 2015 and 2014:

Figures in million - SA rand	**2016**	**2015**	**2014**
Audit fees[1]	**24.8**	**19.0**	16.1
Audit-related fees[2]	**4.1**	**3.0**	1.2
Tax fees[3]	**0.1**	**0.2**	–
All other fees[4]	**8.9**	**0.8**	–
Total	**37.9**	**23.0**	17.3

[1] Audit fees consist of fees billed for the annual audit of Sibanye's consolidated financial statements, audit of the Group's internal controls over financial reporting in accordance with section 404 of the Sarbanes-Oxley Act and the audit of statutory financial statements of the Company's subsidiaries, including fees billed for assurance and related services that are reasonably related to the performance of the audit or reviews of the Company's financial statements that are services that only an external auditor can reasonably provide.

[2] Audit-related fees consist of the review of documents filed with regulatory authorities, consultations concerning financial accounting and reporting standards, review of security controls and operational effectiveness of systems, and due diligence related to acquisitions.

[3] Tax fees include fees billed for tax compliance, tax advice, tax planning and other tax-related services.

[4] All other fees consist of fees for all other services not included under audit fees, audit related fees or tax fees.

The Audit Committee determines the nature and extent of non-audit services that the firm can provide and pre-approves all permitted non-audit assignments by the Group's independent auditor. In accordance with the SEC rules regarding auditor independence, the Audit Committee has established policies and procedures for audit and non-audit services provided by an independent auditor. The rules apply to Sibanye and its consolidated subsidiaries engaging any accounting firms for audit services and the auditor who audits the accounts filed with the SEC (the external auditor) for permissible non-audit services. When engaging the external auditor for permissible non-audit services (audit related services, tax services, and all other services), pre-approval is obtained prior to the commencement of the services.

The Audit Committee approves the annual audit plan presented by the external auditors and monitors progress against the plan. The audit plan provides the Audit Committee with the necessary assurance on risk management, internal control environments and IT governance. The Audit Committee recommends that KPMG Inc. is reappointed for the 2017 financial year with Jacques Erasmus as the designated group audit engagement partner.

REPORT OF THE AUDIT COMMITTEE continued

The Audit Committee has satisfied itself that both KPMG Inc. and Jacques Erasmus are accredited in terms of the JSE Listings Requirements.

The internal control systems of the Group are monitored by internal auditors who report their findings and recommendations to the Audit Committee and to senior management. The Audit Committee determines the purpose, authority and responsibility of the internal audit function (Internal Audit) in an Internal Audit Charter. The internal audit function is headed by the Vice President: Internal Audit, who may be appointed or dismissed by the Audit Committee. The Audit Committee is satisfied that the incumbent Vice President: Internal Audit has the requisite skills and experience and that she is supported by a sufficient staff complement with appropriate skills and training.

Sibanye's Internal Audit operates in accordance with the International Standards for the Professional Practice of Internal Auditing as prescribed by the Institute of Internal Auditors. The internal audit activities carried out during the year were identified through a combination of the Sibanye Risk Management framework and the risk-based methodologies adopted by Internal Audit. The Audit Committee approves the annual internal audit assurance plan presented by Internal Audit and monitors progress against the plan.

Internal Audit reports deficiencies to the Audit Committee every quarter together with recommended remedial actions, which are then followed up. Internal Audit provided the Audit Committee with a written report, which assessed as adequate the internal controls over financial reporting, IT governance and the risk management process during 2016.

The Audit Committee is responsible for IT governance on behalf of the Board and reviews the report of the IT Senior Manager at each meeting.

The Audit Committee evaluated the expertise and performance of the CFO during 2016. It is satisfied that he has the appropriate expertise and experience to carry out his duties as the CFO of the Group, and is supported by qualified and competent senior staff.

AUDIT COMMITTEE STATEMENT

Based on information from, and discussions with, management and external auditors, the Audit Committee has no reason to believe that there were any material breakdowns in the design and operating effectiveness of internal financial controls during the year and that the financial records may be relied upon as the basis for preparation of the consolidated financial statements.

The Audit Committee has considered and discussed this annual financial report and associated reports with both management and the external auditors.

During this process, the Audit Committee:

- evaluated significant judgements and reporting decisions;
- determined that the going-concern basis of reporting is appropriate;
- evaluated the material factors and risks that could impact on the annual financial report and associated reports;
- evaluated the completeness of the financial and sustainability discussion and disclosures; and
- discussed the treatment of significant and unusual transactions with management and the external auditors.

The Audit Committee considers that the annual financial report complies in all material respects with the statutory requirements of the various regulations governing disclosure and reporting of the consolidated annual financial statements and that the consolidated annual financial statements comply in all material respects with IFRS, as issued by the IASB, the SAICA Financial Reporting Guides issued by the Accounting Practices Committee and Financial Reporting Pronouncements issued by the Financial Reporting Standards Council, as well as the requirements of the South African Companies Act and the JSE Listings Requirements. The Audit Committee has recommended to the Board that the consolidated annual financial statements be adopted and approved by the Board.

Keith Rayner CA(SA)
Chairman: Audit Committee
30 March 2017

DIRECTORS’ REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The directors have pleasure in submitting this report and the consolidated annual financial statements of Sibanye for the year ended 31 December 2016.

PROFILE

BUSINESS OF THE GROUP

The Sibanye Group is an independent, South African domiciled precious metals mining group, which currently owns and operates gold and uranium operations and projects throughout the Witwatersrand Basin in South Africa, as well as PGM operations in the Bushveld Igneous Complex in South Africa and the Great Dyke in Zimbabwe. The Group currently owns and operates four underground and surface gold operations, namely Driefontein, Kloof and Cooke in the West Witwatersrand region and Beatrix in the southern Free State province. The Group also owns and operates underground and surface PGM operations, including the Rustenburg Operations in South Africa, a 50% interest in the Kroondal Operations in South Africa and a 50% interest in the Mimosa Operations, a PGM joint venture in Zimbabwe.

At 31 December 2016, Sibanye had gold mineral reserves of 28.7Moz (2015: 31.0Moz and 2014: 28.4Moz), uranium mineral reserves of 113.2Mlb (2015: 113.8Mlb and 2014: 102.5Mlb) and maiden 4E PGM mineral reserves of 23.2Moz.

REVIEW OF OPERATIONS

For a review of Sibanye’s operations, see *Overview–Management’s discussion and analysis of the financial statements–2016 financial performance compared with 2015 and 2014*.

FINANCIAL RESULTS

The information on the financial position of the Group for the year ended 31 December 2016 is set out in the consolidated annual financial statements including the notes, which appear elsewhere in this annual financial report. The income statement for the Group shows a profit of R3,271 million for the year ended 31 December 2016 compared with R538 million in 2015.

DIRECTORATE

COMPOSITION OF THE BOARD

There were no changes to the composition of the Board.

For the membership of the Board and its sub-committees, see *Accountability–Corporate governance report–Board* and *Accountability–Corporate governance report–Board sub-committees*.

ROTATION OF DIRECTORS

Directors retiring in terms of the Company’s MOI are Chris Chadwick, Robert Chan, Tim Cumming, Charl Keyter and Sello Moloko.

All the directors are eligible and offer themselves for re-election.

The directors of various subsidiaries of the Company comprise some of the executive officers and one of the executive directors, where appropriate.

DIRECTORS’ AND OFFICERS’ DISCLOSURE OF INTERESTS IN CONTRACTS

As of the date of this report, none of the directors, officers or major shareholders of Sibanye or, to the knowledge of Sibanye’s management, their families, had any interest, direct or indirect, in any transaction during the last fiscal year or in any proposed transaction which has affected or will materially affect Sibanye or its investment interests or subsidiaries. None of the directors or officers of Sibanye or any associate of such director or officer is currently or has been at any time during the past fiscal year materially indebted to Sibanye.

For related party information, see *Annual financial statements–Notes to the consolidated financial statements–Note 32: Related-party transactions*.

FINANCIAL AFFAIRS

DIVIDEND POLICY

Sibanye‘s dividend policy is to return at least 25% to 35% of normalised earnings to shareholders and after due consideration of future requirements the dividend may be increased beyond these levels. Normalised earnings are defined as profit for the year excluding gains and losses on foreign exchange differences and financial instruments, non-recurring items, and share of results of equity-accounted investees after tax.

For the year under review, the Group paid a total dividend of R1,611 million compared with R658 million in 2015.

On 23 February 2017, a final dividend in respect of the six months ended 31 December 2016 of 60 SA cents per share was approved by the Board, resulting in a total dividend of 145 SA cents per share for the year ended 31 December 2016.

BORROWING POWERS

In terms of Clause 4 of the Company's MOI, the borrowing powers of the Company are unlimited. As at 31 December 2016, the borrowings of the Company and the Group, excluding the Burnstone Debt, was R7,219 million (2015: R1,962 million) and R7,221 million (2015: R1,995 million), respectively, see *Annual financial statements–Notes to the consolidated financial statements–Note 23: Borrowings*.

Sibanye is subject to financial and other covenants and restrictions under its credit facilities from time to time. Such covenants may include restrictions on Sibanye incurring additional financial indebtedness and obligations to maintain certain financial covenant ratios for as long as any amount is outstanding under such facilities.

SIGNIFICANT ANNOUNCEMENTS

SIBANYE AND THE WATERBERG COAL GROUP TERMINATE DISCUSSIONS – 25 FEBRUARY 2016

Sibanye and Waterberg Coal Company Limited, Firestone Energy Limited, Sekoko Resources Proprietary Limited and Sekoko Coal Proprietary Limited (collectively the Waterberg Coal Group) were unable to agree on revised terms post completion of the due diligence, and accordingly all discussions were terminated.

FINALISATION ANNOUNCEMENT OF THE AQUARIUS TRANSACTION – 22 MARCH 2016

In accordance with the implementation agreement signed in October 2015, Sibanye and Aquarius agreed that the conditions fulfilment date was set as 24 March 2016. On the conditions fulfilment date, the parties confirmed that all of the conditions required for the transaction to proceed were satisfied and exchanged executed copies of the amalgamation agreement, as well as other documentation required for the transaction to become effective. For additional information of the acquisition of Aquarius, see *Annual financial statements–Notes to the consolidated financial statements–Note 12.1: Aquarius acquisition*.

SIBANYE BOOSTS EDUCATION WITH A R6.2 MILLION FACILITY IN THE FREE STATE – 5 JULY 2016

Sibanye financed and delivered a state-of-the-art, multi-purpose hall, to the Free State Department of Education as per its Social and Labour Plan agreements. The project is a R6.2 million investment that will benefit learners and community members in and around the town of Theunissen in the Free State, within the Masilonyana Local Municipality.

SIBANYE GOLD ENTERS INTO FURTHER SECTION 189 CONSULTATIONS ON THE FUTURE OF THE COOKE 4 OPERATION – 11 JULY 2016

In September 2014, due to historical operational underperformance, Sibanye entered into a period of consultation with relevant stakeholders which, in November 2014, resulted in the stakeholders agreeing to implement specific measures to return the operation to profitability and thereby minimise job losses. Despite intense monitoring and interventions by a joint management and labour committee over the 17 months since the previous section 189 consultation was concluded, the Cooke 4 Operation continued to fall short of production targets and losses continued to accumulate.

In view of the sustained losses at the Cooke 4 Operation and considering the extensive efforts to improve productivity and reduce the operation's cost structures, Sibanye gave notice in terms of section 189A of the Labour Relations Act 66 of 1995.

For additional information of the impairment of the Cooke 4 Operation's mining assets, see *Annual financial statements–Notes to the consolidated financial statements–Note 7: Impairments*.

SIBANYE TAKES OWNERSHIP OF THE RUSTENBURG PLATINUM MINES AND IMPLEMENTS MANAGEMENT CHANGES – 1 NOVEMBER 2016

On 19 October 2016, Sibanye announce that the acquisition, by Sibanye Rustenburg Platinum Mines Proprietary Limited (SRPM) from RPM, of the Rustenburg Operations, was unconditional. This followed, amongst other things, the granting of consent in terms of section 11 of the Mineral and Petroleum Resources Development Act, 2002 for the sale by RPM of the Mining Right and the Prospecting Right to SRPM.

The acquisition of the Rustenburg Operations became effective on 1 November 2016. The Rustenburg Operations Transaction was fully implemented, following settlement of the initial upfront purchase price of R1.5 billion in cash, from Sibanye's existing cash resources and debt facilities.

The BBBEE ownership of SRPM was also agreed and implemented with effect from 1 November 2016 such that Sibanye holds 74% of SRPM, with the remaining 26% held through Newshelf 1335 Proprietary Limited (BBBEE SPV). The shareholders of BBBEECo SPV are 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 (20.0%).

For additional information of the acquisition of the Rustenburg Operations, see *Annual financial statements–Notes to the consolidated financial statements–Note 12.2: The Rustenburg Operations acquisition*.

SIBANYE ANNOUNCES PROPOSED ACQUISITION OF STILLWATER MINING COMPANY – 9 DECEMBER 2016

Sibanye reached a definitive agreement to acquire Stillwater for US$18 per share in cash, or US$2.2 billion in aggregate (approximately R30 billion). The consideration represents a premium of 23% to Stillwater's prior day closing share price, and 20% to Stillwater's 20-day volume-weighted average closing share price.

GOING CONCERN

The consolidated financial statements have been prepared using appropriate accounting policies, supported by reasonable judgements and estimates. The directors believe that the Group has adequate resources to continue as a going concern for the foreseeable future. For further details on the Group's liquidity position at 31 December 2016 and potential impact of the Stillwater Transaction on the Group's liquidity position, see *Annual financial statements–Notes to the consolidated financial statements–Note 29.2: Risk management activities–Liquidity risk*.

SPECIAL RESOLUTIONS PASSED BY SUBSIDIARY COMPANIES

The following special resolutions were passed by subsidiary companies during the year ended 31 December 2016:

1. SPECIAL RESOLUTION PASSED BY SIBANYE RESOURCES PROPRIETARY LIMITED, SIBANYE RUSTENBURG PLATINUM MINES PROPRIETARY LIMITED, SIBANYE PLATINUM PROPRIETARY LIMITED AND NEWSHELF 1335 PROPRIETARY LIMITED

Special resolution passed by the sole shareholder of the subsidiary companies listed below, in terms of sections 16(1) and 16(5)(a) of the Companies Act that the directors of the company propose to the shareholder of the company that the existing MOI of the company be replaced in its entirety by a new MOI.

- Sibanye Resources Proprietary Limited;
- Sibanye Rustenburg Platinum Mines Proprietary Limited;
- Sibanye Platinum Proprietary Limited; and
- Newshelf 1335 Proprietary Limited.

2. SPECIAL RESOLUTION PASSED BY KROONDAL OPERATIONS PROPRIETARY LIMITED AND KROONDAL OPERATIONS CORPORATE SERVICES PROPRIETARY LIMITED

Special resolution passed by the sole shareholder of the subsidiary companies listed below, in terms of sections 16(1), 16(5)(a) and 57(2)(a) of the Companies Act that the directors of the company propose to the shareholder of the company that the name of the company be changed, and existing MOI of the company be replaced in its entirety by a new MOI.

- Kroondal Operations Proprietary Limited; and
- Kroondal Operations Corporate Services Proprietary Limited.

3. SPECIAL RESOLUTION PASSED BY SIBANYE PLATINUM INTERNATIONAL HOLDING MINES PROPRIETARY LIMITED

Special resolution passed by the sole shareholder of Sibanye Platinum International Holding Mines Proprietary Limited, in terms of section 57(2)(a) of the Companies Act that the directors of the company propose to the shareholder of the company that the name of the company be changed.

4. SPECIAL RESOLUTION PASSED BY VARIOUS SUBSIDIARY COMPANIES

Special resolution passed by the majority shareholder of the subsidiary companies listed below, approving that the directors of the company may at any time and from time to time during the two years from the passing hereof authorise the company, in terms of and subject to the provisions of section 45(3)(b) of the Companies Act, to provide any type of direct or indirect financial assistance as defined in section 45(1) of the Companies Act, to any company or corporation that is related or inter-related to the company, on such terms and conditions and for such amounts as the directors may determine.

- Bushbuck Ventures Proprietary Limited;
- Living Gold Proprietary Limited;
- Newshelf 1114 Proprietary Limited; and
- Oryx Ventures Proprietary Limited.

5. SPECIAL RESOLUTION PASSED BY VARIOUS SUBSIDIARY COMPANIES

Special resolution passed by the sole shareholder of the subsidiary companies listed below, approving that the directors of the company may at any time and from time to time during the two years from the passing hereof authorise the company in terms of and subject to the provisions of section 45(3)(b) of the Companies Act, to provide any type of direct or indirect financial assistance as defined in section 45(1) of the Companies Act, to any company or corporation that is related or inter-related to the company, on such terms and conditions and for such amounts as the directors may determine.

- Agrihold Proprietary Limited;
- Ezulwini Mining Company Proprietary Limited;
- Golden Hytec Farming Proprietary Limited;
- Golden Oils Proprietary Limited;
- Kroondal Operations Proprietary Limited;
- K2013164354 Proprietary Limited;
- M Janse van Rensburg Proprietary Limited;
- Milen Mining Proprietary Limited;
- Sibanye Gold Academy Proprietary Limited;
- Puma Gold Proprietary Limited;
- Rand Uranium Proprietary Limited;
- Sibanye Gold Eastern Operations Proprietary Limited;
- Sibanye Gold Nursing College Proprietary Limited;
- Sibanye Gold Protection Services Limited;
- Sibanye Gold Shared Services Proprietary Limited;
- Sibanye Resources Proprietary Limited;
- Sibanye Rustenburg Platinum Mines Resources Proprietary Limited;
- Sibanye Solar PV Proprietary Limited;
- Sibanye Uranium Proprietary Limited;
- St Helena Hospital Proprietary Limited;
- West Driefontein Gold Mining Company Proprietary Limited;
- Witwatersrand Consolidated Gold Resources Proprietary Limited; and
- Witwatersrand Deep Investments Proprietary Limited.

LITIGATION

The Group provides occupational healthcare services to its employees through its existing facilities at the various operations. There is a risk that the cost of providing such services could increase in the future depending upon changes in the nature of underlying legislation and the profile of employees. Any such increased cost has not yet been quantified. The costs are however also mitigated by advances in technology relating to occupational health. The Group is monitoring developments in this regard.

The principal health risks associated with Sibanye's mining operations in South Africa arise from occupational exposure to silica dust, noise, heat and certain hazardous chemicals. The most significant occupational diseases affecting Sibanye's workforce include lung diseases (such as silicosis, tuberculosis, a combination of the two and chronic obstructive airways disease (COAD) as well as noise induced hearing loss. The Occupational Diseases in Mines and Works Act, 78 of 1973, or ODMWA, governs the compensation paid to mining employees who contract certain illnesses, such as silicosis. Recently, the South African Constitutional Court ruled that a claim for compensation under ODMWA does not prevent an employee from seeking compensation from its employer in a civil action under common law (either as individuals or as a class). While issues, such as negligence and causation, need to be proved on a case by case basis, it is possible that such ruling could expose Sibanye to individual or class action claims related to occupational hazards and diseases (including silicosis). If Sibanye were to face a significant number of such claims and the claims were suitably established against it, the payments of compensation for the claims could have a material adverse effect on Sibanye's results of operations and financial position. In addition, Sibanye may incur significant additional costs arising out of these issues, including costs relating to the payment of fees, levies or other contributions in respect of compensatory or other funds established (if any) and expenditures arising out of its efforts to resolve any outstanding claims or other potential action.

On 21 August 2012, a court application was served on a group of respondents that included Sibanye (the August Respondents). On 21 December 2012, a further court application was issued and was formally served on a number of respondents, including Sibanye (the December Respondents) and, again on 10 January 2013, both the August Respondents and the December Respondents (together the Respondents), on behalf of current and former mine workers, and their dependents, of, amongst others, Sibanye and who allegedly contracted silicosis and/or other occupational lung diseases (OLD) (the Class). The court application of 21 August 2012 and 21 December 2012 are together referred to below as the Applications.

Sibanye filed a notice of its intention to oppose the applications and its attorneys to defend the claims.

DIRECTORS' REPORT continued

These Applications requested that the court:

1. As a first phase, certify a class action to be instituted by the applications on behalf of the class, as defined.
2. As a second phase, split the class, as defined into smaller classes based on common legal and factual issues. The Respondents are of the view that the definition of the class in the first phase and the proposed process involving the second phase are contrary to South African legal precedent.
3. In the last phase, bring action wherein they will attempt to hold the respondents liable for silicosis and other OLD and resultant consequences.

The Applications do not identify the number of claims that may be instituted against the Respondents or the quantum of damages that the applicants may seek.

The Applications were heard during the weeks of 12 and 19 October 2015. Judgement was handed down certifying a class action to be instituted.

Anglo American South Africa, Anglo Gold Ashanti Limited (AngloGold Ashanti), Gold Fields, Harmony and Sibanye announced in November 2014 that they have formed a gold mining industry working group to address issues relating to the compensation and medical care for OLD in the gold mining industry in South Africa. Essentially, the companies are seeking a comprehensive and sustainable solution which deals both with the legacy compensation issues and future legal frameworks which, while being fair to employees, also ensures the future sustainability of companies in the industry.

The companies have engaged all stakeholders on these matters, including government, organised labour, other mining companies and legal representatives of claimants who have filed legal suits against the companies. These legal proceedings are being defended.

On 13 May 2016, the High court ruled in favour of the applicants and found that there were sufficient common issues to certify two industry-wide classes: (i) a silicosis class comprising current and former mine workers who have contracted silicosis and the dependents of mine workers who have died of silicosis; and (ii) a tuberculosis class comprising current and former mine workers who have worked on the mines for a period of not less than two years and who have contracted pulmonary tuberculosis and the dependents of deceased mine workers who died of pulmonary tuberculosis. The High court ordered a two-stage process in the class action: (i) resolve common issues and allow individuals to opt out, and (ii) allow the individuals to opt in to the class to make claims against the Respondents. The High court also decided that claims for general damages will transmit to the estate of the deceased mine worker who dies after the date of filing of the certification application.

On 3 June 2016, Sibanye and the other Respondents filed an application with the High Court for leave to appeal to the Supreme Court of Appeal. Arguments in the application for leave to appeal were heard on 23 June 2016. On 24 June 2016, leave to appeal was (i) granted in respect of the transferability of general damages claims but (ii) denied in respect of certification of silicosis and tuberculosis classes. On 15 July 2016, Sibanye and the other Respondents each filed petitions with the supreme Court of Appeal for leave to appeal against the certification of the two separate classes for silicosis and tuberculosis.

On 21 September 2016, the Supreme Court of Appeal granted the Respondents leave to appeal against all aspects of the class certification judgement of the High Court delivered in May 2016. The appeal record has been filed.

At this stage, Sibanye can neither quantify the potential liability from the action due to the inherent legal and factual uncertainties with respect to the pending claims and other claims not yet filed against the Group nor can the length of time until finalisation or quantum be estimated.

ADMINISTRATION

Cain Farrel was appointed Company Secretary of Sibanye with effect from 1 January 2013.

With effect from 11 February 2013, Computershare Investor Services Proprietary Limited became the Company's South African transfer secretaries and Capita Asset Services became the United Kingdom registrars of the Company.

AUDITORS

The Audit Committee has recommended to the Board that KPMG Inc. continues in office in accordance with section 90(1) of the Companies Act and in terms of the JSE Listings Requirements. Jacques Erasmus is the designated group audit engagement partner, accredited by the JSE, for Sibanye.

SUBSIDIARY COMPANIES

For details of major subsidiary companies in which the Company has a direct or indirect interest, see *Annual financial statements–Notes to the consolidated financial statements–Note 1.3: Consolidation*.

SHARE CAPITAL STATEMENT

AUTHORISED AND ISSUED

At the shareholder's meeting held on 21 November 2012 (Gold Fields being the sole shareholder) the Company's authorised and issued share capital each consisting of 1,000 par value shares of R1.00 each was converted into 1,000 ordinary shares with no par value. The authorised share capital was increased by the creation of a further 999,999,000 ordinary no par value shares, each ranking pari passu in all respects with the existing no par value shares in the Company's share capital so as to result in the Company's authorised share capital being 1,000,000,000 ordinary no par value shares. As at 31 December 2012 the authorised share capital was 1,000,000,000 ordinary no par value shares and the issued share capital was 1,000 ordinary no par value shares.

On 1 February 2013, prior to the unbundling of Sibanye from Gold Fields on 18 February 2013, Gold Fields subscribed for a further 731,647,614 shares in Sibanye for R17,246 million.

The authorised share capital was increased to 2,000,000,000 during the year ended 31 December 2015 and as of 31 December 2015, the authorised share capital was 2,000,000,000 ordinary no par value shares and the issued share capital was 916,140,552 ordinary no par value shares.

During 2016, the Company issued 12,863,790 shares as part of the Sibanye Gold Limited 2013 Share Plan.

As at 31 December 2016, the authorised share capital was 2,000,000,000 ordinary no par value shares and the issued share capital was 929,004,342 ordinary no par value shares.

In terms of the general authority granted at the shareholder's meeting on 24 May 2016, the authorised but unissued ordinary share capital of the Company representing not more than 5% of the issued share capital of the Company as at 31 December 2015, after setting aside so many ordinary shares as may be required to be allotted and issued pursuant to the share incentive scheme, was placed under the control of the directors.

This authority expires at the next AGM where shareholders will be asked to place under the control of the directors the authorised but unissued ordinary share capital of the Company representing not more than 5% of the issued share capital of the Company from time to time.

REPURCHASE OF SHARES

The Company has not exercised the general authority granted to buy back shares from its issued ordinary share capital granted at the shareholders' meeting held on 24 May 2016.

At the next AGM, shareholders will be asked to approve the general authority for the acquisition by the Company, or a subsidiary of the Company, of its own shares.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF SIBANYE GOLD LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the consolidated financial statements of Sibanye Gold Limited and its subsidiaries (the Group) set out on pages 48 to 101, which comprise the consolidated statement of financial position as at 31 December 2016, and the consolidated income statement, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Sibanye Gold Limited and its subsidiaries as at 31 December 2016, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Independent Regulatory Board for Auditors *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants* (Part A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

THE RUSTENBURG OPERATIONS ACQUISITION AND SHARE-BASED PAYMENT TRANSACTION (PROPERTY, PLANT AND EQUIPMENT – R4,021.5 MILLION; GAIN ON ACQUISITION – R2,428.0 MILLION; SHARE-BASED PAYMENT – R240.3 MILLION)

Refer to notes 12.2 and 6.3 to the financial statements.

The key audit matter

Effective 19 October 2016, the Group acquired the Rustenburg Operations for R3.1 billion, consisting of R1.57 billion in cash and the true-up amount for working capital at the closing date and R1.55 billion as a deferred payment. This acquisition was accounted for in terms of IFRS 3 *Business Combinations* (IFRS 3) on a provisional basis.

Significant judgement was required to be exercised by the Group in the application of certain IFRS 3 principles and in understanding both the legal structure and economic form of the transaction. The identification of assets acquired and liabilities assumed and the determination of the measurement of the fair values in respect of those assets and liabilities required significant judgements to be made, particularly regarding estimating future production levels, future capital expenditures, commodity prices, operating costs and economic assumptions such as discount rate and foreign currency exchange rates included in the life-of-mine plan. As part of the acquisition, the Group also completed a Black Economic Empowerment transaction which required significant judgement in the application of accounting principles, particularly relating to IFRS 10 *Consolidated Financial Statements* (IFRS 10).

Due to the size and complexity of the acquisition, we considered the acquisition to be a key audit matter.

How the matter was addressed in our audit

Our procedures related to the acquisition included, amongst others:

- evaluating the Group's methodology, assumptions and estimates used to identify and determine the fair value of the assets acquired and liabilities assumed, including the estimated future production levels, future capital expenditures, commodity prices, operating costs, discount rate and foreign currency exchange rates included in the life-of-mine plan;
- assessing the design and operating effectiveness of controls over management's review of the abovementioned assumptions;
- involving our own valuation specialists, who assisted us in challenging the discount rates applied and other assumptions used by comparing to external benchmarks, as well as evaluating the accuracy of the modeling process, comparing past estimates to actual results and evaluating the appropriateness of the assumptions made based on our knowledge of the Group and the industry;
- recalculating the expected purchase price, based on the abovementioned assumptions;
- evaluating the appropriateness of recognising the gain on acquisition;

- assessing the adequacy of the Group's disclosures in respect of the acquisition in terms of IFRS 3, including those disclosures relating to the disclosure of significant accounting judgements and estimates used to determine the expected cash flows used to determine the fair values of the identified assets and liabilities; and
- evaluating the substance of the Black Economic Empowerment transaction and assessing the nature of the economic benefit to be provided to Bakgatla-Ba-Kgafela Investment Holdings and Siyanda Resources Proprietary Limited. We assessed whether the Group controls and therefore should consolidate the entities in the structure (BBBEE SPV, employee and community trusts, Bakgatla-Ba-Kgafela Investment Holdings Proprietary Limited and Siyanda Resources Proprietary Limited) in terms of IFRS 10. We further evaluated the appropriateness of the valuation of the relating obligation.

AQUARIUS ACQUISITION (PROPERTY, PLANT AND EQUIPMENT – R1,680.8 MILLION; EQUITY-ACCOUNTED INVESTMENTS – R2,066.7 MILLION; GOODWILL – R400.6 MILLION)

Refer to notes 12.2 and 13 to the financial statements.

The key audit matter

Effective 12 April 2016, Sibanye acquired Aquarius for R4.3 billion and has accounted for the transaction in terms of IFRS 3.

The identification of assets acquired and liabilities assumed and the determination of the measurement of the fair values in respect of those assets and liabilities required significant judgements to be made, particularly regarding the discounted cash flows of the expected platinum group metals (PGM) reserves and costs to extract the PGMs. Key assumptions used in the valuation related to future production levels, commodity prices, future commodity prices, operating costs, tax rates and economic assumptions such as discount rates and foreign currency exchange rates included in the life-of-mine plan.

Due to the size and complexity of the acquisition, we considered the acquisition to be a key audit matter.

How the matter was addressed in our audit

Our procedures relating to the Aquarius acquisition included, amongst others:

- evaluating the Group's methodology, assumptions and estimates used to determine the fair value of its assets, including the estimated future production levels, future capital expenditures, commodity prices, operating costs, tax rates, discount rates and foreign currency exchange rates included in the life-of-mine plan;
- assessing the design and operating effectiveness of controls over management's review of the abovementioned assumptions;
- involving our own valuation specialists, who assisted us in challenging the discount rates, taxation rate used for the foreign operation and other assumptions used by comparing to external benchmarks, as well as evaluating the accuracy of the modeling process, comparing past estimates to actual results and evaluating the appropriateness of the assumptions made based on our knowledge of the Group and its industry.
- evaluating the appropriateness of the provisional allocation of calculated goodwill to relevant cash generating units by challenging the Group's assessment of where expected synergies will be realised and the reasonableness of the value of the expected synergies allocated to those cash generating units, based on our knowledge of the Group; and
- assessing the adequacy of the Group's disclosures in respect of the acquisition in terms of IFRS 3, including those disclosures relating to the disclosure of significant accounting judgements and estimates used to determine the expected cash flows used to determine the fair values of the identified assets and liabilities.

IMPAIRMENT OF COOKE ASSETS (PROPERTY, PLANT AND EQUIPMENT – R1,171.7 MILLION; GOODWILL – R201.3 MILLION)

Refer to notes 7, 11 and 13 to the financial statements.

The key audit matter

An impairment indicator relating to the Cooke operations was identified due to operational difficulties being experienced, continued rising operational costs and the decrease in the rand gold price.

As the Cooke 4 Operation continued to fall short of production targets and losses continued to accumulate, the Group impaired the mining assets, included in property, plant and equipment, by R816.7 million. The impairment was based on negative cash flows expected for the remainder of the life of mine.

Further, due to a decrease in the Rand gold price the Group impaired all the goodwill allocated to the Cooke operations by R201.3 million and impaired the mining assets at Cooke 1,2 and 3, included in property, plant and equipment, by R355.0 million to R1.8 billion. The impairment was based on the estimated fair value less cost of disposal over the life of mine using discounted cash flows from the expected gold reserves, rand gold price and costs to extract the gold.

The impairment of the Cooke mining assets was considered to be a key audit matter due to the significant judgement required in determining the recoverable value of the related mining assets.

How the matter was addressed in our audit

Our procedures related to the Cooke assets impairment included, amongst other:

- evaluating the Group's assumptions and estimates used to determine the recoverable value of its assets, including those included in the life-of-mine plan. This includes the Rand gold price, operating and capital expenditure, discount rate and foreign currency exchange rates used in determining the recoverable value;
- assessing the design and operating effectiveness of controls over management's review of the abovementioned assumptions;
- challenging these assumptions by comparing to external benchmarks, as well as evaluating the accuracy of the modeling process by comparing past estimates to actual results and evaluating the assumptions based on our knowledge of the Group and its industry;
- performing sensitivity analyses to consider the impact of changes in assumptions and estimates;
- assessing the adequacy of the Group's disclosures in respect of the impairment recorded, including those disclosures relating to the disclosure of significant accounting judgements and estimates used to determine the recoverable value.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the Company secretary's confirmation, Report of the audit committee, and the Directors' report as required by the Companies Act of South Africa, and the Annual Financial Report and the Integrated Annual Report. Other information does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITY OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that KPMG Inc. has been the auditor of Sibanye Gold Limited for seven years.

KPMG Inc.
Per Jacques Erasmus
Chartered Accountant (SA)
Registered Auditor
Director
30 March 2017

85 Empire Road
Parktown
2193
Gauteng
South Africa

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2016

Figures in million - SA rand	Notes	2016	2015	2014
Revenue	3	**31,240.7**	22,717.4	21,780.5
Cost of sales	4	**(24,751.0)**	(20,017.0)	(17,566.1)
Net operating profit		**6,489.7**	2,700.4	4,214.4
Interest income	14, 16	**331.4**	257.0	183.2
Finance expense	5	**(903.1)**	(561.8)	(400.0)
Share-based payments	6	**(496.2)**	(274.4)	(417.9)
Loss on financial instruments	6	**(1,032.8)**	(229.5)	(107.7)
Gain/(loss) on foreign exchange differences		**219.6**	(359.4)	(63.3)
Share of results of equity-accounted investees after tax	14	**13.3**	116.0	(470.7)
Other income		**131.9**	125.7	155.9
Other costs		**(490.6)**	(227.9)	(265.0)
Impairments	7	**(1,381.1)**	-	(275.1)
Gain on disposal of property, plant and equipment	11	**95.4**	58.7	9.5
Gain on acquisition	12	**2,428.0**	-	-
Restructuring costs		**(187.7)**	(104.8)	(160.3)
Transaction costs		**(157.0)**	(25.7)	(111.6)
Net loss on derecognition of financial guarantee asset and liability		**-**	(158.3)	-
Reversal of impairment	11	**-**	-	474.1
Profit before royalties and tax		**5,060.8**	1,316.0	2,765.5
Royalties	8.1	**(546.6)**	(400.6)	(430.5)
Profit before tax		**4,514.2**	915.4	2,335.0
Mining and income tax	8.2	**(1,243.2)**	(377.2)	(828.1)
Profit for the year		**3,271.0**	538.2	1,506.9
Attributable to:				
Owners of Sibanye		**3,701.6**	716.9	1,551.5
Non-controlling interests		**(430.6)**	(178.7)	(44.6)
Earnings per share attributable to owners of Sibanye				
Basic earnings per share - cents	9.1	**402**	79	186
Diluted earnings per share - cents	9.2	**401**	78	182

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2016

Figures in million - SA rand	2016	2015	2014
Profit for the year	**3,271.0**	538.2	1,506.9
Other Comprehensive income			
Items that may be reclassified to profit or loss			
Foreign currency translation	(131.4)	-	-
Other comprehensive income, net of tax	**(131.4)**	-	-
Total comprehensive income	**3,139.6**	538.2	1,506.9
Attributable to:			
Owners of Sibanye	**3,570.2**	716.9	1,551.5
Non-controlling interests	**(430.6)**	(178.7)	(44.6)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2016

Figures in million - SA rand	Notes	2016	2015	2014
ASSETS				
Non-current assets		**34,018.1**	25,515.0	25,981.4
Property, plant and equipment	11	**27,240.7**	22,132.4	22,704.0
Goodwill	13	**936.0**	736.7	736.7
Equity-accounted investments	14	**2,157.4**	167.5	69.4
Environmental rehabilitation obligation funds	16	**3,100.5**	2,413.9	2,192.8
Other receivables	17.1	**355.3**	1.3	1.4
Financial guarantee asset		**-**	-	225.5
Deferred tax assets	8.3	**228.2**	63.2	51.6
Current assets		**7,703.2**	2,750.7	1,940.5
Inventories	18	**676.8**	405.9	327.7
Trade and other receivables	19	**5,747.9**	1,627.4	992.8
Other receivables	17.1	**310.6**	-	-
Financial guarantee asset		**-**	-	57.1
Cash and cash equivalents	20	**967.9**	717.4	562.9
Total assets		**41,721.3**	28,265.7	27,921.9
EQUITY AND LIABILITIES				
Equity attributable to owners of Sibanye		**16,679.7**	14,875.0	14,656.3
Stated share capital	21	**21,734.6**	21,734.6	21,734.6
Other reserves		**2,978.8**	2,938.2	2,819.1
Accumulated loss		**(8,033.7)**	(9,797.8)	(9,897.4)
Non-controlling interests	22	**17.7**	109.8	329.6
Total equity		**16,697.4**	14,984.8	14,985.9
Non-current liabilities		**18,787.3**	7,933.6	9,365.4
Borrowings	23	**8,221.5**	1,808.3	2,615.8
Environmental rehabilitation obligation	24	**3,982.2**	2,411.0	2,486.8
Post-retirement healthcare obligation		**16.3**	16.3	15.1
Share-based payment obligations	6.4	**246.5**	136.6	378.4
Other payables	17.2	**1,613.7**	-	-
Deferred tax liabilities	8.3	**4,707.1**	3,561.4	3,869.3
Current Liabilities		**6,236.6**	5,347.3	3,570.6
Borrowings	23	**752.3**	1,995.3	554.2
Share-based payment obligations	6.4	**235.2**	463.0	20.8
Trade and other payables	25	**5,180.5**	2,759.4	2,714.6
Tax and royalties payable	28	**68.6**	129.6	84.0
Financial guarantee liability		**-**	-	197.0
Total equity and liabilities		**41,721.3**	28,265.7	27,921.9

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

Figures in million - SA rand	Notes	Stated share capital	Share-based payment reserve	Foreign currency translation reserve	Accumulated loss	Equity attributable to owners of Sibanye	Non-controlling interests	Total equity
Balance at 31 December 2013		**17,245.8**	**2,643.3**	**-**	**(10,467.9)**	**9,421.2**	**2.2**	**9,423.4**
Total comprehensive income for the year		-	-	-	1,551.5	**1,551.5**	(44.6)	**1,506.9**
Profit for the year		-	-	-	1,551.5	**1,551.5**	(44.6)	**1,506.9**
Other comprehensive income		-	-	-	-	**-**	-	**-**
Share-based payments	6	-	175.8	-	-	**175.8**	-	**175.8**
Dividends paid	10	-	-	-	(1,005.2)	**(1,005.2)**	-	**(1,005.2)**
Shares issued	21	4,488.8	-	-	-	**4,488.8**	-	**4,488.8**
Acquisition of subsidiary with non-controlling interests	12	-	-	-	-	**-**	396.2	**396.2**
Transaction with non-controlling interests	22	-	-	-	24.2	**24.2**	(24.2)	**-**
Balance at 31 December 2014		**21,734.6**	**2,819.1**	**-**	**(9,897.4)**	**14,656.3**	**329.6**	**14,985.9**
Total comprehensive income for the year		-	-	-	716.9	**716.9**	(178.7)	**538.2**
Profit for the year		-	-	-	716.9	**716.9**	(178.7)	**538.2**
Other comprehensive income		-	-	-	-	**-**	-	**-**
Share-based payments	6	-	119.1	-	-	**119.1**	-	**119.1**
Dividends paid	10	-	-	-	(658.4)	**(658.4)**	-	**(658.4)**
Transaction with non-controlling interests	22	-	-	-	41.1	**41.1**	(41.1)	**-**
Balance at 31 December 2015		**21,734.6**	**2,938.2**	**-**	**(9,797.8)**	**14,875.0**	**109.8**	**14,984.8**
Total comprehensive income for the year		-	-	(131.4)	3,701.6	**3,570.2**	(430.6)	**3,139.6**
Profit for the year		-	-	-	3,701.6	**3,701.6**	(430.6)	**3,271.0**
Other comprehensive income		-	-	(131.4)	-	**(131.4)**	-	**(131.4)**
Share-based payments	6	-	172.0	-	-	**172.0**	-	**172.0**
Dividends paid	10	-	-	-	(1,610.6)	**(1,610.6)**	(1.3)	**(1,611.9)**
Acquisition of subsidiary with non-controlling interests	12	-	-	-	-	**-**	12.9	**12.9**
Transaction with non-controlling interests	22	-	-	-	(326.9)	**(326.9)**	326.9	**-**
Balance at 31 December 2016		**21,734.6**	**3,110.2**	**(131.4)**	**(8,033.7)**	**16,679.7**	**17.7**	**16,697.4**

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2016

Figures in million - SA rand	Notes	2016	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash generated by operations	26	**9,836.3**	6,130.4	7,081.4
Post-retirement health care payments		**(1.2)**	(0.1)	(2.4)
Cash-settled share-based payments paid	6	**(1,518.6)**	(42.2)	(166.6)
Change in working capital	27	**(237.6)**	(668.0)	214.5
		8,078.9	5,420.1	7,126.9
Interest received		**112.2**	117.3	68.5
Interest paid		**(441.1)**	(260.2)	(194.0)
Royalties paid	28.1	**(555.9)**	(395.4)	(650.1)
Tax paid	28.2	**(1,176.7)**	(656.3)	(1,347.1)
Dividends paid	10	**(1,611.9)**	(658.4)	(1,005.2)
Guarantee fee received		**-**	9.6	53.6
Guarantee release fee		**-**	(61.4)	-
Net cash from operating activities		**4,405.5**	3,515.3	4,052.6
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to property, plant and equipment	11	**(4,151.1)**	(3,344.8)	(3,250.8)
Proceeds on disposal of property, plant and equipment	11	**99.4**	65.1	22.6
Investment in subsidiaries	12	**(5,801.5)**	-	(415.3)
Cash acquired on acquisition of subsidiaries	12	**494.2**	-	38.1
Loan advanced to equity-accounted investee	14	**(10.1)**	(3.0)	(384.6)
Loan repaid by equity-accounted investee	14	**-**	20.9	-
Contributions to environmental rehabilitation obligation funds	16	**(74.7)**	(77.8)	(69.3)
Payment of environmental rehabilitation obligation		**-**	(0.3)	(10.9)
Loans granted to subsidiaries prior to acquisition		**-**	-	(238.6)
Net cash used in investing activities		**(9,443.8)**	(3,339.9)	(4,308.8)
CASH FLOWS FROM FINANCING ACTIVITIES				
Loans raised	23	**17,280.5**	1,552.0	1,623.6
Loans repaid	23	**(11,834.7)**	(1,572.9)	(2,296.9)
Net cash from/(used in) financing activities		**5,445.8**	(20.9)	(673.3)
Net increase/(decrease) in cash and cash equivalents		**407.5**	154.5	(929.5)
Effect of exchange rate fluctuations on cash held		**(157.0)**	-	-
Cash and cash equivalents at beginning of the year		**717.4**	562.9	1,492.4
Cash and cash equivalents at end of the year	20	**967.9**	717.4	562.9

The accompanying notes form an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1. ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. Where an accounting policy is specific to a note, the policy is described in the note which it relates to. These policies have been consistently applied to all the periods presented, however the accounting policies have been expanded for the Platinum Group Metals (PGM) assets (due to the Aquarius and the Rustenburg Operations acquisitions).

1.1 REPORTING ENTITY

Sibanye Gold Limited (Sibanye, the Group or the Company) is a South African focused gold and platinum producer, listed on the Main Board of the JSE Limited (JSE) and New York Stock Exchange (NYSE). Sibanye's Gold Division consists of Driefontein, Kloof, Beatrix and Cooke operations. Sibanye's Platinum Division consists of the newly acquired 50% owned operations of Kroondal and Mimosa, Platinum Mile and the Rustenburg Operations. Sibanye's Gold and Platinum divisions as well as a number of service company subsidiaries are, collectively referred to as the Group.

1.2 BASIS OF PREPARATION

The consolidated financial statements for the year ended 31 December 2016 have been prepared on a going concern basis in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB), the South African Institute of Chartered Accountants Financial Reporting Guides issued by the Accounting Practices Committee and Financial Reporting Pronouncements issued by the Financial Reporting Standards Council, as well as the requirements of the South African Companies Act and JSE Listings Requirements. The consolidated annual financial statements have been prepared under the historical cost convention, except for financial assets and financial liabilities (including derivative instruments), which are measured at fair value through profit or loss.

STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2016

During the financial year, the following new and revised accounting standards and amendments to standards became effective and had no significant impact on the Group's financial statements:

Pronouncement	Title	Effective date
IAS 1 *Presentation of Financial Statement* (Amendment)	Disclosure Initiative	1 January 2016
Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to 4 standards	Improvements to IFRSs 2012-2014 cycle	1 January 2016

During the financial year, the following new and revised accounting standards and amendments to standards became effective and had an impact on the Group's financial statements:

Pronouncement	Title	Effective date
IFRS 11 *Joint Arrangement* (Amendment)	*Accounting for Acquisitions of Interests in Joint Operations* The amendments add new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business which specify the appropriate accounting treatment for such acquisitions. *The impacts have been applied to the Aquarius acquisition and related acquisition method of accounting.*	1 January 2016

STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS WHICH ARE NOT YET EFFECTIVE

Certain new standards, amendments and interpretations to existing standards have been published that apply to the Group's accounting periods beginning on or after 1 January 2017 but have not been early adopted by the Group. The standards, amendments and interpretations that are applicable to the Group are:

Pronouncement	Title	Effective date[1]
IFRS 2 *Share-based payment* (Amendments)	*Classification and Measurement of Share-based Payment Transactions* The amendments clarify three main areas: • The effects of vesting conditions on measurement of a cash-settled share-based payment transaction. • The classification of a share-based payment transaction with net settlement features for withholding tax obligations. • The accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity-settled.	1 January 2018
IFRS 9 *Financial instruments* (New standard)	IFRS 9 arises from a three-part project to replace IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting, and a new impairment model for financial assets. The Group has performed a preliminary assessment of the potential impact of adoption of IFRS 9 based on its positions at 31 December 2016, which is subject to changes arising from further detailed analyses or additional reasonable and supportable information being made available to the Group in the future. Overall, the Group does not expect that the new guidance, if applied at 31 December 2016, would have had a significant impact on its balance sheet. The Group expects to continue measuring environmental rehabilitation obligation funds at fair value. Financial assets, and trade and other receivables are held to collect contractual cash flows and have contractual cash flows that are solely payments of principal and interest. The Group therefore expects that these will continue to be measured at amortised cost under IFRS 9. The Group however will analyse the contractual cash flow characteristics of those instruments in more detail before concluding whether all those instruments meet the criteria for amortised cost measurement under IFRS 9. There will be no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities. IFRS 9 requires the Group to record expected credit losses on all of its loans and trade receivables, either on a 12-month or lifetime basis. The Group expects to apply the simplified approach and record lifetime expected losses on all trade receivables. The Group is assessing the extent of this impact, but, in general, expects that the application of the expected credit loss model will result in earlier recognition of credit losses. The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Group's disclosures about its financial instruments particularly in the year of the adoption of the new standard. The Group does not intend to adopt IFRS 9 before the effective date.	1 January 2018

Pronouncement	Title	Effective date[1]
IFRS 15 *Revenue from Contracts with Customers* (New standard)	IFRS 15 will supersede the current revenue recognition guidance including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and the related interpretation when it becomes effective. IFRS 15 establishes a single comprehensive five-step model to account for revenue arising from contracts with customers and is based on the core principle that revenue is recognised when control of a good or service transfers to a customer. The Group has performed a preliminary assessment of the potential impact of IFRS 15, which is subject to changes arising from a more detailed ongoing analysis. Revenue from gold sales is currently recognised when the gold is delivered to the refinery, which is taken to be the point in time at which the related risks and rewards of ownership transfers. Revenue is recognised at this point provided that the revenue and costs can be measured reliably, the recovery of the consideration is probable and there is no continuing management involvement. The Group expects that the revenue from gold sales will still be recognised when the gold is delivered to the refinery, as this is when control is considered to be transferred. Revenue from PGM concentrate sales is currently recognised when the risks and rewards of ownership of the mine product are passed to the buyer pursuant to a sale contract. The Group expects that the revenue from PGM concentrate sales will still be recognised when the concentrate is delivered to the customer, as this is when control is considered to be transferred. The Group is performing more detailed assessments of the impact resulting from the application of IFRS 15 and expects to disclose additional information before it adopts IFRS 15. The Group does not intend to adopt IFRS 15 before the effective date.	1 January 2018
IFRS 16 *Leases* (New standard)	IFRS 16 replaces the previous lease standard IAS 17 *Leases* and related interpretations. IFRS 16 has one model for lessees which will result in almost all leases being recognised on balance sheet as the distinction between operating and finance leases is removed. The only exceptions are short-term and low-value leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). The Group plans to assess the potential effect of IFRS 16 on its consolidated financial statements in 2017. The Group does not intend to adopt IFRS 16 before the effective date.	1 January 2019
IAS 7 *Statements of Cash Flows* (Amendment)	*Disclosure initiative* The amendments require entities to disclose information about changes in financing liabilities.	1 January 2017
IAS 12 *Income Taxes* (Amendment)	*Recognition of Deferred Tax Assets for Unrealised Losses* The amendments clarify the requirements on recognition of deferred tax assets for unrealised losses on debt instruments measured at fair value.	1 January 2017

[1] *Effective date refers to annual period beginning on or after said date.*

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

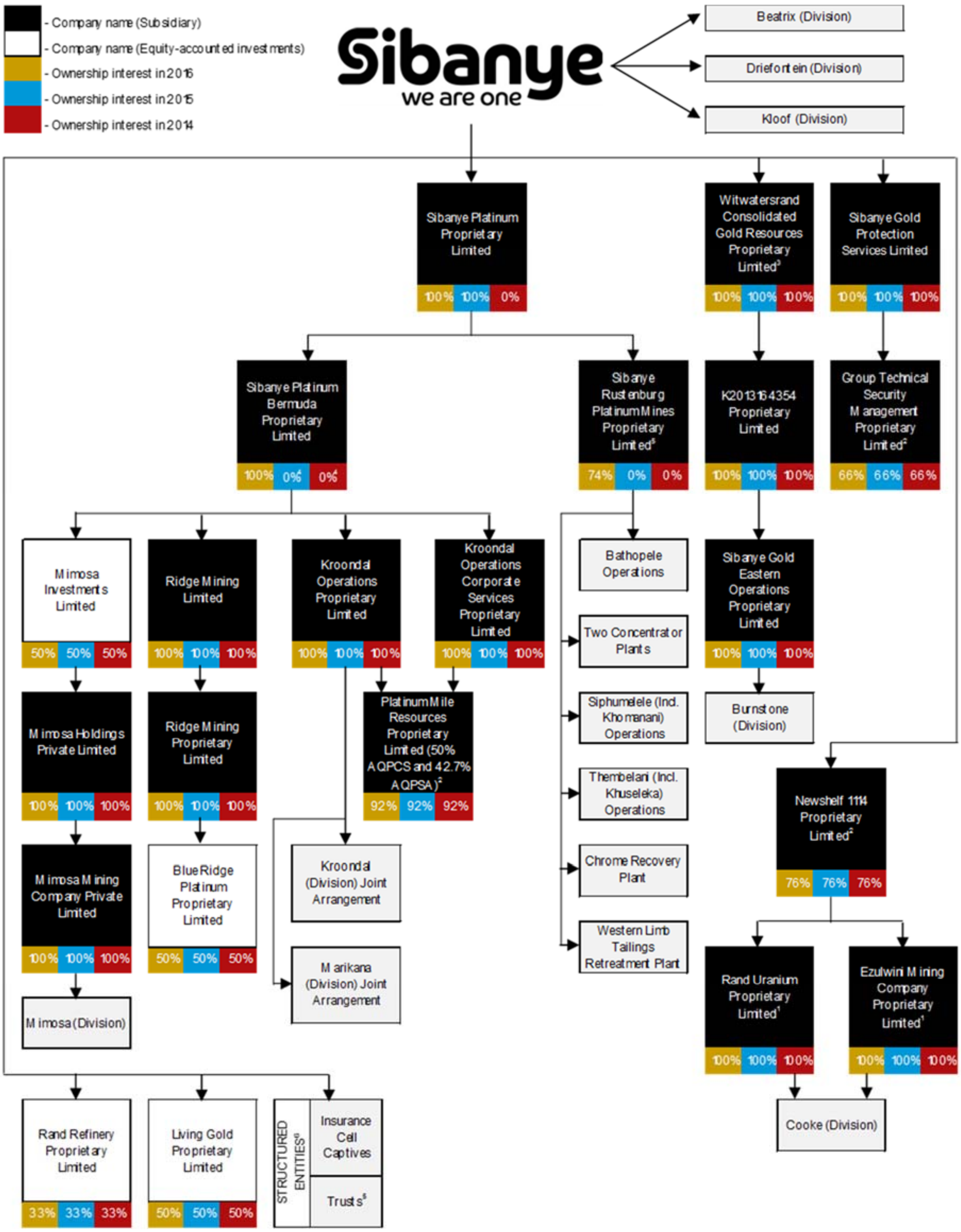
Use of estimates: The preparation of the financial statements requires the Group's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The determination of estimates requires the exercise of judgement based on various assumptions and other factors such as historical experience, current and expected economic conditions, and in some cases actuarial techniques. Actual results could differ from those estimates.

The more significant areas requiring the use of management estimates and assumptions relate to Mineral Reserves that are the basis of future cash flow estimates and unit-of-production depreciation and amortisation calculations, impairments, reversal of impairments, revenue recognition, joint arrangements, write-downs of inventory to net realisable value, deferred tax, borrowings, environmental, reclamation and closure obligations, and contingent liabilities.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the financial period are discussed under the relevant note of the item affected.

1.3 CONSOLIDATION



[1] Rand Uranium Proprietary Limited (Rand Uranium) and Ezulwini Mining Company Proprietary Limited (Ezulwini) together own a number of underground and surface mining operations. These operations report to the Group's chief operating decision maker (the Executive Committee) as a separate segment, namely Cooke.
[2] The non-controlling interests in the statement of changes in equity relates to the attributable share of accumulated profits of the Newshelf 1114 Proprietary Limited (Newshelf 1114) group, Goldfields Technical Security Management Proprietary Limited (GTSM) and Platinum Mile Resources Proprietary Limited (Platinum Mile) (refer to note 22).
[3] Witwatersrand Consolidated Gold Resources Proprietary Limited (Wits Gold) has ceded and pledged its shares in K2013164354 Proprietary Limited (K2013) (a dormant entity) and K2013 has ceded and pledged it shares in Sibanye Gold Eastern Operations Proprietary Limited (SGEO) in favour of the lenders of the Burnstone Debt (refer to note 23.4).
[4] In terms of the Aquarius Transaction (refer to note 12.1) Sibanye acquired all of the shares in Aquarius Platinum Limited (Aquarius), and Sibanye Platinum Bermuda Proprietary Limited and Aquarius were amalgamated. Aquarius' ownership in its subsidiaries remained unchanged.
[5] In terms of the Rustenburg Operations Transaction (refer to note 12.2) a 26% stake in Sibanye Rustenburg Platinum Mines Proprietary Limited (SRPM) was acquired through Newshelf 1335 Proprietary Limited (BBBEE SPV). The shareholders of BBBEE SPV are 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 (20.0%). The Rustenburg Mine Employees Trust and the Rustenburg Mine Community Development Trust are controlled and consolidated by Sibanye.
[6] The Group has no current or contractual obligation to provide financial support to any of its structured entities.

SUBSIDIARIES

Subsidiaries are all entities over which the Group exercises control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is obtained by the Group until the date on which control ceases.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

STRUCTURED ENTITIES

Structured entities are those entities that have been designed so that voting (or similar) rights are not the dominant factor in deciding who controls the entity. Structured entities controlled by the Group are consolidated.

TRANSACTIONS WITH SHAREHOLDERS OF SIBANYE

Transactions with owners in the capacity as equity participants are not recognised in profit or loss, but instead are recognised in equity with a corresponding change in assets or liabilities.

1.4 FOREIGN CURRENCIES

FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency) which is South African rand. The consolidated financial statements are presented in South African rand, which is the Group's presentation currency.

TRANSACTIONS AND BALANCES

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Translation of monetary assets and liabilities into the functional currency is done as at 31 December 2016. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in profit or loss.

FOREIGN OPERATIONS

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the exchange rate ruling at the reporting date. Equity items are translated at historical rates. The income and expenses are translated at the average exchange rate for the year, unless this average was not a reasonable approximation of the rates prevailing on the transaction dates, in which case these items were translated at the rate prevailing on the date of the transaction. Exchange differences on translation are accounted for in other comprehensive income. These differences will be recognised in profit or loss upon realisation of the underlying operation.
- On consolidation, exchange differences arising from the translation of the net investment in foreign operations (i.e. the reporting entity's interest in the net assets of that operation), and of borrowings and other currency instruments designated as hedges of such investments, are taken to other comprehensive income. When a foreign operation is sold, exchange differences that were recorded in other comprehensive income are recognised in profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of

only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

- Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and are translated at each reporting date at the closing rate.

1.5 COMPARATIVES

Where necessary comparative periods may be adjusted to conform to changes in presentation.

With effect from 1 April 2016, since acquisition of Aquarius, the Group changed the reconciliation of the Group's income tax to the South African statutory company tax rate of 28% to better reconcile the effective tax of both the Gold and Platinum divisions. The Group's income tax was previously reconciled to the maximum South African gold mining tax rate of 34%. The previous comparative periods' reconciliation has been changed to conform to the current year's presentation. This change has no effect on financial performance, financial position and cash flows.

2. SEGMENT REPORTING

ACCOUNTING POLICY

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker and is based on individual mining operations. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Committee that makes strategic decisions.

Figures in million - SA rand	Group	Total Gold	Driefontein	Kloof	Beatrix	Cooke	Corporate and reconciling items[1]	Total Platinum	Kroondal[2]	Platinum Mile[2]	Mimosa[2]	Rustenburg Operations[3]	Corporate and reconciling items[1]
31 December 2016													
Revenue	**31,240.7**	27,501.3	9,401.1	8,890.9	5,883.9	3,362.2	(36.8)	3,739.4	1,973.3	131.1	1,223.2	1,656.0	(1,244.2)
Underground revenue	**28,026.5**	24,608.4	8,105.3	8,012.6	5,626.9	2,900.4	(36.8)	3,418.1	1,973.3	-	1,223.2	1,465.8	(1,244.2)
Surface revenue	**3,214.2**	2,892.9	1,295.8	878.3	257.0	461.8	-	321.3	-	131.1	-	190.2	-
Operating costs[4]	**(20,709.1)**	(17,346.0)	(5,566.6)	(5,041.0)	(3,753.4)	(2,985.0)	-	(3,363.1)	(1,689.8)	(90.8)	(969.0)	(1,582.5)	969.0
Underground operating costs	**(18,800.6)**	(15,655.1)	(4,852.1)	(4,609.4)	(3,567.4)	(2,626.2)	-	(3,145.5)	(1,689.8)	-	(969.0)	(1,455.7)	969.0
Surface operating costs	**(1,908.5)**	(1,690.9)	(714.5)	(431.6)	(186.0)	(358.8)	-	(217.6)	-	(90.8)	-	(126.8)	-
Operating profit[5]	**10,531.6**	10,155.3	3,834.5	3,849.9	2,130.5	377.2	(36.8)	376.3	283.5	40.3	254.2	73.5	(275.2)
Amortisation and depreciation	**(4,041.9)**	(3,814.7)	(1,012.9)	(1,190.7)	(818.0)	(770.8)	(22.3)	(227.2)	(136.2)	(1.2)	(223.7)	(58.6)	192.5
Net operating profit	**6,489.7**	6,340.6	2,821.6	2,659.2	1,312.5	(393.6)	(59.1)	149.1	147.3	39.1	30.5	14.9	(82.7)
Interest income	**331.4**	289.6	70.8	62.3	34.1	32.5	89.9	41.8	12.0	(9.0)	0.5	8.2	30.1
Finance expense	**(903.1)**	(806.2)	(143.1)	(156.0)	(77.6)	(75.8)	(353.7)	(96.9)	(1.4)	-	(11.2)	(26.2)	(58.1)
Share-based payments	**(255.9)**	(255.9)	(16.5)	(13.7)	(9.1)	-	(216.6)	-	-	-	-	-	-
Net other costs[6]	**(1,158.6)**	(1,029.3)	(226.1)	(187.9)	(170.5)	(115.0)	(329.8)	(129.3)	(65.8)	(0.6)	187.7	(92.2)	(158.4)
Non-recurring items[7]	**557.3**	(1,548.5)	(20.8)	15.7	(12.6)	(1,423.9)	(106.9)	2,105.8	(1.3)	-	-	2,354.6	(247.5)
Royalties	**(546.6)**	(528.0)	(204.8)	(194.3)	(113.2)	(15.7)	-	(18.6)	-	-	(82.9)	(8.3)	72.6
Current taxation	**(1,111.8)**	(1,111.3)	(472.3)	(422.0)	(223.0)	(1.1)	7.1	(0.5)	-	-	(22.8)	-	22.3
Deferred taxation	**(131.4)**	(164.5)	(64.3)	(148.5)	19.4	35.3	(6.4)	33.1	-	(11.6)	13.1	27.0	4.6
Profit for the year	**3,271.0**	1,186.5	1,744.5	1,614.8	760.0	(1,957.3)	(975.5)	2,084.5	90.8	17.9	114.9	2,278.0	(417.1)
Attributable to:													-
Owners of the parent	**3,701.6**	1,619.4	1,744.5	1,614.8	760.0	(1,523.1)	(976.8)	2,082.2	90.8	15.6	114.9	2,278.0	(417.1)
Non-controlling interest holders	**(430.6)**	(432.9)	-	-	-	(434.2)	1.3	2.3	-	2.3	-	-	-
Sustaining capital expenditure	**1,010.5**	683.5	218.5	261.2	84.8	48.9	70.1	327.0	175.8	1.3	159.8	148.7	(158.6)
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	-	-	-	-	-	-
Total capital expenditure	**4,151.2**	3,824.2	1,051.6	1,304.2	628.4	249.2	590.8	327.0	175.8	1.3	159.8	148.7	(158.6)

[1] *Corporate and reconciling items represents the items to reconcile segment data to consolidated financial statement totals.*

[2] *The performance of Kroondal, Platinum Mile and Mimosa is for the nine months ended 31 December 2016 since acquisition (refer to note 12.1). The Mimosa segment information reflects the financial information provided to the chief operating decision maker. In the consolidated financial statements this operating segment is accounted for using the equity method which differs from the measures used by the chief operating decision maker.*

[3] *Rustenburg Operations' performance is for two months ended 31 December 2016 since acquisition (refer to note 12.2).*

[4] *Operating costs is defined as cost of sales before amortisation and depreciation.*

[5] *Operating profit is defined as revenue minus operating cost.*

[6] *Net other costs consists of loss on financial instruments, loss on foreign exchange differences, other income and other costs as detailed in profit or loss. Corporate and reconciling items net other costs includes the share of results equity-accounted investees after tax as detailed in profit or loss.*

[7] *Non-recurring items consists of share-based payment on BEE transaction, impairment, gain on disposal of property, plant and equipment, gain on acquisition, transaction costs and restructuring costs as detailed in profit or loss.*

Figures in million - SA rand	Group	Driefontein	Kloof	Beatrix	Cooke	Corporate and reconciling items[1]
31 December 2015						
Revenue	**22,717.4**	8,236.0	6,691.4	4,815.5	2,974.5	-
Underground revenue	**20,515.0**	7,284.1	6,112.8	4,555.7	2,562.4	-
Surface revenue	**2,202.4**	951.9	578.6	259.8	412.1	-
Operating costs[2]	**(16,380.4)**	(5,234.2)	(4,777.2)	(3,391.0)	(2,978.0)	-
Underground operating costs	**(14,940.8)**	(4,681.2)	(4,454.9)	(3,184.5)	(2,620.2)	-
Surface operating costs	**(1,439.6)**	(553.0)	(322.3)	(206.5)	(357.8)	-
Operating profit[3]	**6,337.0**	3,001.8	1,914.2	1,424.5	(3.5)	-
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)
Interest income	**257.0**	67.5	50.6	31.3	27.1	80.5
Finance expense	**(561.8)**	(147.7)	(150.1)	(57.2)	(61.3)	(145.5)
Share-based payments	**(274.4)**	(35.1)	(27.6)	(23.5)	-	(188.2)
Net other costs[4]	**(575.1)**	(77.9)	(60.4)	(47.3)	(30.1)	(359.4)
Non-recurring items[5]	**(230.1)**	(2.9)	7.2	(8.4)	(31.8)	(194.2)
Royalties	**(400.6)**	(196.8)	(98.4)	(88.7)	(16.7)	-
Current taxation	**(696.7)**	(430.8)	(97.4)	(153.4)	-	(15.1)
Deferred taxation	**319.5**	53.4	0.9	18.0	122.0	125.2
Profit for the year	**538.2**	1,088.9	509.7	355.9	(698.9)	(717.4)
Attributable to:						
Owners of the parent	**716.9**	1,088.9	509.7	355.9	(519.9)	(717.7)
Non-controlling interest holders	**(178.7)**	-	-	-	(179.0)	0.3
Sustaining capital expenditure	**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
Total capital expenditure	**3,344.8**	994.2	1,129.9	596.5	337.4	286.8

[1] Corporate represents the items to reconcile segment data to consolidated financial statement totals. This does not represent a separate segment as it does not generate mining revenue.
[2] Operating costs is defined as cost of sales before amortisation and depreciation.
[3] Operating profit is defined as revenue minus operating cost.
[4] Net other costs consists of loss on financial instruments, loss on foreign exchange differences, other income and other costs as detailed in profit or loss. Corporate and reconciling items net other costs includes the share of results of equity-accounted investees after tax as detailed in profit or loss.
[5] Non-recurring items consists of gain on disposal of property, plant and equipment, transaction costs, restructuring costs and net loss on derecognition of financial guarantee asset and liability as detailed in profit or loss.

Figures in million - SA rand	Group	Driefontein	Kloof	Beatrix	Cooke[1]	Corporate and reconciling items[2]
31 December 2014						
Revenue	**21,780.5**	7,829.4	7,502.8	4,566.3	1,882.0	-
Underground revenue	**19,908.7**	7,200.2	6,887.3	4,228.8	1,592.4	-
Surface revenue	**1,871.8**	629.2	615.5	337.5	289.6	-
Operating costs[3]	**(14,311.4)**	(4,912.3)	(4,502.3)	(3,204.0)	(1,692.8)	-
Underground operating costs	**(13,032.2)**	(4,427.6)	(4,087.0)	(3,052.1)	(1,465.5)	-
Surface operating costs	**(1,279.2)**	(484.7)	(415.3)	(151.9)	(227.3)	-
Operating profit[4]	**7,469.1**	2,917.1	3,000.5	1,362.3	189.2	-
Amortisation and depreciation	**(3,254.7)**	(1,129.3)	(1,322.3)	(468.4)	(308.3)	(26.4)
Net operating profit	**4,214.4**	1,787.8	1,678.2	893.9	(119.1)	(26.4)
Interest income	**183.2**	48.3	42.7	24.5	14.7	53.0
Finance expense	**(400.0)**	(152.8)	(132.6)	(41.8)	(56.5)	(16.3)
Share-based payments	**(417.9)**	(69.1)	(58.2)	(45.9)	-	(244.7)
Net other costs[5]	**(750.8)**	(86.3)	(56.6)	(65.9)	(10.9)	(531.1)
Non-recurring items[6]	**(63.4)**	(95.1)	(152.0)	469.4	(17.9)	(267.8)
Royalties	**(430.5)**	(165.5)	(174.5)	(82.1)	(8.4)	-
Current taxation	**(879.2)**	(339.2)	(379.6)	(153.9)	-	(6.5)
Deferred taxation	**51.1**	9.8	71.3	(128.5)	10.3	88.2
Profit for the year	**1,506.9**	937.9	838.7	869.7	(187.8)	(951.6)
Attributable to:						
Owners of the parent	**1,551.5**	937.9	838.7	869.7	(143.2)	(951.6)
Non-controlling interest holders	**(44.6)**	-	-	-	(44.6)	-
Sustaining capital expenditure	**991.5**	465.3	355.7	101.9	51.7	16.9
Ore reserve development	**2,126.5**	683.6	879.8	446.1	117.0	-
Growth projects	**132.8**	-	-	-	61.2	71.6
Total capital expenditure	**3,250.8**	1,148.9	1,235.5	548.0	229.9	88.5

[1] Cooke's performance is for the seven months ended 31 December 2014 since acquisition.
[2] Corporate represents the items to reconcile segment data to consolidated financial statement totals. This does not represent a separate segment as it does not generate mining revenue.
[3] Operating costs is defined as cost of sales before amortisation and depreciation.
[4] Operating profit is defined as revenue minus operating cost.
[5] Net other costs consists of loss on financial instruments, loss on foreign exchange differences, other income and other costs as detailed in profit or loss. Corporate and reconciling net other costs includes the share of results of equity-accounted investees after tax as detailed in profit or loss.
[6] Non-recurring items consists of impairments, reversal of impairment, gain on disposal of property, plant and equipment, transaction costs and restructuring costs as detailed in profit or loss.

3. REVENUE

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The determination of PGM concentrate sales revenue from the time of initial recognition of the sale on a provisional basis through to final pricing requires management to continuously re-estimate the fair value of the price adjustment feature. Management determines this with reference to estimated forward prices using consensus forecasts.

ACCOUNTING POLICY

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Group and the amount of revenue can be reliably measured.

Revenue arising from gold sales is recognised at the fair value of the consideration received or receivable, once the significant risks and rewards of ownership have passed to the buyer. These criteria are typically met when the gold is delivered to the refinery. The price of gold is determined by market forces.

Revenue arising from PGM concentrate sales is recognised when risks and rewards of ownership of the mine product are passed to the buyer pursuant to a sales contract. The sales price is determined on a provisional basis at the date of delivery. Adjustments to the sale price occur based on movements in the metal market price up to the date of final pricing. Final pricing is based on the monthly average market price in the month of settlement. The period between provisional invoicing and final pricing is typically between two and four months. Revenue on provisionally priced sales is initially recorded at the estimated fair value of the consideration receivable. The revenue adjustment mechanism embedded within provisionally priced sales arrangements has the characteristics of a commodity derivative. Accordingly, the fair value of the final sales price adjustment is re-estimated continuously and changes in fair value recognised as an adjustment to revenue in profit or loss and trade receivables in the statement of financial position. In all cases, fair value is determined with reference to estimated forward prices using consensus forecasts.

Figures in million - SA rand	2016	2015	2014
Revenue from:			
Gold mining activities	**27,501.3**	22,717.4	21,780.5
Platinum mining activities	**3,739.4**	-	-
Total revenue	**31,240.7**	22,717.4	21,780.5

4. COST OF SALES

ACCOUNTING POLICY

The following accounting policies relates to some costs that are included in cost of sales:

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be reliably estimated.

Pension and provident funds

The Group operates a defined contribution retirement plan and contributes to a number of industry-based defined contribution retirement plans. The retirement plans are funded by payments from employees and Group companies.

Contributions to defined contribution funds are expensed as incurred.

Figures in million - SA rand	Notes	2016	2015	2014
Salaries and wages		**(9,276.1)**	(7,345.0)	(6,664.9)
Consumable stores	18	**(5,243.2)**	(3,995.7)	(3,480.4)
Utilities		**(3,709.0)**	(3,128.2)	(2,753.3)
Mine contracts		**(2,105.3)**	(1,457.9)	(1,136.4)
Other		**(2,769.9)**	(2,758.5)	(2,402.9)
Ore reserve development costs capitalised	11	**2,394.4**	2,304.9	2,126.5
Operating costs		**(20,709.1)**	(16,380.4)	(14,311.4)
Amortisation and depreciation	11	**(4,041.9)**	(3,636.6)	(3,254.7)
Total cost of sales		**(24,751.0)**	(20,017.0)	(17,566.1)

All employees are members of various defined contribution retirement plans. The cost of providing retirement benefits for the year amounted to R626.0 million (2015: R691.1 million and 2014: R558.5 million).

5. FINANCE EXPENSE

ACCOUNTING POLICY

Finance expense comprises interest on borrowings, post-retirement healthcare obligation and environmental rehabilitation obligation offset by borrowing costs capitalised on qualifying assets.

Interest payable on borrowings is recognised in profit or loss over the term of the borrowings using the effective interest method. Cash flows from interest paid are classified under operating activities in the statement of cash flows.

Figures in million - SA rand	Notes	2016	2015	2014
Interest charge on:				
Borrowings - interest paid	23	**(427.5)**	(247.9)	(187.7)
Borrowings - unwinding of amortised cost	23	**(141.4)**	(102.3)	(43.3)
Environmental rehabilitation obligation	24	**(291.4)**	(197.9)	(161.5)
Post-retirement healthcare obligation		**(1.2)**	(1.4)	(1.2)
Other		**(41.6)**	(12.3)	(6.3)
Total finance expense		**(903.1)**	(561.8)	(400.0)

6. SHARE-BASED PAYMENTS

ACCOUNTING POLICY

The Group operates an equity-settled compensation plan in which certain employees of the Group participate. The fair value of the equity-settled instruments is measured by reference to the fair value of the equity instrument granted.

Fair value is based on market prices of the equity-settled instruments granted, if available, taking into account the terms and conditions upon which those equity-settled instruments were granted. Fair value of equity-settled instruments granted is estimated using appropriate valuation models and appropriate assumptions at the grant date. Non-market vesting conditions (service period prior to vesting) are not taken into account when estimating the fair value of the equity-settled instruments at grant date. Market conditions are taken into account in determining the fair value at grant date.

The grant date fair value of the equity-settled instruments is recognised as an employee benefit expense over the vesting period based on the Group's estimate of the number of instruments that will eventually vest, with a corresponding increase in the share-based payment reserve. Vesting assumptions for non-market conditions are reviewed at each reporting date to ensure they reflect current expectations.

The Group also operates a cash-settled compensation plan in which certain employees of the Group participate. In terms of the Rustenburg Operations acquisition, the Group issued cash-settled instruments to BEE shareholders. The grant date fair value of the cash-settled instruments is equal to the value of the equity-settled instrument granted on the same grant date.

The grant date fair value of the cash-settled instruments is recognised as an employee benefit expense or share-based payment on BEE transaction over the vesting period based on the Group's estimate of the number of instruments that will eventually vest, with a corresponding increase in the share-based payment obligation. At each reporting date the obligation is remeasured to the fair value of the instrument, to reflect the potential outflow of cash resources to settle the liability, with a corresponding adjustment to gain or loss on financial instrument in profit or loss. Vesting assumptions for non-market conditions are reviewed at each reporting date to ensure they reflect current expectations.

Where the terms of an equity-settled or a cash-settled award are modified, the originally determined expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification, which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the participant as measured at the date of the modification.

Figures in million - SA rand	Notes	2016	2015	2014
Sibanye Gold Limited 2013 Share Plan	6.1	**(172.1)**	**(119.1)**	**(175.8)**
Performance shares		**(145.5)**	(96.2)	(147.7)
Bonus shares		**(26.6)**	(22.9)	(28.1)
Sibanye Gold Limited Phantom Share Scheme	6.2	**(83.8)**	(155.3)	(242.1)
Performance shares		**(83.8)**	(136.4)	(138.7)
Bonus shares		**-**	(17.7)	(96.7)
Phantom share dividends		**-**	(1.2)	(6.7)
Share-based payment on BEE transaction	6.3	**(240.3)**	-	-
Total share-based payments		**(496.2)**	**(274.4)**	**(417.9)**

6.1 SIBANYE GOLD LIMITED 2013 SHARE PLAN

On 21 November 2012 the shareholder 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 the 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.

BONUS SHARES

The Remuneration Committee makes an annual award of forfeitable shares to the executive directors, prescribed officers, senior vice presidents and vice presidents. 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, senior vice presidents and vice presidents. 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 is 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 on 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, senior vice presidents and vice presidents, 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. 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.

FOR ALLOCATIONS FROM MARCH 2016 ONWARDS

The performance criteria used to govern the vesting 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 (TSR) – 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 (TSR_{ANN}) is determined for each of the companies in the peer group. The peer group companies are sorted from lowest to highest TSR_{ANN}. 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 TSR_{ANN} 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 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
AngloGold Ashanti Limited (AngloGold Ashanti)
Anglo American Platinum Limited
Gold Fields Limited (Gold Fields)
Impala Platinum Holdings Limited
Northam Platinum Limited
Exxaro Resources Limited
Harmony Gold Mining Company Limited (Harmony)
African Rainbow Minerals Limited

Return on capital employed (ROCE) – 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 Annual ROCE	% vesting
$\leq K_e$	0%
K_e + 1%	16.7%
K_e + 2%	33.3%
K_e + 3%	50.0%
K_e + 4%	66.7%
K_e + 5%	83.3%
K_e + 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.

The inputs to the models for options granted during the year were as follows:

Performance shares (PS)		***Bonus Shares (BS)***
2016	***MONTE CARLO SIMULATION***	**2016**
55.12%	– weighted average historical volatility (based on a statistical analysis of the share price on a weighted moving average basis for the expected term of the option)	**55.15%**
3	– expected term (years)	**n/a**
n/a	– expected term (months)	**9 or 18**
3.75%	– expected dividend yield	**3.75%**
8.51%	– weighted average three-year risk-free interest rate (based on SA interest rates)	**7.78%**
n/a	– marketability discount	**1.60%/0.69%**
50.81	– weighted average fair value	**54.27/53.02**

FOR ALLOCATIONS UP TO FEBRUARY 2016

The Remuneration Committee makes an annual conditional award of PS to the CEO, CFO, senior vice presidents and vice presidents. The number of PS awarded to an employee is based on the employee's annual guaranteed remuneration, grade and performance. The actual number of PS which vest is determined by Sibanye's share price performance measured against the performance of a peer group, being Harmony Gold Mining Company Limited (Harmony), Pan African Resources PLC and Gold One International Limited (Gold One) (subsequently delisted), over a performance period of three years. This peer group is determined and approved by the Remuneration Committee. The PS, which vest, are based on the relative change in the Sibanye share price compared to the respective share prices of the individual companies within the peer group and with discretion allowed due to the small sample size. For any PS award to be settled to executives, an internal company performance target is required to be met before the external relative measure is applied. The target performance criterion is set at 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 the internal measure has been achieved, will the external measure (Sibanye's share price performance measured against the abovementioned peer group) be applied to determine the scale of the vesting of awards of PS.

The Remuneration Committee makes an annual conditional award of BS to each executive director and senior executive. The size of the award depends on the individual's annual cash bonus, which is determined by actual performance against predetermined targets. Restricted BS are allocated on the ratio of two-thirds of an individual's annual bonus. The BS vest in two equal parts at nine months and 18 months after the award date. Dividends are payable on the BS during the holding period.

The fair value of the above PS equity instruments granted during the period were valued using the Monte Carlo Simulation model. For the BS equity instruments, a future trading model is used to estimate the loss in value to the holders of bonus shares due to trading restrictions. The actual valuation is developed using a Monte Carlo analysis of the future share price of Sibanye.

The inputs to the models for options granted during the years ended 31 December 2015 and 2014 were as follows:

Performance shares (PS)			***Bonus Shares (BS)***	
2014	**2015**	***MONTE CARLO SIMULATION***	**2015**	**2014**
56.4%	42.3%	– weighted average historical volatility (based on a statistical analysis of the share price on a weighted moving average basis for the expected term of the option)	42.3%	56.4%
3	3	– expected term (years)	n/a	n/a
n/a	n/a	– expected term (months)	9 - 18	9 - 18
4.7%	4.9%	– expected dividend yield	4.9%	4.7%
5.7%	6.4%	– weighted average three-year risk-free interest rate (based on SA interest rates)	6.4%	5.7%
n/a	n/a	– marketability discount	2.1%	2.2%
38.61	37.41	– weighted average fair value	25.56	24.94

The compensation cost related to awards not yet recognised under the plan at 31 December 2016 amounts to R247.0 million and is to be spread over 3 years. 4,250,887 options that had vested were exercisable as at 31 December 2016.

At the Annual General Meeting the directors of Sibanye were authorised to issue and allot all or any of such shares required for the plans, but in aggregate all plans may not exceed 70,619,126 (10%) of the total issued ordinary share capital of the Company. An individual participant may also not be awarded an aggregate of shares from all or any such plans exceeding 7,061,913 (1%) of the Company's total issued ordinary share capital. The unexercised options and shares under all plans represented 15,112,493 (2%) of the total issued ordinary share capital of Sibanye at 31 December 2016.

OPTIONS GRANTED, EXERCISED AND FORFEITED UNDER THIS PLAN

Performance shares (PS)				*Bonus Shares (BS)*		
2014	**2015**	**2016**	**Number of instruments**	**2016**	**2015**	**2014**
28,083,703	23,289,262	**9,398,072**	Outstanding at beginning of the year	**417,266**	595,012	1,135,455
			Movement during the year:			
2,953,057	3,059,058	**5,103,184**	Granted during the year	**504,739**	862,702	1,275,979
(5,567,771)	(16,690,497)	**(3,832,758)**	Exercised and released	**(667,063)**	(1,010,209)	(1,672,579)
(2,179,727)	(259,751)	**(57,719)**	Forfeited	**(4,115)**	(30,239)	(143,843)
23,289,262	9,398,072	**10,610,779**	**Outstanding at end of the year**	**250,827**	417,266	595,012

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 (rand)**	**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 as a prescribed officer on 13 April 2016, and resigned as a prescribed officer on 1 November 2016 and will forfeit the instruments granted after his notice period.
[2] Appointed as a prescribed officer on 4 July 2016.
[3] Appointed as a prescribed officer on 1 February 2016.

6.2 SIBANYE GOLD LIMITED 2013 PHANTOM SHARE SCHEME

On 14 May 2013 Sibanye's Remuneration Committee limited the issuance of share options for the 2013 allocation under the SGL Share Plan to senior management only. Middle and certain senior management, who previously participated in the equity-settled share option scheme, now participate in a cash-settled share scheme, the Sibanye Gold 2013 Phantom Share Scheme (the SGL Phantom Scheme). Notwithstanding that the SGL Phantom Scheme is not subject to compliance with the JSE Listings Requirements as it is a purely cash-settled remuneration scheme, the SGL Share Plan rules apply, in all material aspects, to the SGL Phantom Scheme, other than the issue of new shares to participants.

Details of the phantom shares granted under this scheme to employees are detailed below:

Performance shares (PS)				*Bonus Shares (BS)*		
2014	**2015**	**2016**	**Number of instruments**	**2016**	**2015**	**2014**
16,429,766	22,212,627	**20,198,875**	Outstanding at beginning of the year	**-**	1,731,262	6,529,404
			Movement during the year:			
7,119,727	-	**-**	Granted during the year	**-**	-	3,604,577
(125,932)	(773,814)	**(14,275,138)**	Vested and paid	**-**	(1,668,503)	(8,076,789)
(1,210,934)	(1,239,938)	**(622,111)**	Forfeited	**-**	(62,759)	(325,930)
22,212,627	20,198,875	**5,301,626**	**Outstanding at end of the year**	**-**	-	1,731,262

The grant date fair value of the above PS and BS cash-settled instruments granted during the year were valued using the Monte Carlo Simulation model and a future trading model, respectively, as with the equity settled instruments above. As the cash-settled and equity-settled instruments are issued on the same day the grant date fair value assumptions of the cash-settled instruments is the same as for the equity-settled instruments.

The fair value of the cash-settled instruments at reporting date, used to value the share-based payment obligation, is determined using the same assumptions as for the grant date valuation. However, the respective models take into account the actual share data of the peer group for the period from the grant date to the reporting date.

The compensation cost related to awards not yet recognised under the scheme at 31 December 2016 amounts to R11.2 million and is to be spread over 3 months.

6.3 SHARE-BASED PAYMENT ON BEE TRANSACTION

The share-based payment on BEE transaction amounted to R240.3 million. In terms of the Rustenburg Operations Transaction (refer to note 12.2) a 26% equity stake in SRPM was acquired by the BBBEE SPV (the BBBEE Transaction) by a vendor financed facility from Sibanye Platinum Proprietary Limited (Sibanye Platinum), on the following terms:

- Interest at up to 0.2% above Sibanye's highest cost of debt;
- Post payment of the annual Deferred Payment to Rustenburg Platinum Mines Limited (RPM) and in respect of any repayment by SRPM of shareholder loans or the distribution of dividends, 74% will be paid to Sibanye Platinum and 26% to BBBEE SPV;
- Of the 26% payment to BBBEE SPV, 85% will be used to service the facility owing by BBBEE SPV to Sibanye Platinum;
- The remaining 15% of any such payment or 100%, once the facility owing by BBBEE SPV to Sibanye Platinum is repaid, will be declared by BBBEE SPV as a dividend to the BBBEE SPV shareholders; and
- The facility will be capped at R3,500 million.

The IFRS 2 expense has been limited to 44.8% of the 26% interest relating to Bakgatla-Ba-Kgafela Investment Holdings and Siyanda Resources Proprietary Limited, as the Rustenburg Mine Community Trust and Rustenburg Mine Employees Trust are controlled and consolidated by Sibanye. The 44.8% interest was based on the expected discounted future cash flows of the expected PGM reserves and costs to extract the PGMs.

6.4 SHARE-BASED PAYMENT OBLIGATIONS

Reconciliation of the share-based payment obligations:

Figures in million - SA rand	2016	2015	2014
Balance at beginning of the year	**599.6**	399.2	121.4
Share-based payments expense	**83.8**	155.3	242.1
Share-based payment on BEE transaction	**240.3**	-	-
Fair value loss on obligations[1]	**1,076.6**	87.3	202.3
Cash-settled share-based payments paid[2]	**(1,518.6)**	(42.2)	(166.6)
Balance at end of the year	**481.7**	599.6	399.2
Reconciliation of the non-current and current portion of the share-based payment obligations:			
Share-based payment obligations	**481.7**	599.6	399.2
Current portion of share-based payment obligations	**(235.2)**	(463.0)	(20.8)
Non-current portion of share-based payment obligations	**246.5**	136.6	378.4

[1] The fair value adjustment at reporting date is included in loss on financial instruments in profit or loss and not as part of share-based payments expense. 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 R1,181.1 million. The depreciation in the share price for the six months ended 31 December 2016 of approximately 49%, resulted in a fair value gain of R110.7 million.

[2] Payments made during the year relates to vesting of shares to employees and proportionate vesting of shares to employees and proportionate vesting of shares to employees that have left the Group in good faith.

7. IMPAIRMENTS

Figures in million - SA rand	Notes	2016	2015	2014
Impairment of property, plant and equipment	11	**(1,171.7)**	-	(155.5)
Impairment of goodwill	13	**(201.3)**	-	-
Impairment of loan to equity-accounted investee		**(8.1)**	-	-
Impairment of investment in equity-accounted investee	14	**-**	-	(119.6)
Total impairments		**(1,381.1)**	-	(275.1)

IMPAIRMENT OF COOKE 4

Despite intense monitoring and interventions by a joint management and labour committee since the previous section 189 consultation was concluded, the Cooke 4 Operation continued to fall short of production targets and losses continued to accumulate. In view of the sustained losses at the Cooke 4 Operation and considering the extensive efforts to improve productivity and reduce the operation's cost structures, Sibanye gave notice in terms of section 189 of the Labour

Relations Act 66 of 1995. 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 R816.7 million. This impairment was based on negative cash flow projections for the remainder of the life of mine.

IMPAIRMENT OF GOODWILL, AND COOKE 1, 2 AND 3 MINING ASSETS

As a result of 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 (CGU) by R201.3 million and the Cooke 1, 2 and 3 mining assets by R355.0 million. The impairment was based on the estimated fair value less cost to sell over the life of mine calculated as expected discounted cash flows from the expected gold reserves and costs to extract the gold.

8. ROYALTIES, AND MINING AND INCOME TAX, AND DEFERRED TAX

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The Group is subject to income tax in South Africa. Significant judgement is required in determining the liability for income tax due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The Group recognises the net future tax benefit related to deferred tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred tax assets requires the Group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in South Africa. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the reporting date could be impacted.

The Group's gold mining operations are taxed on a variable rate that increases as the profitability of the operation increases. The deferred tax rate used to calculate deferred tax is based on the current estimate of future profitability when the temporary differences will reverse based on tax rates and laws that have been enacted or substantively enacted at the reporting date. Depending on the profitability of the operations, the deferred tax rate can consequently be significantly different from year to year. Calculating the future profitability of the operations is inherently uncertain and could materially change over time.

Additionally, future changes in tax laws in South Africa could limit the ability of the Group to obtain tax deductions in future periods.

ACCOUNTING POLICY

Income tax comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is measured on taxable income at the applicable statutory rate enacted or substantively enacted at the reporting date.

Deferred tax is provided on temporary differences existing at each reporting date between the tax values of assets and liabilities and their carrying amounts. Substantively enacted tax rates are used to determine future anticipated effective tax rates which in turn are used in the determination of deferred tax.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, and interest in associates and joint ventures to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

These temporary differences are expected to result in taxable or deductible amounts in determining taxable profits for future periods when the carrying amount of the asset is recovered or the liability is settled. The principal temporary differences arise from depreciation of property, plant and equipment, provisions, unutilised capital allowances and tax losses carried forward.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets relating to the carry forward of unutilised tax losses and/or unutilised capital allowances are recognised to the extent it is probable that future taxable profit will be available against which the unutilised tax losses and/or unutilised capital allowances can be recovered. Deferred tax assets are reviewed at each reporting date and are adjusted if recovery is no longer probable.

8.1 ROYALTIES

The Mineral and Petroleum Resource Royalty Act 2008 (Royalty Act) imposes a royalty on refined (mineral resources that have undergone a comprehensive level of beneficiation such as smelting and refining as defined in Schedule 1 of the Royalty Act) and unrefined (mineral resources that have undergone limited beneficiation as defined in Schedule 2 of the Royalty Act) minerals payable to the State. The royalty in respect of refined minerals (which include gold refined to 99.5% and above and platinum) is calculated by dividing earnings before interest and taxes (EBIT) by the product of 12.5 times gross revenue calculated as a percentage, plus an additional 0.5%. EBIT refers to taxable mining income (with certain exceptions such as no deduction for interest payable and foreign exchange losses) before assessed losses but after capital expenditure. A maximum royalty of 5% of mining revenue has been introduced on refined minerals. The effective rate of royalty tax payable for the year ended 31 December 2016 was approximately 1.9% (2015: 1.8% and 2014: 2.0%) of gold mining revenue and 0.5% of platinum mining revenue.

Figures in million - SA rand	Notes	2016	2015	2014
Current year charge - gold revenue		**(528.0)**	(400.6)	(430.5)
Current year charge - platinum revenue		**(18.6)**	-	-
Total royalties	28.1	**(546.6)**	(400.6)	(430.5)

8.2 MINING AND INCOME TAX

The components of mining and income tax are the following:

Figures in million - SA rand	Notes	2016	2015	2014
Mining tax		**(1,031.6)**	(665.6)	(847.9)
Non-mining tax		**(83.9)**	(16.0)	(24.8)
Company and capital gain tax		**3.7**	(15.1)	(6.5)
Total current tax	28.2	**(1,111.8)**	(696.7)	(879.2)
Deferred tax	8.3	**(131.4)**	319.5	51.1
Total mining and income tax		**(1,243.2)**	(377.2)	(828.1)

Reconciliation of the Group's mining and income tax to the South African statutory company tax rate of 28%:

Figures in million - SA rand	2016	2015	2014
South African statutory tax rates			
Mining tax[1]	**Y=34-170/X**	Y=34-170/X	Y=34-170/X
Non-mining tax[2]	**28.0%**	28.0%	28.0%
Company tax rate	**28.0%**	28.0%	28.0%
Tax on profit before tax at maximum South African statutory company tax rate	**(1,264.0)**	(256.3)	(653.8)
South African mining tax formula rate adjustment	**160.9**	129.5	111.5
Non-deductible share-based payments	**(115.5)**	(33.3)	(49.2)
(Non-deductible loss)/non-taxable gain on foreign exchange differences	**(52.1)**	17.8	5.4
Non-taxable share of results of equity-accounted investees	**3.7**	32.5	(131.8)
Non-deductible amortisation and depreciation	**(35.0)**	(25.7)	(19.1)
Non-deductible impairments	**(65.6)**	-	(33.5)
Non-taxable gain on acquisition	**679.8**	-	-
Net other non-taxable income and non-deductible expenditure	**(65.6)**	(0.9)	8.7
Change in estimated deferred tax rate[3]	**(59.8)**	(28.8)	-
Deferred tax assets not recognised	**(430.0)**	(267.1)	(66.3)
Non-taxable gain on derecognition of financial guarantee liability	**-**	55.1	-
Mining and income tax	**(1,243.2)**	(377.2)	(828.1)

[1] Gold mining tax is determined according to a formula which takes into account the profit and revenue attributable to mining operations. Mining taxable income is determined after the deduction of all mining capital expenditure, with the provision that this cannot result in an assessed loss. Capital expenditure amounts not deducted are carried forward as unredeemed capital expenditure to be deducted from future mining income. Accounting depreciation is ignored for the purpose of calculating mining tax. In the formula above, Y is the percentage rate of tax payable and X is the ratio of mining profit, after the deduction of redeemable capital expenditure, to mining revenue expressed as a percentage.
[2] Non-mining income consists primarily of interest income.
[3] The change in the estimated long term deferred tax rate, as a result of applying the mining tax formula as described in footnote 1, at which the temporary differences will reverse amounted to a tax charge of R59.8 million for the year ended 31 December 2016 (2015: R28.8 million).

8.3. DEFERRED TAX

The detailed components of the net deferred tax liabilities which result from the differences between the amounts of assets and liabilities recognised for financial reporting and tax purposes in different accounting periods are:

Figures in million - SA rand	Notes	2016	2015	2014
Included in the statement of financial position as follows:				
Deferred tax assets		**(228.2)**	(63.2)	(51.6)
Deferred tax liabilities		**4,707.1**	3,561.4	3,869.3
Net deferred tax liabilities		**4,478.9**	3,498.2	3,817.7
Reconciliation of the deferred tax balance:				
Balance at beginning of the year		**3,498.2**	3,817.7	3,699.6
Deferred tax recognised in profit or loss	8.2	**131.4**	(319.5)	(51.1)
Deferred tax on acquisition of subsidiaries	12	**849.3**	-	169.2
Balance at end of the year		**4,478.9**	3,498.2	3,817.7
Deferred tax liabilities				
Mining assets		**6,157.1**	4,822.8	5,202.8
Environmental rehabilitation obligation funds		**729.6**	575.3	472.7
Other		**128.6**	14.9	97.4
Gross deferred tax liabilities		**7,015.3**	5,413.0	5,772.9
Deferred tax assets				
Environmental rehabilitation obligation		**(1,041.0)**	(612.3)	(630.1)
Other provisions		**(546.3)**	(341.6)	(228.5)
Tax losses and unredeemed capital expenditure		**(890.1)**	(812.6)	(995.5)
Share-based payment obligation		**(59.0)**	(148.3)	(101.1)
Gross deferred tax assets		**(2,536.4)**	(1,914.8)	(1,955.2)
Net deferred tax liabilities		**4,478.9**	3,498.2	3,817.7

At 31 December 2016, the Group had the following estimated amounts available for set-off against future income:

Figures in million - SA rand	2016	2015	2014
Tax losses			
Wits Gold	**64.6**	84.4	84.9
Burnstone	**-**	155.3	422.5
Ezulwini	**2,561.2**	1,481.0	1,186.7
Other	**19.0**	31.3	43.2
Total gross tax losses	**2,644.8**	1,752.0	1,737.3
Other deductible temporary differences			
Burnstone	**10,012.6**	9,009.0	7,175.1
Ezulwini	**2,909.1**	2,778.8	2,754.1
Ridge Mining Services Proprietary Limited	**643.9**	-	-
Other	**55.6**	-	-
Total gross tax losses and other deductible temporary differences	**16,266.0**	13,539.8	11,666.5
Deferred tax assets not recognised			
Wits Gold	**18.1**	23.6	23.8
Burnstone	**2,803.5**	2,566.0	2,127.3
Ezulwini	**1,531.7**	1,192.7	1,103.4
Ridge Mining Services Proprietary Limited	**180.3**	-	-
Other	**20.9**	8.8	12.1
Total deferred tax assets not recognised	**4,554.5**	3,791.1	3,266.6

These deductions are available to be utilised against income generated by the relevant tax entity and do not expire unless the tax entity concerned ceases to operate for a period of longer than one year. Under South African mining tax ring-fencing legislation, each tax entity is treated separately and as such these deductions can only be utilised by the tax entities in which the deductions have been generated.

9. EARNINGS PER SHARE

ACCOUNTING POLICY

Earnings per share (EPS) is calculated based on the profit attributable to owners of Sibanye divided by the weighted average number of ordinary shares in issue during the year. A diluted EPS is presented when the inclusion of ordinary shares that may be issued in the future has a dilutive effect on EPS.

Headline EPS is calculated by dividing the headline earnings attributable to owners of Sibanye by the weighted average number of ordinary shares in issue during the year.

9.1 BASIC EARNINGS PER SHARE

Basic EPS is calculated by dividing the profit attributable to owners of Sibanye by the weighted average number of ordinary shares in issue during the year.

	2016	2015	2014
Weighted average number of shares			
Ordinary shares in issue ('000)	**929,004**	916,140	898,840
Adjustment for weighting of ordinary shares in issue ('000)	**(7,271)**	(4,102)	(62,904)
Weighted average number of shares ('000)	**921,733**	912,038	835,936
Profit attributable to owners of Sibanye (SA rand million)	**3,701.6**	716.9	1,551.5
Basic EPS (cents)	**402**	79	186

9.2 DILUTED EARNINGS PER SHARE

Diluted EPS is calculated by dividing the profit attributable to owners of Sibanye by the diluted number of ordinary shares in issue during the year.

Dilutive shares are the number of potentially dilutive ordinary shares that could be issued as a result of share options granted to employees under the share option schemes referred to in note 6.

	2016	2015	2014
Weighted average number of shares			
Weighted average number of shares ('000)	**921,733**	912,038	835,936
Potential ordinary shares ('000)	**2,161**	5,671	18,791
Diluted weighted average number of shares ('000)	**923,894**	917,709	854,727
Diluted basic EPS (cents)	**401**	78	182

9.3 HEADLINE EARNINGS PER SHARE

Reconciliation of profit attributable to owners of Sibanye to headline earnings:

Figures in million - SA rand	Notes	Gross	Net of tax
31 December 2016			
Profit attributable to owners of Sibanye			**3,701.6**
Gain on disposal of property, plant and equipment	11	**(95.4)**	**(68.7)**
Impairments	7	**1,381.1**	**1,281.7**
Gain on acquisition		**(2,428.0)**	**(2,428.0)**
Headline earnings			**2,486.6**
Headline EPS - cents			**270**
31 December 2015			
Profit attributable to owners of Sibanye			716.9
Gain on disposal of property, plant and equipment	11	(58.7)	(42.3)
Headline earnings			674.6
Headline EPS - cents			74
31 December 2014			
Profit attributable to owners of Sibanye			1,551.5
Gain on disposal of property, plant and equipment		(9.5)	(6.8)
Impairments		275.1	233.1
Reversal of impairment		(474.1)	(360.3)
Headline earnings			1,417.5
Headline EPS - cents			170

9.4 DILUTED HEADLINE EARNINGS PER SHARE

Diluted headline EPS is calculated by dividing the headline earnings attributable to owners of Sibanye by the diluted weighted average number of ordinary shares in issue during the year.

	2016	2015	2014
Diluted headline EPS - cents	**269**	74	166

10. DIVIDENDS

ACCOUNTING POLICY

Dividends are recognised only when such dividends are declared.

Cash flows from dividends paid are classified under operating activities in the statement of cash flows.

Figures in million - SA rand	2016	2015	2014
Dividend declared and paid	**1,610.6**	658.4	1,005.2
Dividend per share - cents	**175**	72	125

The dividend declared and paid relates to the final dividend of 90 SA cents per share or R825.4 million in respect of the six months ended 31 December 2015 declared 24 February 2016 and the interim dividend of 85 SA cents per share or R785.2 million in respect of the six months ended 30 June 2016 declared on 24 August 2016.

11. PROPERTY, PLANT AND EQUIPMENT

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Carrying value of property, plant and equipment

All mining assets are amortised using the units-of-production method where the mine operating plan calls for production from proved and probable Mineral Reserves.

Mobile and other equipment are depreciated over the shorter of the estimated useful life of the asset or the estimate of mine life based on proved and probable Mineral Reserves.

The calculation of the units-of-production rate of amortisation could be impacted to the extent that actual production in the future is different from current forecast production based on proved and probable Mineral Reserves. This would generally result from the extent that there are significant changes in any of the factors or assumptions used in estimating Mineral Reserves.

These factors could include:

- Changes in proved and probable Mineral Reserves;
- Differences between actual commodity prices and commodity price assumptions;
- Unforeseen operational issues at mine sites;
- Changes in capital, operating, mining, processing and reclamation costs, discount rates and foreign exchange rates; and
- Changes in Mineral Reserves could similarly impact the useful lives of assets depreciated on a straight-line basis, where those lives are limited to the life of the mine.

The recoverable amounts of cash-generating units (CGUs) and individual assets have been determined based on the higher of value-in-use calculations and fair value less cost to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the gold and PGM price assumptions may change which may then impact the Group estimated life of mine determinant and may then require a material adjustment to the carrying value of property, plant and equipment.

The Group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable by comparing expected future cash flows to these carrying values. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows of each group of assets. Expected future cash flows used to determine the value in use and fair value less costs to sell of property, plant and equipment are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including reserves and production estimates, together with economic factors such as spot and future gold and PGM prices, discount rates, foreign currency exchange rates, estimates of costs to produce reserves and future capital expenditure.

Pre-production

The Group assesses the stage of each mine construction project to determine when a mine moves into the production stage. The criteria used to assess the start date are determined based on the unique nature of each mine construction project. The Group considers various relevant criteria to assess when the mine is substantially complete, ready for its intended use and moves into the production stage. Some of the criteria would include, but are not limited to the following:

- the level of capital expenditure compared to the construction cost estimates;
- ability to produce metal in saleable form (within specifications); and
- ability to sustain commercial levels of production of metal.

When a mine construction project moves into the production stage, the capitalisation of certain mine construction costs ceases and costs are expensed, except for capitalisable costs related to mining asset additions or improvements, underground mine development or ore reserve development.

Mineral Reserves estimates

Mineral Reserves are estimates of the amount of product that can be economically and legally extracted from the Group's properties. In order to calculate the reserves, estimates and assumptions are required about a range of geological, technical and economic factors, including but not limited to quantities, grades, production techniques, recovery rates, production costs, transport costs, commodity demand, commodity prices and exchange rates.

Estimating the quantity and grade of the Mineral Reserves requires the size, shape and depth of orebodies to be determined by analysing geological data such as the logging and assaying of drill samples. This process may require complex and difficult geological judgements and calculations to interpret the data.

The Group is required to determine and report, *inter alia*, on the Mineral Reserves in accordance with the South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves (SAMREC).

Estimates of Mineral Reserves may change from period to period due to the change in economic assumptions used to estimate Mineral Reserves and due to additional geological data becoming available during the course of operations. Changes in reported proven and probable reserves may affect the Group's financial results and position in a number of ways, including the following:

- Asset carrying values may be affected due to changes in estimated cash flows;
- Depreciation and amortisation charges to profit or loss may change as these are calculated on the units-of production method, or where the useful lives of assets change;
- Decommissioning site restoration and environmental provisions may change where changes in ore reserves affect expectations about the timing or cost of these activities; and
- The carrying value of deferred tax assets may change due to changes in estimates of the likely recovery of the tax benefits.

ACCOUNTING POLICY

Mineral and surface rights

Mineral and surface rights are recorded at cost less accumulated amortisation and accumulated impairment losses. When there is little likelihood of a mineral right being exploited, or the carrying amount has exceeded its recoverable amount, impairment is recognised in profit or loss in the year that such determination is made.

Mine development and infrastructure

Mining assets, including mine development and infrastructure costs and mine plant facilities, are recorded at cost less accumulated depreciation and accumulated impairment losses.

These costs which include the purchase price of assets used in the construction of the mine, expenditure incurred to evaluate and develop new ore bodies, to define mineralisation in existing ore bodies and to establish or expand productive capacity, are capitalised until commercial levels of production are achieved, at which times the costs are amortised as set out below.

Development of ore bodies includes the development of shaft systems and waste rock removal that allows access to reserves that are economically recoverable in the future. Subsequent to this, costs are capitalised if the criteria for recognition as an asset are met. Access to individual orebodies exploited by the Group is limited to the time span of the respective mining leases.

Land

Land is shown at cost and is not depreciated.

Other assets

Non-mining assets are recorded at cost less accumulated depreciation and accumulated impairment losses. These assets include the assets of the mining operations not included in mine development and infrastructure, borrowing costs, mineral and surface rights, land and all the assets of the non-mining operations.

Amortisation and depreciation of mining assets

Amortisation and depreciation is determined to give a fair and systematic charge in profit or loss taking into account the nature of a particular ore body and the method of mining that ore body. To achieve this, the following calculation methods are used:

- Mining assets, including mine development and infrastructure costs, mine plant facilities and evaluation costs, are amortised over the life of the mine using the units-of-production method, based on estimated proved and probable Mineral Reserves above infrastructure.
- Proved and probable Mineral Reserves reflect estimated quantities of economically recoverable reserves, which can be recovered in future from known mineral deposits.
- Certain mining plant and equipment included in mine development and infrastructure is depreciated on a straight-line basis over their estimated useful lives.

Depreciation of non-mining assets

Non-mining assets are recorded at cost and depreciated on a straight-line basis over their current expected useful lives to their residual values as follows:

- Vehicles: 5 years
- Computers: 3 years
- Furniture and equipment: 1 - 10 years

The assets' useful lives, depreciation methods and residual values are reassessed at each reporting date and adjusted if appropriate.

Impairment

Recoverability of the carrying values of long-term assets or CGUs of the Group are reviewed whenever events or changes in circumstances indicate that such carrying value may not be recoverable. To determine whether a long-term asset or CGU may be impaired, the higher of value in use (defined as: the present value of future cash flows expected to be derived from an asset or CGU) or fair value less costs to sell (defined as: the price that would be received to sell an asset in an orderly transaction between market participants at the measured rate, less the costs of disposal) is compared to the carrying value of the asset/unit.

A CGU is defined by the Group as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Generally for the Group this represents an individual operating mine, including mines which are part of a larger mine complex. The costs attributable to individual shafts of a mine are impaired if the shaft is closed.

Impairment losses are recognised in profit or loss. Impairment recognised in respect of a CGU is allocated first to goodwill to that particular CGU and thereafter to the individual assets in the CGU.

When any infrastructure is closed down or placed on care and maintenance during the year, any carrying value attributable to that infrastructure is impaired. Expenditure incurred on care and maintenance is recognised in profit or loss.

When the review of the events or changes in circumstances of an asset or CGU that was previously impaired indicate that such historical carrying value is recoverable, the impairment is reversed. The impairment is only reversed to such an amount that the new carrying amount does not exceed the historical carrying amount. Reversal of impairment losses are recognised in profit or loss. Reversal of impairment recognised in respect of a CGU is allocated to the individual assets in the CGU.

Derecognition of property, plant and equipment

Property, plant and equipment is derecognised on disposal or closure of a shaft when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of an item of property, plant and equipment (calculated as the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Exploration and evaluation expenditure

All exploration and evaluation expenditure, prior to obtaining the legal rights to explore a specific area, is recognised in profit or loss. After the legal rights to explore are obtained, exploration and evaluation expenditure, comprising the costs of acquiring prospecting rights and directly attributable exploration expenditure, is capitalised as a separate class of property, plant and equipment or intangible assets, on a project-by-project basis, pending determination of the technical feasibility and commercial viability.

The technical feasibility and commercial viability of extracting a mineral resource is generally considered to be determinable through a feasibility study and when proven reserves are determinable to exist. Upon determination of proven reserves, exploration and evaluation assets attributable to those reserves are first tested for impairment and then reclassified from exploration and evaluation assets to another appropriate class of property, plant and equipment. Subsequently, all cost directly incurred to prepare an identified mineral asset for production is capitalised to mine development assets. Amortisation of these assets commences once these assets are available for use, which is expected to be when the mine is in commercial production. These assets will be measured at cost less accumulated amortisation and impairment losses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2016

Figures in million - SA rand	Notes	Total	Mine development, infrastructure and other	Land, mineral rights and rehabilitation	Exploration and evaluation assets
31 December 2016					
Cost					
Balance at beginning of the year		**57,431.7**	51,919.9	3,591.5	1,920.3
Additions		**4,151.1**	4,065.7	3.7	81.7
Change in estimates of rehabilitation assets	24	**472.5**	-	472.5	-
Disposals		**(67.8)**	(65.9)	(1.9)	-
Assets acquired on acquisition of subsidiaries	12	**5,702.3**	3,984.7	1,648.6	69.0
Balance at end of the year		**67,689.8**	**59,904.4**	**5,714.4**	**2,071.0**
Accumulated depreciation, amortisation and impairment					
Balance at beginning of the year		**35,299.3**	33,978.1	1,321.2	-
Amortisation and depreciation	4	**4,041.9**	3,656.7	385.2	-
Impairment	7	**1,171.7**	770.3	401.4	-
Disposals		**(63.8)**	(63.2)	(0.6)	-
Balance at end of the year		**40,449.1**	**38,341.9**	**2,107.2**	**-**
Carrying value at end of the year		**27,240.7**	**21,562.5**	**3,607.2**	**2,071.0**

Figures in million - SA rand	Notes	Total	Mine development, infrastructure and other	Land, mineral rights and rehabilitation	Exploration and evaluation assets
31 December 2015					
Cost					
Balance at beginning of the year		**54,404.9**	48,637.6	3,882.3	1,885.0
Additions		**3,344.8**	3,303.5	6.0	35.3
Change in estimates of rehabilitation assets	24	**(273.4)**	-	(273.4)	-
Disposals		**(44.6)**	(21.2)	(23.4)	-
Balance at end of the year		**57,431.7**	**51,919.9**	**3,591.5**	**1,920.3**
Accumulated depreciation, amortisation and impairment					
Balance at beginning of the year		**31,700.9**	30,650.2	1,050.7	-
Amortisation and depreciation	4	**3,636.6**	3,358.4	278.2	-
Disposals		**(38.2)**	(30.5)	(7.7)	-
Balance at end of the year		**35,299.3**	**33,978.1**	**1,321.2**	**-**
Carrying value at end of the year		**22,132.4**	**17,941.8**	**2,270.3**	**1,920.3**

Figures in million - SA rand	Notes	Total	Mine development, infrastructure and other	Land, mineral rights and rehabilitation	Exploration and evaluation assets
31 December 2014					
Cost					
Balance at beginning of the year		**43,970.8**	42,362.5	1,364.0	244.3
Additions		**3,250.8**	3,231.2	1.1	18.5
Change in estimates of rehabilitation assets	24	**131.5**	-	131.5	-
Disposals		**(68.1)**	(66.1)	(2.0)	-
Assets acquired on acquisition of subsidiaries		**7,119.9**	3,110.0	2,387.7	1,622.2
Balance at end of the year		**54,404.9**	48,637.6	3,882.3	1,885.0
Accumulated depreciation, amortisation and impairment					
Balance at beginning of the year		**28,819.8**	27,942.0	877.8	-
Amortisation and depreciation	4	**3,254.7**	3,054.0	200.7	-
Impairment	7	**155.5**	155.5	-	-
Reversal of impairment		**(474.1)**	(448.1)	(26.0)	-
Disposals		**(55.0)**	(53.2)	(1.8)	-
Balance at end of the year		**31,700.9**	30,650.2	1,050.7	-
Carrying value at end of the year		**22,704.0**	**17,987.4**	**2,831.6**	**1,885.0**

12. ACQUISITIONS

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Expected future cash flows used to determine the fair value of, *inter alia,* property, plant and equipment and contingent consideration are inherently uncertain and could materially change over time. The fair value is significantly affected by a number of factors including reserves and production estimates, together with economic factors such as the expected commodity price, foreign currency exchange rates, and estimates of production costs, future capital expenditure and discount rates.

ACCOUNTING POLICY

Business combinations

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a business is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Any contingent consideration is measured at fair value at the date of acquisition. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. Subsequently, the carrying amount of non-controlling interest is the amount of the interest at initial recognition plus the non-controlling interest's share of the subsequent changes in equity, plus or minus changes in the portion of interest of the equity of the subsidiary not attributable, directly or indirectly, to Sibanye shareholders.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is as a gain recognised directly in profit or loss.

12.1 AQUARIUS ACQUISITION

On 6 October 2015 Sibanye announced a cash offer of US$0.195 per share for the entire issued share capital of Aquarius (the Aquarius Transaction), valuing Aquarius at US$294 million. The transaction was subject to the fulfilment of various conditions precedent which were completed on 12 April 2016.

On 12 April 2016, Sibanye paid R4,301.5 million to the Aquarius shareholders and obtained control (100%) of Aquarius.

The acquisition has a strong strategic and financial rationale for Sibanye, both as a stand-alone transaction and particularly when considered in conjunction with the Rustenburg Operations acquisition. These acquisition will result in significant value creation through the realisation of synergies between the PGM assets in Rustenburg area, thereby enhancing Sibanye's platinum portfolio.

For the nine months ended 31 December 2016, Aquarius contributed revenue of R2,104.4 million and a profit of R223.6 million to the Group's results.

CONSIDERATION

Figures in million - SA rand	2016
Cash	4,301.5
Total consideration	**4,301.5**

ACQUISITION RELATED COSTS

The Group incurred acquisition related costs of R84.7 million on advisory and legal fees. These costs are recognised as transaction costs in profit or loss in 2016.

IDENTIFIABLE ASSETS ACQUIRED AND LIABILITIES ASSUMED

The following table summarises the recognised fair value of assets acquired and liabilities assumed at the acquisition date:

Figures in million - SA rand	Notes	2016
Property, plant and equipment	11	1,680.8
Equity-accounted investments	14	2,066.7
Environmental rehabilitation obligation funds	16	151.9
Non-current other receivables		108.4
Inventories		155.0
Trade and other receivables		908.9
Cash and cash equivalents		494.1
Deferred tax	8.3	49.2
Environmental rehabilitation obligation	24	(630.0)
Non-current other payables	17.2	(32.4)
Trade and other payables		(1,025.6)
Tax and royalties payable		(13.2)
Total fair value of identifiable net assets acquired		**3,913.8**

The fair value of assets and liabilities excluding property, plant and equipment, and environmental rehabilitation obligation approximate their carrying value. The fair value of property, plant and equipment was based on the expected discounted cash flows of the expected PGM reserves and costs to extract the PGMs discounted at a weighted average cost of capital (WACC) of 9.0% for Kroondal and Platinum Mile, and 15.0% for Mimosa, and an average PGM (4E) basket price of R14,700/oz.

GOODWILL

Goodwill arising from the acquisition has been recognised as follows:

Figures in million - SA rand	2016
Consideration	4,301.5
Fair value of identifiable net assets	(3,913.8)
Non-controlling interests, based on their proportionate interest in the recognised amounts of the assets and liabilities	12.9
Goodwill	**400.6**

The goodwill is attributable to the synergies between the PGM assets in the Rustenburg area. The allocation of goodwill has been provisionally allocated to the Kroondal and Rustenburg Operations CGUs. None of the goodwill recognised is expected to be deducted for tax purposes.

12.2 THE RUSTENBURG OPERATIONS ACQUISITION

On 9 September 2015, Sibanye announced that it had entered into written agreements with RPM, a wholly owned subsidiary of Anglo American Platinum Limited (Anglo American Platinum) to acquire the Bathopele, Siphumelele (including Khomanani), and Thembelani (including Khuseleka) mining operations, two concentrating plants, an on-site chrome recovery plant, the Western Limb Tailings Retreatment Plant, associated surface infrastructure and related assets and liabilities on a going concern basis (the Rustenburg Operations) (the Rustenburg Operations Transaction).

The purchase consideration comprises an upfront payment of R1.5 billion at the closing of the Rustenburg Operations Transaction (Closing) and a deferred payment calculated as being equal to 35% of the distributable free cash flow (as defined in the agreements) generated by the Rustenburg Operations over a six year period from the later of Closing or 1 January 2017 (Deferred Payment), subject to a minimum payment of R3.0 billion. In addition to the Deferred Payment, which allows for a favourable extended payment period; should the Rustenburg Operations generate negative distributable free cash flows in either 2016, 2017 or 2018, RPM will be required to pay up to R267 million per annum to ensure that the free cash flow for the relevant year is equal to zero.

On 19 October 2016, Sibanye obtained consent in terms of section 11 of the Mineral and Petroleum Resources Development Act for the transfer of the mining right and prospecting right pursuant to the Rustenburg Operations Transaction. Sibanye obtained control (88.4%) of the Rustenburg Operations on this date.

For the two months ended 31 December 2016, the Rustenburg Operations contributed revenue of R1,656.0 million and a loss of R150.0 million to the Group's results.

The purchase price allocation has been prepared on a provisional basis in accordance with IFRS 3 *Business Combinations*. The values measured on a provisional basis include, *inter alia*, deferred tax and the process to determine the effective date tax valuations.

If new information obtained within one year of the acquisition date, about facts and circumstances that existed at the acquisition date, identifies adjustments to the below amounts, or any additional provisions that existed at the date of acquisition, then the accounting for the acquisition will be revised.

CONSIDERATION

The consideration paid is as follows:

Figures in million - SA rand	Notes	2016
Cash		1,500.0
Deferred Payment[1]	17	1,553.3
True-up amount[2]		65.1
Total consideration		**3,118.4**

[1] The Deferred Payment was based on 35% of the expected distributable free cash flow generated by the Rustenburg Operations over an extended payment period from 1 January 2017, subject to a minimum payment of R3.0 billion discounted at a cost of debt of 9.5%

[2] The upfront purchase price was adjusted after Closing (i.e. the true-up amount) for actual Closing cash of the Rustenburg Operations in excess of the estimated Closing cash of the Rustenburg Operations and actual Closing working capital of the Rustenburg Operations in excess of the targeted Closing working capital of the Rustenburg Operations (in essence, representing a normalised level of working capital).

ACQUISITION RELATED COSTS

The Group incurred acquisition related costs of R63.9 million on advisory and legal fees. These costs are recognised as transaction costs in profit or loss.

IDENTIFIABLE ASSETS ACQUIRED AND LIABILITIES ASSUMED

The following table summarises the provisional fair value of assets acquired and liabilities assumed at the acquisition date:

Figures in million - SA rand	Notes	2016
Property, plant and equipment	11	4,021.5
Environmental rehabilitation obligation funds	16	280.7
Non-current other receivables		220.9
Inventories		80.4
Trade and other receivables		2,991.6
Current financial assets		242.0
Cash and cash equivalents		0.1
Deferred tax	8.3	(898.5)
Environmental rehabilitation obligation	24	(79.8)
Trade and other payables		(1,312.5)
Total fair value of identifiable net assets acquired		**5,546.4**

The fair value of assets and liabilities excluding property, plant and equipment, and environmental rehabilitation obligation approximate their carrying value. The fair value of property, plant and equipment was based on the expected discounted cash flows of the expected PGM reserves and costs to extract the PGMs discounted at a WACC of 9.2% and an average PGM (4E) basket price of R14,725/oz.

GAIN ON ACQUISITION

A gain on acquisition has been recognised as follows:

Figures in million - SA rand	2016
Consideration	3,118.4
Fair value of identifiable net assets	(5,546.4)
Gain on acquisition	**(2,428.0)**

The excess of the fair value of the net assets acquired over the consideration is recognised immediately in profit or loss as a gain on acquisition. The gain on acquisition is attributable to the fact that Anglo American Platinum has repositioned its portfolio by among others exiting certain assets. The Rustenburg Operations Transaction represented an attractively priced entry for Sibanye into the PGM sector.

13. GOODWILL

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Goodwill is tested for impairment on an annual basis. Expected future cash flows used to determine the recoverable amount of property, plant and equipment and goodwill are inherently uncertain and could materially change over time. The recoverable amount is significantly affected by a number of factors including reserves and production estimates, together with economic factors such as the expected commodity price, foreign currency exchange rates, and estimates of production costs, future capital expenditure and discount rates.

An individual operating mine does not have an indefinite life because of the finite life of its reserves. The allocation of goodwill to an individual mine will result in an eventual goodwill impairment due to the wasting nature of the mine.

ACCOUNTING POLICY

Goodwill is stated at cost less accumulated impairment losses. In accordance with the provisions of IAS 36 Impairment of Assets, the Group performs its annual impairment review of goodwill at each financial year end or whenever there are impairment indicators to establish whether there is any indication of impairment to goodwill. A write-down is made if the carrying amount exceeds the recoverable amount. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill allocated to the entity sold.

Goodwill is allocated to CGUs for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose.

Figures in million - SA rand	Notes	2016	2015	2014
Balance at beginning of the year		**736.7**	736.7	-
Goodwill on acquisition of Aquarius	12.1	**400.6**	-	-
Impairment	7	**(201.3)**		
Goodwill on acquisition of Cooke		**-**	-	736.7
Balance at end of the year		**936.0**	736.7	736.7

The goodwill arose on the acquisition of Cooke and Aquarius. The goodwill on acquisition of Cooke was attributable to the synergies at the Group's other operations, the underlying assets of Cooke and West Rand Tailings Retreatment Project (WRTRP). At year end the goodwill on acquisition of Cooke is allocated to Beatrix R103.9 million, Driefontein R166.9 million, Kloof R165.5 million, and WRTRP R99.1 million CGUs where it is tested for impairment. The goodwill on acquisition of Aquarius is attributable to the synergies between the PGM assets in the Rustenburg area. The goodwill has been provisionally allocated to the Kroondal and Rustenburg Operations CGUs.

None of the goodwill recognised is expected to be deducted for tax purposes.

In line with the accounting policy, the recoverable amount was determined by reference to "fair value less costs to sell" being the higher of "value in use" and "fair value less cost to sell", based on the cash flows over the life of the CGUs and discounted to present value at an appropriate discount rate.

The Group's estimates and assumptions used in the 31 December 2016 calculation include:

Platinum					*Gold*	
2015	**2016**				**2016**	**2015**
			Long-term gold price	R/kg	**570,000**	550,000
-	**14,725**	R/4Eoz	Long-term PGM (4E) basket price	R/4Eoz		
-	**15.7**	%	Nominal discount rate	%	**12.5**[1]	11.4 - 14.7
-	**6.0**	%	Inflation rate	%	**6.0**	6.0
-	**8 - 26**	years	Life of mine	years	**7 - 20**	8 - 27

[1] Nominal discount rate for WRTRP of 13.5% (2015: 17.2%).

The annual life-of-mine plan that takes into account the following:

- Proved and probable ore reserves of the CGUs;
- Resources are valued using appropriate price assumptions;
- Cash flows are based on the life-of-mine plan; and
- Capital expenditure estimates over the life-of-mine plan.

During the six months ended 31 December 2016, the goodwill allocated to the Cooke CGU was impaired by R201.3 million (refer to note 7). There were no other events or changes in circumstances that suggest that the carrying amount of a CGU may not be recoverable.

The recoverable amounts of the Driefontein, Kloof, Beatrix and WRTRP CGUs are significantly higher than their carry values, therefore a reasonably possible adverse change in the abovementioned assumptions would not likely result in an adjustment to the carrying values.

The recoverable amounts of the Kroondal and the Rustenburg Operations CGUs approximates their carrying values due to the fair value recognised on the acquisition (refer to note 12), therefore any reasonably possible adverse change in the abovementioned assumptions compared to the fair value assumptions used at acquisition (refer to note 12) could result in impairment.

14. EQUITY-ACCOUNTED INVESTMENTS

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Joint arrangements

Judgement is required to determine when the Group has joint control, which requires an assessment of the relevant activities and when the decisions in relation to those activities require unanimous consent. The Group has determined that the relevant activities for its joint arrangements are those relating to the operating and capital decisions of the arrangement, such as: the approval of the capital expenditure programme for each year, and appointing, remunerating and terminating the key management personnel or service providers of the joint arrangement. The considerations made in determining joint control are similar to those necessary to determine control over subsidiaries.

Judgement is also required to classify a joint arrangement as either a joint operation or a joint venture. Classifying the arrangement requires the Group to assess their rights and obligations arising from the arrangement. Specifically, it considers:

- The structure of the joint arrangement – whether it is structured through a separate vehicle.
- When the arrangement is structured through a separate vehicle, the Group also considers the rights and obligations arising from:
  - the legal form of the separate vehicle; and
  - the terms of the contractual arrangement.

This assessment often requires significant judgement, and a different conclusion on joint control and also whether the arrangement is a joint operation or a joint venture may materially impact the accounting.

ACCOUNTING POLICY

The Group's interest in equity-accounted investees comprise interests in associates and joint ventures.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Joint ventures are arrangements in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for it liabilities.

Interests in associates and joint ventures are accounted for using the equity method. The interests are initially recognised at cost using the same principles as with business combinations. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and other comprehensive income of equity-accounted investees until the date on which significant influence or joint control ceases.

Results of associates and joint ventures are equity-accounted using the results of their most recent audited annual financial statements or unaudited management accounts. Any losses from associates are brought to account in the consolidated financial statements until the interest in such associates is written down to zero. The interest includes any long-term interests that in substance, form part of the entity's net investment in the equity-accounted investee, for example long-term receivables for which settlement is neither planned nor likely to occur in the foreseeable future. Thereafter, losses are accounted for only insofar as the Group is committed to providing financial support to such associates.

The carrying value of an equity-accounted investment represents the cost of the investment, including goodwill, the proportionate share of the post-acquisition retained earnings and losses, any other movements in reserves, any impairment losses and loans to or from the equity-accounted investee. The carrying value together with any long-term interests that in substance form part of the net investment in the equity-accounted investee is assessed annually for existence of indicators of impairment and if such exist, the carrying amount is compared to the recoverable amount, being the higher of value in use or fair value less costs to sell. If an impairment in value has occurred, it is recognised in the period in which the impairment arose. Indicators of impairment include a significant or prolonged decline in the investments fair value below its carrying value.

The Group holds the following equity-accounted investments:

Figures in million - SA rand	Notes	2016	2015	2014
Rand Refinery	14.1	**72.4**	148.7	55.1
Mimosa	14.2	**2,049.3**	-	-
Other equity-accounted investments		**35.7**	18.8	14.3
Total equity-accounted investments		**2,157.4**	167.5	69.4

MATERIAL EQUITY-ACCOUNTED INVESTMENTS

14.1 RAND REFINERY

Sibanye has a 33.1% interest in Rand Refinery, a company incorporated in the Republic of South Africa, which is involved in the refining of bullion and by-products sourced from, *inter alia*, South African and foreign gold producing mining companies. Rand Refinery is accounted for using the equity method.

Rand Refinery recognised losses during the year as a result of inefficiencies in processing by-product stockpiles.

The carrying value of Rand Refinery remains an area of estimation and uncertainty.

The equity-accounted investment in Rand Refinery movement for the year is as follows:

Figures in million - SA rand	Notes	2016	2015	2014
Balance at beginning of the year		**148.7**	55.1	270.1
Share of results of equity-accounted investee after tax[1]		**(116.5)**	114.5	(480.0)
Interest on the loan to equity-accounted investee capitalised		**40.2**	-	-
Loan (repaid by)/advanced to equity-accounted investee		**-**	(20.9)	384.6
Impairment	7	**-**	-	(119.6)
Balance at end of the year		**72.4**	148.7	55.1

[1] Rand Refinery changed to a 31 August year end (from a 30 September year end). Rand Refinery is equity accounted based on its results for the period ended 30 November.

On 18 December 2014, Rand Refinery drew down R1.029 billion under a R1.2 billion subordinated shareholders loan (the Facility), with Sibanye's proportional share being R384.6 million. Amounts drawn down under the Facility are repayable within two years from the first draw down date. If the loan is not repaid within two years, it will automatically convert into equity in Rand Refinery. Interest under the Facility is at JIBAR plus a margin of 3.5%. Sibanye has subordinated all claims it might have against Rand Refinery as part of the Facility agreement. During the year Rand Refinery paid Rnil (2015: R37.3 million and 2014: R1.2 million) interest on the loan.

The Group's interest in the summarised financial statements of Rand Refinery are:

Figures in million - SA rand	Notes	2016	2015	2014
Revenue		**903.0**	1,021.0	377.0
Total comprehensive (loss)/income		**(352.0)**	346.0	(299.0)
Non-current assets		**636.0**	708.0	526.0
Current assets		**419.0**	512.0	346.0
Non-current liabilities		**(1,095.0)**	(992.0)	(24.0)
Current liabilities		**(467.0)**	(383.0)	(1,349.0)
Net liabilities (100.0%)		**(507.0)**	(155.0)	(501.0)
Reconciliation of the total investment in associate with attributable net assets:				
Net liabilities (33.1%)		**(168.2)**	(51.7)	(166.2)
Dividend received		**(8.2)**	(8.2)	(8.2)
Fair value adjustment[1]		**(35.5)**	(35.5)	(35.5)
Impairment	7	**(119.6)**	(119.6)	(119.6)
Loan to equity-accounted investee		**403.9**	363.7	384.6
Total investment in Rand Refinery		**72.4**	148.7	55.1

[1] The investment in equity-accounted investee was fair valued at 1 July 2002, the date when significant influence was obtained.

14.2 MIMOSA

Sibanye has a 50% interest in Mimosa Investments Limited (Mimosa), which owns and operates the Mimosa Mine.

The equity-accounted investment in Mimosa movement for the year is as follows:

Figures in million - SA rand	Notes	2016
Balance at the beginning of the year		**-**
Share of results of equity-accounted investee after tax[1]		**114.9**
Foreign currency translation		**(132.3)**
Equity-accounted investment on acquisition of subsidiaries	12	**2,066.7**
Balance at end of the year		**2,049.3**

[1] The share of results of equity-accounted investee after tax includes R265.0 million relating to the subsequent recovery of the Reserve Bank of Zimbabwe (RBZ) bond notes.

The Group's interest in the summarised financial statements of Mimosa are:

Figures in million - SA rand	2016
Revenue	2,446.4
Depreciation and amortisation	(447.4)
Interest income	1.0
Finance expense	(22.4)
Income tax	(185.1)
Profit or loss	229.8
Other comprehensive income	(264.6)
Total comprehensive income	(34.8)
Non-current assets	4,079.0
Property, plant and equipment	4,079.0
Current assets	2,259.5
Cash and cash equivalents	191.2
Other current assets	2,068.3
Non-current liabilities	(1,131.2)
Non-current financial liabilities	(141.2)
Other non-current liabilities	(990.0)
Current liabilities	(900.1)
Current financial liabilities	(762.2)
Other current liabilities	(137.9)
Net assets (100.0%)	**4,307.2**
Reconciliation of the total investment in associate with attributable net assets:	
Net assets (50.0%)	2,153.6
Reconciling items[1]	(104.3)
Total investment in Mimosa	**2,049.3**

[1] The reconciling items include the difference between the carrying amount and fair value of the Mimosa's identifiable assets and liabilities on acquisition less accumulated amortisation, the remaining impairment of the RBZ bond notes, and foreign exchange differences on translation of assets and liabilities of the foreign joint venture.

Repatriation of funds from Zimbabwe is subject to regulatory approval in Zimbabwe.

15. INTERESTS IN JOINT OPERATIONS

ACCOUNTING POLICY

A joint operation is a joint arrangement in which the parties that share joint control have rights to the assets, and obligations for the liabilities, relating to the arrangement.

In relation to the Group's interests in joint operations, the following are recognised in the financial statements:

- the Group's share of the jointly controlled assets, classified according to the nature of the assets;
- any liabilities that the Group has incurred;
- the Group's share of any liabilities incurred jointly with the other ventures in relation to the joint operation;
- any income from the sale or use of the Group's share of the output of the joint operation, together with the Group's share of any expenses incurred by the joint operation; and
- any expenses that the Group has incurred in respect of its interest in the joint operation.

The Group's interests in joint operations includes a 50% interest in two joint operations each referred to as the "Notarial Pooling and Sharing Agreements". The principal activities of the joint operations are to extend the Kroondal mine over the boundary of the properties covering the Kroondal mine and expand the Marikana mine operations through mineral rights contributed by Anglo American Platinum through its subsidiary, RPM.

The Group's share of the assets, liabilities, revenue and expenses of the joint operations which are included in the consolidated financial statements, are as follows:

KROONDAL MINE

Figures in million - SA rand	2016
Foreign exchange loss	(67.8)
Profit before tax	90.8
Profit for the year	**90.8**
Non-current assets	1,296.1
Current assets	1,208.1
Current liabilities	(288.7)
Net assets (50.0%)	**2,215.5**

16. ENVIRONMENTAL REHABILITATION OBLIGATION FUNDS

ACCOUNTING POLICY

The Group's rehabilitation obligation funds includes equity-linked investments that are fair valued at each reporting date. The fair value is calculated with reference to underlying equity instruments using industry valuation techniques and appropriate models. While Sibanye's management believes that these assumptions are appropriate, the use of different assumptions could have a material impact on the fair value of the investments.

Annual contributions are made to dedicated environmental rehabilitation obligation funds to fund the estimated cost of rehabilitation during and at the end of the life of the relevant mine. The amounts contributed to these funds are included under non-current assets and are measured at fair value through profit or loss. Interest earned on monies paid to rehabilitation funds is accrued on a time proportion basis and is recorded as interest income.

In addition, bank guarantees are provided for funding shortfalls of the environmental rehabilitation obligations.

Figures in million - SA rand	Notes	2016	2015	2014
Balance at beginning of the year		**2,413.9**	2,192.8	1,588.1
Contributions		**74.7**	77.8	69.3
Interest income		**168.2**	134.8	98.5
Fair value adjustment[1]		**11.1**	8.5	62.7
Environmental rehabilitation obligation funds on acquisition of subsidiaries	12	**432.6**	-	374.2
Balance at end of the year		**3,100.5**	2,413.9	2,192.8
Environmental rehabilitation obligation funds comprise of the following:				
Restricted cash[2]		**352.3**	341.8	301.5
Funds		**2,748.2**	2,072.1	1,891.3

[1] The environmental rehabilitation trust fund includes equity-linked investments that are fair valued at each reporting date.
[2] The funds are set aside to serve as collateral against the guarantees made to the Department of Minerals and Resources (DMR) for environmental rehabilitation obligations.

17. OTHER RECEIVABLES AND OTHER PAYABLES

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Expected future cash flows used to determine the fair value of the other receivables and other payables (namely the Anglo financial assets and Deferred Payment, and rates and taxes receivable) are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including reserves and production estimates, together with economic factors such as the expected commodity price, foreign currency exchange rates, and estimates of production costs, future capital expenditure and discount rates.

ACCOUNTING POLICY

Other receivables and other payables are initially recognised at fair value. Subsequent to initial recognition other receivables and other payables are measured at amortised cost.

17.1 OTHER RECEIVABLES

Figures in million - SA rand	2016	2015	2014
Anglo American Platinum financial assets	**469.7**	-	-
Right of recovery receivable	**112.4**	-	-
Rates and taxes receivable	**82.4**	-	-
Other	**1.4**	1.3	1.4
Total other receivables	**665.9**	1.3	1.4
Reconciliation of the non-current and current portion of the other receivables			
Other receivables	**665.9**	1.3	1.4
Current portion of other receivables	**(310.6)**	-	-
Non-current portion of other receivables	**355.3**	1.3	1.4

17.2 OTHER PAYABLES

Figures in million - SA rand		2016	2015	2014
Deferred Payment	12	**1,577.4**	-	-
Right of recovery payable		**36.3**	-	-
Total other payables		**1,613.7**	-	-
Reconciliation of the non-current and current portion of the other payables				
Other payables		**1,613.7**	-	-
Current portion of other payables		**-**	-	-
Non-current portion of other payables		**1,613.7**	-	-

ANGLO AMERICAN PLATINUM FINANCIAL ASSET AND DEFERRED PAYMENT

In terms of the Rustenburg Operations Transaction (refer to note 12.2) the purchase consideration includes a Deferred Payment, subject to a minimum payment of R3.0 billion. In addition to the Deferred Payment, which allows for a favourable extended payment period; should the Rustenburg Operations generate negative distributable free cash flows in either 2016, 2017 or 2018, RPM will be required to pay up to R267 million per annum to ensure that the free cash flow for the relevant year is equal to zero

RIGHT OF RECOVERY RECEIVABLE AND PAYABLE

Based on the first and second Notarial Pooling and Sharing agreements (PSAs) with Anglo American Platinum, Aquarius Platinum (South Africa) Proprietary Limited (AQPSA) holds a contractual right to recover 50% of the rehabilitation obligation relating to environmental rehabilitation resulting from PSA operations from RPM, where this rehabilitation relates to property owned by AQPSA. Likewise RPM holds a contractual right to recover 50% of the rehabilitation obligation relating to environmental rehabilitation resulting from PSA operations from AQPSA, where the rehabilitation relates to property owned by RPM. With respect to the opencast section of the Marikana mine that is on AQPSA property, RPM have limited their contractual liability to approximately R150 million, being a negotiated liability in terms of an amendment to the second PSA.

18. INVENTORIES

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Net realisable value tests are performed at least annually and represent the estimated future sales price of the product based on prevailing spot commodity prices at the reporting date, less estimated costs to complete production and bring the product to sale. Future commodity price fluctuations could negatively impact the valuation of inventory. If any inventories are expected to be realised in the long-term horizon, estimated future sales prices are used for valuation purposes.

ACCOUNTING POLICY

Inventory is valued at the lower of cost and net realisable value. The Group values ore stockpiles, uranium-in-process and gold-in-process when it can be reliably measured. Cost is determined on the following basis:

- PGM concentrate awaiting further processing, reef ore stockpiles and uranium stockpiles are valued using weighted average cost. Cost includes production, amortisation, depreciation and related administration costs; and
- Consumable stores are valued at weighted average cost after appropriate provision for surplus and slow-moving items.

Figures in million - SA rand	2016	2015	2014
Consumable stores[1]	**481.7**	277.5	274.9
Uranium finished goods and uranium-in-process[2]	**100.4**	128.4	52.8
Ore stockpiles	**51.8**	-	-
Gold-on-hand	**42.9**	-	-
Total inventories	**676.8**	405.9	327.7

[1] The cost of consumable stores consumed during the year and included in operating cost amounted to R5,243.2 million (2015: R3,995.7 million and 2014: R3,480.4 million).

[2] Although the uranium finished goods and uranium-in-process was presented under current assets, management does not expect that all this inventory will be realised within 12 months from the reporting date.

During the year ended 31 December 2016, the Group recognised a net realisable value write down of R93.3 million on its uranium finished goods and uranium-in-process inventory. The write down is disclosed as part of cost of sales.

19. TRADE AND OTHER RECEIVABLES

ACCOUNTING POLICY

Trade and other receivables are initially recognised at fair value and subsequently carried at amortised cost less allowance for impairment. Estimates made for impairment are based on a review of all outstanding amounts at year end. Irrecoverable amounts are written off during the period in which they are identified.

Trade receivables include actual invoiced sales of PGM concentrate as well as sales not yet invoiced for which deliveries have been made and the risks and rewards of ownership have passed. The receivable amount calculated for the PGM concentrate delivered but not yet invoiced is recorded at the fair value of the consideration receivable at the date of delivery. At each subsequent reporting date the receivable is restated to reflect the fair value movements in the pricing mechanism which is considered to represent an embedded derivative. Foreign exchange movements subsequent to the recognition of a sale are recognised as a foreign exchange gain or loss in profit or loss.

Figures in million - SA rand	2016	2015	2014
Trade receivables - gold sales	**658.1**	933.4	383.4
Trade receivables - platinum sales	**4,001.9**	-	-
Other trade receivables	**306.5**	108.4	177.6
Payroll debtors	**154.7**	109.5	87.3
Interest receivable	**6.6**	7.8	13.5
Financial assets	**5,127.8**	1,159.1	661.8
Prepayments	**298.1**	123.7	68.9
Value added tax	**322.0**	344.6	262.1
Total trade and other receivables	**5,747.9**	1,627.4	992.8

20. CASH AND CASH EQUIVALENTS

ACCOUNTING POLICY

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value and are measured at amortised cost which is deemed to be fair value as they have a short-term maturity.

Figures in million - SA rand	2016	2015	2014
Cash at the bank and on hand	**967.9**	717.4	562.9
Total cash and cash equivalents	**967.9**	717.4	562.9

21. STATED SHARE CAPITAL

ACCOUNTING POLICY

Ordinary share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Figures in thousand	Notes	2016	2015	2014
Authorised number of shares		**2,000,000**	2,000,000	1,000,000
Reconciliation of issued number of shares				
Number of shares in issue at beginning of the year		**916,140**	898,840	735,079
Shares issued under SGL Share Plan		**12,864**	17,300	6,866
Shares issued as consideration for the acquisition of Cooke		**-**	-	156,895
Number of shares in issue at end of the year		**929,004**	916,140	898,840

The authorised share capital was increased to 2,000,000,000 during the year ended 31 December 2015.

In terms of the general authority granted by the shareholders of the Company on 24 May 2016, the Board may issue authorised but unissued ordinary share capital representing not more than 5% of the issued share capital of the Company at 31 December 2015 in accordance with the memorandum of incorporation and the Companies Act.

All the Sibanye ordinary shares rank pari passu in all respects, there being no conversion or exchange rights attached thereto, and all of the ordinary shares will have equal rights to participate in capital, dividend and profit distributions by the Company.

22. NON-CONTROLLING INTERESTS

ACCOUNTING POLICY

Non-controlling interests

The Group recognises any non-controlling interest in an acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets on an acquisition by acquisition basis. Subsequently, the carrying amount of non-controlling interest is the amount of the interest at initial recognition plus the non-controlling interest's subsequent share of changes in equity.

Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests where control is not lost are also recorded in equity. Where control is lost over a subsidiary, the gains or losses are recognised in profit or loss.

The Group's non-controlling interests relates to the following subsidiaries:

Figures in million - SA rand	2016	2015	2014
Non-controlling interests of Newshelf 1114	**-**	107.3	327.4
Non-controlling interests of GTSM	**3.4**	2.5	2.2
Non-controlling interest of Platinum Mile	**14.3**	-	-
Total non-controlling interests	**17.7**	109.8	329.6

NEWSHELF 1114

Sibanye has a 76% interest in Newshelf 1114, a company incorporated in the Republic of South Africa, which is involved in the mining of gold and uranium. The investment was acquired on 15 May 2014.

The current balance of 24% not owned by Sibanye forms part of the Newshelf 1114 BEE structure. Non-controlling interest takes into account any portion of the equity of Newshelf 1114 which is indirectly attributable to the shareholders of Sibanye as a result of funding provided by Sibanye.

The Newshelf 1114 BEE partners have no voting rights until it has fully repaid the loan owed to Sibanye.

The non-controlling interests of Newshelf 1114 consists of:

Figures in million - SA rand	Notes	2016	2015	2014
Balance at beginning of the year		**107.3**	327.4	-
Non-controlling interest of the share of profits and losses of subsidiaries	2	**(434.2)**	(179.0)	(44.6)
Transactions with Sibanye[1]		**326.9**	(41.1)	(24.2)
Fair value of non-controlling interest on acquisition of Cooke		**-**	-	396.2
Total non-controlling interests		**-**	107.3	327.4

[1] The transactions with Sibanye relate to the interest on funding from Sibanye. On acquisition of the Cooke Operations, the amount recognised as non-controlling interests represented the BEE consortium's proportionate share of the net assets at acquisition date after considering the loan amount due and payable to Sibanye. As the recoverable amount of the Cooke CGU is lower than its carrying value, the BEE consortium's proportionate share of the net fair value at 31 December 2016 is not sufficient to fund the BEE consortium's attributable loss, and therefore the non-controlling interest was limited to zero.

Summarised financial information of the Newshelf 1114 group:

Figures in million - SA rand	2016	2015	2014
Total revenue of the Newshelf 1114 group	**3,362.2**	2,974.5	1,881.9
Total comprehensive income of the Newshelf 1114 group	**(1,957.3)**	(744.9)	(187.8)
Non-current assets	**3,409.4**	5,278.6	5,579.8
Current assets	**199.1**	395.5	219.0
Non-current liabilities	**(5,644.6)**	(5,496.5)	(5,203.0)
Current-liabilities	**(936.8)**	(1,143.5)	(816.8)
Net liabilities (100.0%)	**(2,972.9)**	(965.9)	(221.0)

23. BORROWINGS

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Expected future cash flows used to determine the fair value of borrowings (namely the Burnstone Debt) are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including reserves and production estimates, together with economic factors such as the expected commodity price, foreign currency exchange rates, and estimates of production costs, future capital expenditure and discount rates.

ACCOUNTING POLICY

Borrowings are recognised initially at fair value, net of transaction costs incurred, where applicable and subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Figures in million - SA rand	Notes	2016	2015	2014
R6.0 billion revolving credit facility	23.1	**5,100.0**	-	-
US$350 million revolving credit facility	23.2	**1,369.0**	-	-
R4.5 billion Facilities	23.3	**-**	1,961.6	1,979.5
Burnstone Debt	23.4	**1,752.6**	1,808.3	1,134.4
Other borrowings	23.5	**749.5**	-	-
Franco-Nevada liability		**2.7**	33.7	56.1
Total borrowings		**8,973.8**	3,803.6	3,170.0
Reconciliation of the non-current and current portion of the borrowings:				
Borrowings		**8,973.8**	3,803.6	3,170.0
Current portion of borrowings		**(752.3)**	(1,995.3)	(554.2)
Non-current portion of borrowings		**8,221.5**	1,808.3	2,615.8

The current portion of borrowings will be repaid out of operational cash flows or it will be refinanced by utilising available Group facilities.

23.1 R6.0 BILLION REVOLVING CREDIT FACILITY

On 15 November 2016, Sibanye cancelled and refinanced the R4.5 billion Facilities by drawing R3.2 billion under the R6.0 billion revolving credit facility (RCF). The purpose of the facility was to refinance the R4.5 billion Facilities, finance ongoing capital expenditure, working capital and general corporate expenditure requirements which may include the financing of future acquisitions of business combinations.

Terms of the R6.0 billion RCF	
Facility:	R6.0 billion
Interest rate:	JIBAR
Interest rate margin:	2.4%
Term of loan:	Three years
Borrowers:	Sibanye, SRPM and Kroondal
Security and/or guarantors:	The facility is unsecured and guaranteed by Sibanye, Rand Uranium, SRPM and Kroondal.

Figures in million - SA rand	Notes	2016	2015	2014
Loans raised		**5,100.0**	-	-
Balance at end of the year		**5,100.0**	-	-

23.2 US$350 MILLION REVOLVING CREDIT FACILITY

On 24 August 2015 Sibanye entered into a US$300 million syndicated RCF agreement. On 15 February 2016 the facility increased to US$350 million. The purpose of the facility was to finance ongoing capital expenditure, working capital and general corporate expenditure requirements which may include the financing of future acquisitions of business combinations.

Terms of the US$350 million RCF	
Facility:	US$350 million RCF (31 December 2015: US$300 million RCF)
Interest rate:	LIBOR
Interest rate margin:	2% per annum
Utilisation Fees	Where the total outstanding loans under the RCF fall within the range of the percentage of the total loan as set out below, Sibanye shall pay a utilisation fee equal to the percentage per annum set out opposite such percentage range.

% of the total loans	Utilisation fee
Less than or equal to 33⅓%	0.15%
Greater than 33⅓% and less than or equal to 66⅔%	0.30%
Greater than 66⅔%	0.50%

Term of loan:	Three years
Borrowers:	Sibanye, SRPM and Kroondal
Security and/or guarantors:	The facility is unsecured and guaranteed by Sibanye, Rand Uranium, SRPM and Kroondal.

Figures in million - SA rand	2016	2015	2014
Loans raised	**2,771.5**	-	-
Loans repaid	**(1,211.6)**	-	-
Gain on foreign exchange differences	**(190.9)**	-	-
Balance at end of the year	**1,369.0**	-	-

23.3 R4.5 BILLION FACILITIES

Sibanye entered into the R4.5 billion Facilities on 13 December 2013. The R4.5 billion Facilities was used to refinance the unbundling bridge loan facilities.

Terms of the R4.5 billion Facilities	
Facility:	R2.5 billion revolving credit facility (RCF) 2.0 billion term loan facility (Term Loan)
Interest rate:	JIBAR
Interest rate margin:	RCF: 2.85% Term Loan: 2.75%
Term of loan:	Three years
Repayment period:	The Term Loan will be repaid in equal six-monthly instalments of R250 million, with the R750 million balance and any amounts outstanding under the RCF due for settlement on final maturity, being 13 December 2016.
Security and/or guarantors:	The Facilities are unsecured and guaranteed by Rand Uranium and Ezulwini.
Cancellation:	These facilities were cancelled and repaid on 15 November 2016.

Figures in million - SA rand	Notes	2016	2015	2014
Balance at beginning of the year		**1,961.6**	1,979.5	1,990.9
Loans raised		**1,936.4**	1,000.0	884.6
Loans repaid		**(3,900.0)**	(1,020.9)	(900.0)
Unwinding of amortised cost	5	**2.0**	3.0	4.0
Balance at end of the year		**-**	1,961.6	1,979.5
Reconciliation of facilities:				
Term loan		**-**	998.0	1,494.9
RCF		**-**	963.6	484.6

23.4 BURNSTONE DEBT

SGEO has bank debt of US$178.1 million (R1,883.9 million) (the Burnstone Debt) outstanding as part of the net assets acquired on 1 July 2014.

Terms of the Burnstone Debt	
Facility:	A1: US$0.2 million A2: US$7.8 million A3: US$51.0 million A4: US$119.1 million
Interest rate:	A1 and A2: Interest free A3 and A4: Interest free until 1 July 2017, then at London Interbank Offered Rate (LIBOR)
Interest rate margin:	A3 and A4: 4% from 1 July 2017
Term of loan:	No fixed term
Repayment period:	A1: Repaid on 1 July 2014 A2: From 1 July 2017 the first 50% of Burnstone's free cash flow (as defined in the settlement agreement(will be used to repay the Wits Gold Loan and the balance of 50% to repay A2 A3 and A4: On settlement of A2. 90% of Burnstone's free cash flow will be used to repay the Wits Gold Loan and the balance of 10% to repay the Burnstone Debt. On settlement of the Wits Gold Loan and interest, 30% of Burnstone's free cash flow will be used to repay the Burnstone Debt and the balance will be distributed to Wits Gold. The Bank Lenders will continue to participate in 10% of Burnstone's free cash flow after the Burnstone Debt has been repaid in full to a maximum amount of US$63.0 million under a revenue participation agreement.
Security:	The Burnstone Debt is fully secured against the assets of Burnstone (of R2.0 billion) and there is no recourse to the Sibanye Group. The security package includes a cession over the bank accounts, insurance policies' proceeds, special and general notarial bonds over movable assets and mortgage bonds over property.

The Burnstone Debt facilities of US$178.1 million (R1,883.9 million) were initially recognised at the acquisition fair value using level 2 (refer note 29) assumptions, being R1,007.6 million, in terms of IFRS 3. The expected free cash flows to repay the loan as detailed above were based on the estimates and assumptions to determine the fair value:

- A US$ swap forward curve adjusted with the 4% interest rate margin above;
- The annual life-of-mine (LOM) plan that takes into account the following:

- Proved and probable ore reserves of Burnstone;
- Cash flows are based on the life-of-mine plan of 22 years; and
- Capital expenditure estimates over the life-of-mine plan.

Figures in million - SA rand	Notes	2016	2015	2014
Balance at beginning of the year		**1,808.3**	1,134.4	-
Unwinding of amortised cost	5	**139.4**	99.3	39.3
(Gain)/loss on foreign exchange differences		**(224.4)**	412.1	89.4
Loss on revised estimated cash flows[1]		**29.3**	162.5	-
Borrowings on acquisition of subsidiary		**-**	-	1,007.6
Loans repaid		**-**	-	(1.9)
Balance at end of the year		**1,752.6**	1,808.3	1,134.4

[1] At 31 December 2016, the expected free cash flows expected to repay the loan as detailed above were revised as a result of:
- *Revised proven and probable reserves;*
- *Revised cash flows over the LOM plan as a result of:*
  - *Revised forecast costs and capital expenditure; and*
  - *Revised gold prices (2016: R570,000/kg) (2015:R550,000/kg) and exchange rates (2016: R13.68/US$) (2015: R15.00/US$).*

In terms of IAS 39 AG8 the carrying value of the Burnstone Debt increased by R29.3 million (2015: R162.5 million), recognised as part of loss on financial instruments in profit or loss.

23.5 OTHER BORROWINGS

SHORT-TERM CREDIT FACILITIES

Sibanye has uncommitted loan facilities with various banks to fund capital expenditure and working capital requirements at its operations. These facilities have no fixed terms, are short-term in nature and interest rates are market related.

Figures in million - SA rand	2016	2015	2014
Loans raised	**7,472.6**	552.0	739.0
Loans repaid	**(6,723.1)**	(552.0)	(739.0)
Balance at end of the year	**749.5**	-	-

23.6 ACQUISITION BRIDGE FACILITIES

STILLWATER BRIDGE FACILITY

On 9 December 2016 Sibanye obtained a US$2.65 billion bridge facility (Bridge Facility) to finance the purchase of Stillwater Mining Company Limited (Stillwater), to refinance existing indebtedness at Stillwater and to pay certain related fees, costs and expenses.

Terms of the Stillwater Bridge Facilities	
Facility:	A: US$750 million bridge to equity
	B: US$300 million bridge to cash
	C: US$1.6 billion bridge to debt
Interest rate:	LIBOR
Interest rate margin:	Months 1 - 3: 3.25% per annum
	Months 4 - 6: 4.25% per annum or 5.25% per annum if Net debt to EBITDA > 2.0x
	Months 7 - 9: 5.25% per annum or 6.25% per annum if Net debt to EBITDA > 2.0x
	Months 10 - 12: 6.25% per annum or 7.25% per annum if Net debt to EBITDA > 2.0x
Term of loan:	Facility A and B: Earlier of nine months from completion of the Stillwater acquisition and 31 October 2017
	Facility C: 364 days from completion of the Stillwater acquisition
Borrowers:	Sibanye and Thor Mergeco Inc
Security and/or guarantors:	The facility is unsecured and guaranteed by Sibanye, Thor Mergeco Inc and Kroondal. Rand Uranium and SRPM must accede as guarantors before completion of the Stillwater acquisition.

The Bridge Facility can only be drawn on completion of the Stillwater transaction which is expected to be in in the second quarter of 2017, thus the facility was undrawn as at 31 December 2016.

AQUARIUS BRIDGE FACILITY

On 5 October 2015 Sibanye entered into a US$300 million acquisition bridge facility agreement for the purpose of providing funding, if required for the Aquarius acquisition. No funds were drawn under the facility and the facility was cancelled on 23 March 2016.

23.7 THE EXPOSURE TO INTEREST RATE CHANGES AND THE CONTRACTUAL REPRICING DATES

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates at the reporting dates are as follows:

Figures in million - SA rand	**2016**	**2015**	**2014**
Floating rate with exposure to change in JIBAR	**5,849.5**	1,961.6	1,979.5
Floating rate with exposure to change in LIBOR	**3,121.6**	1,808.3	1,134.4
Non-current borrowings exposed to interest rate changes	**8,971.1**	3,769.9	3,113.9
The Group has the following undrawn borrowing facilities:			
Committed	**4,322.5**	6,198.4	2,015.4
Uncommitted	**200.5**	548.0	548.0
Total undrawn facilities	**4,523.0**	6,746.4	2,563.4
All of the above facilities have floating rates. The undrawn committed facilities have the following expiry dates:			
– within one year	**-**	1,536.4	-
– later than one year and not later than two years	**3,422.5**	-	2,015.4
– later than two years and not later than three years	**900.0**	4,662.0	-
Total undrawn committed facilities	**4,322.5**	6,198.4	2,015.4

23.8 CAPITAL MANAGEMENT

The Group's primary objective with regards to managing its capital is to ensure that there is sufficient capital available to support the funding requirements of the Group, including capital expenditure, in a way that: optimises the cost of capital; maximises shareholders' returns; and ensures that the Group remains in a sound financial position.

There were no changes to the Group's overall capital management approach during the current year.

The Group manages and makes adjustments to the capital structure as and when borrowings mature or as and when funding is required. This may take the form of raising equity, market or bank debt or hybrids thereof. Opportunities in the market are also monitored closely to ensure that the most efficient funding solutions are implemented.

The Group monitors capital using the ratio of net external debt to earnings before interest, taxes, depreciation and amortisation (EBITDA), but does not set absolute limits for this ratio. The Group is comfortable with a ratio of net debt to EBITDA of one times or lower.

Figures in million - SA rand	Notes	2016	2015	2014
Borrowings[1]	23	**7,221.2**	1,995.3	2,035.6
Cash and cash equivalents[2]	20	**928.4**	633.4	529.6
Net debt[3]		**6,292.8**	1,361.9	1,506.0
EBITDA[4]		**10,531.6**	6,337.0	7,469.1
Net debt to EBITDA (Ratio)[5]		**0.60**	0.21	0.20

[1] Borrowings are only those borrowings that have recourse to Sibanye. Borrowings thus exclude the Burnstone Debt (refer to note 23.4).
[2] Cash and cash equivalents exclude cash of Burnstone.
[3] Net debt excludes Burnstone Debt and Burnstone cash.
[4] EBITDA is net operating profit before depreciation and amortisation.
[5] Net debt to EBITDA ratio is defined as net debt as at the end of a reporting period divided by EBITDA of the 12 months ended on the same reporting date.

24. ENVIRONMENTAL REHABILITATION OBLIGATION

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The Group's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The Group recognises management's best estimate for asset retirement obligations in the period in which they are incurred. Actual costs incurred in future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of this provision.

ACCOUNTING POLICY

Provisions are recognised when the Group has a present obligation, legal or constructive resulting from past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Long-term environmental obligations are based on the Group's environmental management plans, in compliance with applicable environmental and regulatory requirements.

The estimated costs of rehabilitation are reviewed annually and adjusted as appropriate for changes in legislation, technology or other circumstances. Cost estimates are not reduced by the potential proceeds from the sale of assets or from plant clean up at closure.

Based on disturbances to date, the net present value of expected rehabilitation cost estimates is recognised and provided for in full in the financial statements. The estimates are reviewed annually and are discounted using a risk-free rate that is adjusted to reflect the current market assessments of the time value of money and the risks specific to the obligation.

Annual changes in the provision consist of finance costs relating to the change in the present value of the provision and inflationary increases in the provision estimate, as well as changes in estimates. Changes in estimates are capitalised or reversed against the relevant asset to the extent that it meets the definition of dismantling and removing the item and restoring the site on which it is located. Costs that relate to an existing condition caused by past operations and do not have a future economic benefit are recognised in profit or loss. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in profit or loss. The present value of environmental disturbances created are capitalised to mining assets against an increase in the environmental rehabilitation obligation.

Rehabilitation projects undertaken, included in the estimates are charged to the provision as incurred. The cost of ongoing current programmes to prevent and control environmental disturbances is charged against income as incurred. The unwinding of the discount due to the passage of time is recognised as finance cost, and the capitalised cost is amortised over the remaining lives of the mines.

Figures in million - SA rand	Notes	2016	2015	2014
Balance at beginning of the year		**2,411.0**	2,486.8	1,660.7
Interest charge[1]	5	**291.4**	197.9	161.5
Payment of environmental rehabilitation obligation		**-**	(0.3)	(10.9)
Change in estimates[2]	11	**472.5**	(273.4)	131.5
Charge to profit or loss		**97.5**	-	-
Environmental rehabilitation obligation on acquisition of subsidiaries	12	**709.8**	-	544.0
Balance at end of the year		**3,982.2**	2,411.0	2,486.8

[1] The provision is calculated based on the discount rates of 8.5% – 10.2% (2015: 8.5% - 10.2% and 2014: 7.2% - 8.6%).
[2] Changes in estimates are defined as changes in reserves and corresponding changes in life of mine, changes in discount rates, and changes in laws and regulations governing environmental matters. In 2016 the environmental rehabilitation obligation acquired was calculated based on the weighted average cost of capital in terms of IFRS 3 for acquisition purposes. Subsequent to initial recognition the provision was recalculated based on the risk free rate of interest in terms of IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The resulting change in estimate during 2016 was R157.4 million and R197.6 million related to Aquarius and the Rustenburg Operations, respectively (2014: R153.1 million).

The Group's mining operations are required by law to undertake rehabilitation works as part of their ongoing operations. The Group makes contributions into environmental rehabilitation obligation funds (refer to note 16) and holds guarantees to fund the estimated costs.

25. TRADE AND OTHER PAYABLES

ACCOUNTING POLICY

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Provision is made for employee entitlement benefits accumulated as a result of employees rendering services up to the reporting date. Liabilities arising in respect of wages and salaries, annual leave and other benefits due to be settled within twelve months of the reporting date are measured at rates which are expected to be paid when the liability is settled.

All other employee entitlement liabilities are measured at the present value of estimated payments to be made in respect of services rendered up to reporting date.

Figures in million - SA rand	2016	2015	2014
Trade creditors	**1,121.3**	508.7	542.6
Accruals and other creditors	**1,971.4**	873.3	923.9
Payroll creditors	**867.7**	797.8	748.4
Leave pay accrual	**1,110.7**	553.8	482.5
Other	**109.4**	25.8	17.2
Total trade and other payables	**5,180.5**	2,759.4	2,714.6

26. CASH GENERATED BY OPERATIONS

Figures in million - SA rand	Notes	2016	2015	2014
Profit for the year		**3,271.0**	538.2	1,506.9
Royalties	8.1	**546.6**	400.6	430.5
Mining and income tax	8.2	**1,243.2**	377.2	828.1
Interest income		**(331.4)**	(257.0)	(183.2)
Finance expense	5	**903.1**	561.8	400.0
Profit before interest, royalties and tax		**5,632.5**	1,620.8	2,982.3
Non-cash and other adjusting items:				
Amortisation and depreciation	4	**4,041.9**	3,636.6	3,254.7
Share-based payments	6	**496.2**	274.4	417.9
Loss on financial instruments		**1,094.6**	229.5	107.7
(Gain)/loss on foreign exchange differences		**(418.0)**	420.1	82.7
Share of results of equity-accounted investees after tax	14	**(13.3)**	(116.0)	470.7
Impairments	7	**1,381.1**	-	275.1
Gain on acquisition		**(2,428.0)**	-	-
Reversal of impairment		**-**	-	(474.1)
Net loss on derecognition of financial guarantee asset and liability		**-**	158.3	-
Other		**49.3**	(93.3)	(35.6)
Total cash generated by operations		**9,836.3**	6,130.4	7,081.4

27. CHANGE IN WORKING CAPITAL

Figures in million - SA rand	2016	2015	2014
Inventories	**(35.5)**	(78.2)	(62.6)
Trade and other receivables	**(220.0)**	(634.6)	166.7
Trade and other payables	**17.9**	44.8	110.4
Total change in working capital	**(237.6)**	(668.0)	214.5

28. ROYALTIES AND TAX PAID

28.1 ROYALTIES PAID

Figures in million - SA rand	Notes	2016	2015	2014
Royalties payable at beginning of the year		**25.6**	20.4	240.0
Royalties	8.1	**546.6**	400.6	430.5
Royalties paid		**(555.9)**	(395.4)	(650.1)
Royalties payable at end of the year		**16.3**	25.6	20.4

28.2 TAX PAID

Figures in million - SA rand	Notes	2016	2015	2014
Tax payable at beginning of the year		**104.0**	63.6	527.2
Current tax	8.2	**1,111.8**	696.7	879.2
Tax payable on acquisition of subsidiaries	12	**13.2**	-	4.3
Tax paid		**(1,176.7)**	(656.3)	(1,347.1)
Tax payable at end of the year		**52.3**	104.0	63.6

29. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES, AND RISK MANAGEMENT

ACCOUNTING POLICY

Financial instruments recognised in the statement of financial position include cash and cash equivalents, trade and other receivables, borrowings, and trade and other payables.

The Group initially recognises loans and receivables on the date they originate. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument. The Group derecognises a financial asset when the contractual rights to the cash flows in a transaction in which substantially all the risks and rewards of the ownership of the financial asset are transferred. The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired. Any interest in such transferred financial asset that is created or retained by the Group is recognised as a separate asset or liability. The particular recognition and measurement methods adopted are disclosed in the individual policy statements associated with each item.

A financial asset not classified at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and those event(s) had an impact on the estimated future cash flows of that asset, that can be estimated reliably. Impairment losses are recognised through profit or loss.

On derecognition of a financial asset or liability, the difference between the carrying amount of the asset or liability and the sum of the consideration received and cumulative gains recognised in equity is recognised in profit or loss.

Refer to the relevant notes for the accounting policies of the following financial assets and financial liabilities:

- Environmental rehabilitation obligation funds
- Other receivables and other payables
- Trade and other receivables
- Cash and cash equivalents
- Borrowings
- Trade and other payables

29.1 ACCOUNTING CLASSIFICATIONS AND MEASUREMENT OF FAIR VALUES

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

- **Trade and other receivables/payables, and cash and cash equivalents**

  The carrying amounts approximate fair values due to the short maturity of these instruments.
- **Investments and environmental rehabilitation obligation funds**

  The fair value of publicly traded instruments is based on quoted market values. The environmental rehabilitation obligation funds are stated at fair value based on the nature of the funds' investments.
- **Borrowings**

  The fair value of borrowings approximates its carrying amounts as the impact of credit risk is included in the measurement of carrying amounts.
- **Financial instruments**

  The fair value of financial instruments is estimated based on ruling market prices, volatilities and interest rates at 31 December 2016. All derivatives are carried on the statement of financial position at fair value.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments:

- **Level 1:** unadjusted quoted prices in active markets for identical asset or liabilities;
- **Level 2:** inputs other than quoted prices in level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following tables set out the Group's significant financial instruments measured at fair value by level within the fair value hierarchy:

	Carrying value				Fair Value			
Figures in million - SA rand	**Fair value through profit or loss**	**Loans and other receivables**	**Other financial liabilities**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
31 December 2016								
Financial assets								
Measured at fair value:								
- Environmental rehabilitation obligation funds[1]	**3,100.5**	**-**	**-**	**3,100.5**	**2,630.6**	**469.9**	**-**	**3,100.5**
Not measured at fair value:								
- Other receivables[2]	**-**	**665.9**	**-**	**665.9**				**-**
Financial liabilities								
Not measured at fair value:								
- Other payables[2]	**-**	**-**	**(1,613.7)**	**(1,613.7)**				**-**
- Borrowings	**-**	**-**	**(8,973.8)**	**(8,973.8)**				
31 December 2015								
Financial assets								
Measured at fair value:								
- Environmental rehabilitation obligation funds[1]	2,413.9	-	-	2,413.9	**2,073.7**	340.2	-	2,413.9
Financial liabilities								
Not measured at fair value:								
- Borrowings	-	-	3,803.6	3,803.6				

[1] *Environmental rehabilitation obligation funds comprises interest-bearing short-term investments valued using quoted market prices.*
[2] *Other receivables and other payables are initially recognised at fair value. The non-recurring fair value measurement is a level 3 measurement as per the fair value hierarchy.*

29.2 RISK MANAGEMENT ACTIVITIES

In the normal course of its operations, the Group is exposed to market risks, including commodity price, foreign currency, interest rate, liquidity and credit risk associated with underlying assets, liabilities and anticipated transactions. In order to manage these risks, the Group has developed a comprehensive risk management process to facilitate control and monitoring of these risks.

CONTROLLING AND MANAGING RISK IN THE GROUP

Sibanye has policies in areas such as counterparty exposure, hedging practices and prudential limits which have been approved by Sibanye's Board of Directors (the Board). Management of financial risk is centralised at Sibanye's treasury department (Treasury), which acts as the interface between Sibanye's Operations and counterparty banks. Treasury manages financial risk in accordance with the policies and procedures established by the Board and executive committee.

The Board has approved dealing limits for money market, foreign exchange and commodity transactions, which Treasury is required to adhere to. Among other restrictions, these limits describe which instruments may be traded and demarcate open position limits for each category as well as indicating counterparty credit-related limits. The dealing exposure and limits are checked and controlled each day and reported to the CFO.

The objective of Treasury is to manage all financial risks arising from the Group's business activities in order to protect profit and cash flows. Treasury activities of Sibanye and its subsidiaries are guided by the Treasury Policy, the Treasury Framework as well as domestic and international financial market regulations. Treasury activities are currently performed within the Treasury Framework with appropriate resolutions from the Board, which are reviewed and approved annually by the Audit Committee.

The financial risk management objectives of the Group are defined as follows:

- **Liquidity risk management:** the objective is to ensure that the Group is able to meet its short-term commitments through the effective and efficient management of cash and usage of credit facilities.
- **Currency risk management:** the objective is to maximise the Group's profits by minimising currency fluctuations.
- **Funding risk management:** the objective is to meet funding requirements timeously and at competitive rates by adopting reliable liquidity management procedures.
- **Investment risk management:** the objective is to achieve optimal returns on surplus funds.
- **Interest rate risk management:** the objective is to identify opportunities to prudently manage interest rate exposures.

- **Counterparty exposure:** the objective is to only deal with approved counterparts that are of a sound financial standing and who have an official credit rating. The Group is limited to a maximum investment of 2.5% of the financial institutions' equity, which is dependent on the institutions' credit rating. The credit rating used is Fitch Ratings' short-term credit rating for financial institutions.
- **Commodity price risk management:** commodity risk management takes place within limits and with counterparts as approved in the treasury framework.

CREDIT RISK

Credit risk represents risk that an entity will suffer a financial loss due to the other party of a financial instrument not discharging its obligation.

The Group has reduced its exposure to credit risk by dealing with a number of counterparties. The Group approves these counterparties according to its risk management policy and ensures that they are of good credit quality.

The carrying value of the financial assets represents the combined maximum credit risk exposure of the group.

Trade receivables are reviewed on a regular basis and an allowance for impairment is raised when they are not considered recoverable. Trade receivables comprise banking institutions purchasing commodities. These receivables are currently in a sound financial position and no impairment has been recognised.

Receivables that are past due but not impaired total R11.7 million (2015: R5.4 million and 2014: R19.4 million). At 31 December 2016, receivables of R2.6 million (2015: R1.9 million and 2014: R0.3 million) are considered impaired and are provided for.

Concentration of credit risk on cash and cash equivalents and non-current assets is considered minimal due to the abovementioned investment risk management and counterparty exposure risk management policies.

LIQUIDITY RISK

In the ordinary course of business, the Group receives cash proceeds from its operations and is required to fund working capital and capital expenditure requirements. The cash is managed to ensure surplus funds are invested to maximise returns whilst ensuring that capital is safeguarded to the maximum extent possible by investing only with top financial institutions.

Uncommitted borrowing facilities are maintained with several banking counterparties to meet the Group's normal and contingency funding requirements.

The following are contractually due, undiscounted cash flows resulting from maturities of financial liabilities including interest payments:

Figures in million - SA rand	Total	Within one year	Between one and five years	After five years
31 December 2016				
Trade and other payables	**4,069.8**	**4,069.8**	**-**	**-**
Borrowings				
- Capital	**9,557.3**	**-**	**7,325.1**	**2,232.2**
- Interest	**1,443.2**	**-**	**312.9**	**1,130.3**
Total	**15,070.3**	**4,069.8**	**7,638.0**	**3,362.5**
31 December 2015				
Trade and other payables	2,205.6	2,205.6	-	-
Borrowings[1]				
- Capital	4,871.7	1,970.7	113.9	2,787.1
- Interest	1,872.7	168.7	52.9	1,651.1
Total	8,950.0	4,345.0	166.8	4,438.2

[1] Borrowings - JIBAR and LIBOR at 31 December 2015 adjusted by specific facility agreement of 2.75% and 4.00%, respectively.

Working capital and going concern assessment

As at 31 December 2016, the Group's current assets exceeded its current liabilities by R1,466.6 million (2015: current liabilities exceeded current assets by R2,596.6 million) and during the year then ended Sibanye generated cash from operating activities of R4,405.5 million (2015: R3,515.3 million).

Sibanye has entered into a definitive agreement to acquire all of the outstanding common stock of Stillwater for US$18.00 per share, or US$2,200 million (approximately R30 billion) in cash (the Stillwater Transaction). The consideration represents a premium of 23% to Stillwater's prior day closing share price, and 20% to Stillwater's 20-day volume-weighted average closing share price. Sibanye has obtained a US$2,650 million bridge facility from a syndicate of banks initially led by Citibank and HSBC only to fund the Stillwater acquisition, refinance existing indebtedness at Stillwater, and pay certain related fees, costs and expenses (refer to note 23.6). Together with cash on hand, the Bridge Facility is sufficient to fully fund the Stillwater Transaction and is expected to close in the second quarter of 2017.

Post-closing of the Stillwater Transaction, Sibanye expects to raise in the capital markets new equity (of between US$750 million and US$1,300 million) and long-term debt (of between US$1,600 million and US$1,050 million), primarily through a proposed rights offer and a bond issue. Both the rights offer and bond issue are envisaged to be underwritten by some of the bridge facility arranging and funding banks, negotiation of which is ongoing, with the objective of maintaining a strong balance sheet and its dividend policy, and preserving its long-term financial flexibility. To enhance its capital structure and financing mix, Sibanye will also evaluate additional financing structures, which may include, among others, streaming facilities and the issuance of warrants and convertible bonds, all of which will be assessed considering prevailing market conditions, exchange rates and commodity prices. Consistent with its long-term strategy, Sibanye plans to deleverage over time to its targeted leverage (net debt to EBITDA ratio) of no greater than 1.0x EBITDA.

The Bridge Facility currently provides for the equity refinancing to be concluded by 31 October 2017 with the balance to be refinanced within 1 year of closing of the Stillwater Transaction. The Bridge Facility, as well as Sibanye's existing facilities, permit a leverage ratio of 3.0x through to 31 October 2017, and 2.5x thereafter. The leverage ratio provides for pro forma adjustments to include EBITDA from acquired businesses in the calculation.

Sibanye's leverage ratio post the conclusion of the Stillwater Transaction and prior to the proposed rights offer is expected to peak at no more than 2.2x EBITDA. Cash generated from operations and the proceeds of the proposed rights offer is expected to reduce Sibanye's leverage ratio to below 2.2x by 31 December 2017, with the targeted leverage ratio of no greater than 1.0x EBITDA achieved shortly after 31 December 2018.

Aside from the Bridge Facility, the Group has further committed unutilised debt facilities of R4.3 billion at 31 December 2016 (2015: R6.2 billion).

The directors believe that the cash generated by its operations, the Stillwater Transaction Bridge Facility and the remaining balance of the Group's revolving credit facilities will enable the Group to continue to meet its obligations as they fall due. If the Stillwater Transaction is not successful, the directors believe that the cash generated by its operations and the remaining balance of the Group's revolving credit facilities will enable the Group to continue to meet its obligations as they fall due. The consolidated financial statements for the year ended 31 December 2016, therefore, have been prepared on a going concern basis.

MARKET RISK

The Group is exposed to market risks, including foreign currency, commodity price and interest rate risk associated with underlying assets, liabilities and anticipated transactions. Following periodic evaluation of these exposures, the Group may enter into derivative financial instruments to manage some of these exposures (refer to sensitivity analysis further in this note).

SENSITIVITY ANALYSIS

The sensitivity analysis shows the effects of reasonable possible changes of relevant risk variables on profit or loss or shareholders' equity. The Group is exposed to commodity price, currency and interest rate risks. The effects are determined by relating the reasonable possible change in the risk variable to the balance of financial instruments at period end date.

The amounts generated from the sensitivity analyses are forward-looking estimates of market risks assuming certain adverse or favourable market conditions occur. Actual results in the future may differ materially from those projected results and therefore should not be considered a projection of likely future events and gains/losses.

Foreign currency sensitivity

General and policy

In the ordinary course of business, the Group enters into transactions, such as gold sales and PGM sales, denominated in foreign currencies, primarily US dollar. Although this exposes the Group to transaction and translation exposure from fluctuations in foreign currency exchange rates, the Group does not generally hedge this exposure, although it could be considered for significant expenditures based in foreign currency or those items which have long lead times to produce or deliver. Also, the Group on occasion undertakes currency hedging to take advantage of favourable short-term fluctuations in exchange rates when management believes exchange rates are at unsustainably high levels.

Currency risk only exists on account of financial instruments being denominated in a currency that is not the functional currency and being of a monetary nature. This includes but is not limited to US$350 million RCF (refer note 23.2), Franco-Nevada liability and Burnstone Debt (refer to note 23.4).

Foreign currency economic hedging experience

As at 31 December 2016, 2015 and 2014 there were no material foreign currency contract positions. As of 28 March 2017 there were no material foreign currency positions.

During the years ended 31 December 2016, 2015 and 2014, no forward cover was taken out to cover various commitments of Sibanye's operations.

Foreign currency sensitivity analysis

Sibanye's operations are all located in South Africa except for Mimosa, which is located in Zimbabwe and its revenues are equally sensitive to changes in the US dollar gold price and the rand/US dollar exchange rate (the exchange rate).

Depreciation of the rand against the US dollar results in Sibanye's revenues and operating margin increasing. Conversely, should the rand appreciate against the US dollar, revenues and operating margins would decrease. The impact on profitability of any change in the exchange rate can be substantial. Furthermore, the exchange rates obtained when converting US dollars to rand are set by foreign exchange markets over which Sibanye has no control. The relationship between currencies and commodities, which includes the gold price, is complex and changes in exchange rates can influence commodity prices and vice versa.

A sensitivity analysis of the mark-to-market valuation has not been performed as there were no material foreign currency contracts as of 28 March 2017.

Commodity price sensitivity

The market price of commodities has a significant effect on the results of operations of the Group and the ability of the Group to pay dividends and undertake capital expenditures. The gold and PGM basket prices has historically fluctuated widely and is affected by numerous industry factors over which the Group does not have any control. The aggregate effect of these factors on the gold and PGM basket prices, all of which are beyond the control of the Group, is impossible for the Group to predict.

Commodity price hedging policy

As a general rule, the Group does not enter into forward sales, derivatives or other hedging arrangements to establish a price in advance for future gold and PGM production. Commodity hedging could, however, be considered in future under one or more of the following circumstances: to protect cash flows at times of significant capital expenditure; financing projects or to safeguard the viability of higher cost operations.

To the extent that it enters into commodity hedging arrangements, the Group seeks to use different counterparty banks consisting of local and international banks to spread risk. None of the counterparties is affiliated with, or related to parties of the Group.

Commodity price hedging experience

During the year ended 31 December 2016, Sibanye entered into the following sale of gold forward agreements to:

- sell forward 22,100 ounces of Cooke's gold effective from 1 February 2016 to 23 December 2016 at an average price of R18,777/oz.; and
- sell forward 13,700 additional ounces of Cooke's gold effective from 1 June 2016 to 21 December 2016 at an average price of R20,309/oz.

As at 31 December 2016, 2015 and 2014 no commodity price derivative instruments were entered into.

Commodity price contract position

As of 31 December 2016, 2015 and 2014, Sibanye had no outstanding commodity price contracts.

Interest rate sensitivity

General

The Group's income and operating cash flows are dependent of changes in market interest rates. The Group's interest rate risk arises from long-term borrowings.

As at 31 December 2016, the Group's total borrowings amounted to R8,973.8 million (2015: R3,803.6 million and R3,170.0 million). The Group generally does not undertake any specific action to cover its exposure to interest rate risk, although it may do so in specific circumstances. Refer to note 23 for all the borrowings and the relevant interest rates per facility.

The portion of Sibanye's interest-bearing borrowings at period end that is exposed to interest rate fluctuations is R8,971.1 million (2015: R3,769.9 million and 2014: R3,113.9 million). This debt is normally rolled for periods between one and three months and is therefore exposed to the rate changes in this period.

R5,849.5 million (2015: R1,961.6 million and 2014: R 1,979.5 million) of the total borrowings at the end of the period is exposed to changes in the JIBAR rate and R3,121.6 million (2015: R1,808.3 million and 2014: R1,134.4 million) is exposed to changes in the LIBOR rate. The relevant interest rates for each facility are described in note 25.

The table below summarises the effect of a change in finance expense on the Group's profit or loss had JIBAR and LIBOR differed as indicated. The analysis is based on the assumption that the applicable interest rate increased/decreased with all other variables held constant. All financial instruments with fixed interest rates that are carried at amortised cost are not subject to the interest rate sensitivity analysis.

Interest rate sensitivity analysis

	Change in interest expenses for a change in interest rate					
Figures in million - SA rand	**-1.5%**	**-1.0%**	**-0.5%**	**0.5%**	**1.0%**	**1.5%**
31 December 2016						
- JIBAR	**45.6**	**30.4**	**15.2**	**(15.2)**	**(30.4)**	**(45.6)**
- LIBOR[1]	**-**	**-**	**-**	**(13.6)**	**(27.2)**	**(40.8)**
Change in finance expense	**45.6**	**30.4**	**15.2**	**(28.8)**	**(57.6)**	**(86.4)**
31 December 2015						
- JIBAR	35.4	23.6	11.8	(11.8)	(23.6)	(35.4)
- LIBOR[1]	-	-	-	(4.6)	(9.2)	(13.8)
Change in finance expense	35.4	23.6	11.8	(16.4)	(32.8)	(49.2)

[1] *No interest rate sensitivity analysis has been performed for a reduction in LIBOR due to LIBOR being less than 0.5%, a decrease in LIBOR would have no impact on the Group's profit or loss.*

30. COMMITMENTS

Figures in million - SA rand	Notes	2016	2015	2014
Capital expenditure				
- Authorised		**3,757.4**	3,052.6	4,717.4
Kloof		**1,256.0**	1,307.7	1,851.0
Driefontein		**780.4**	725.5	1,177.1
Beatrix		**130.0**	120.3	270.8
Cooke		**207.2**	194.1	650.5
Burnstone		**704.0**	705.0	768.0
Kroondal		**260.7**	-	-
Platinum Mile		**5.0**	-	-
Rustenburg Operations		**413.0**	-	-
Other		**1.1**	-	-
- Contracted for		**321.2**	294.4	350.5
Other guarantees		**55.5**	55.5	55.5

Commitments will be funded from internal sources and to the extent necessary from borrowings. This expenditure primarily relates to hostel upgrades, mining activities and infrastructure.

31. CONTINGENT LIABILITIES

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Contingencies can be either possible assets or possible liabilities arising from past events which, by their nature, will only be resolved when one or more future events not wholly within the control of the Group occur or fail to occur or for contingent liabilities where a present obligation arising from a past event exists but is not recognised because either it is not probable that an out-flow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be determined with sufficient reliability. The assessment of such contingencies inherently involves the exercise of significant judgement and estimates of the outcome of future events.

POST CLOSURE WATER MANAGEMENT LIABILITY

The Group has identified a risk of potential long-term Acid Mine Drainage (AMD) and other groundwater pollution issues which are currently being experienced by peer mining groups. AMD relates to the acidification and contamination of naturally occurring water resources by pyrite-bearing ore contained in underground mines and in rock dumps, tailings dams and pits on the surface. The Group has not been able to reliably determine the financial impact that AMD might have on the Group, nor the timing of possible out flow, however, the Group has adopted a proactive approach by initiating projects such as Sibanye Amanzi (long-term water management strategy), the acquisition and development of innovative treatment technologies; and the development of regional mine closure models to predict water quality impacts. The Group operates a comprehensive water quality monitoring program, including bio-monitoring, as an early detection of potential AMD.

No adjustment for the effects that may result from AMD and other groundwater pollution issues, if any, have been made in the consolidated financial statements other than in the environmental rehabilitation obligation (refer to note 24).

OCCUPATIONAL HEALTHCARE SERVICES

The Group provides occupational healthcare services to its employees through its existing facilities at the various operations. There is a risk that the cost of providing such services could increase in the future depending upon changes in the nature of underlying legislation and the profile of employees. Any such increased cost cannot be quantified. The costs are however also mitigated by advances in technology relating to occupational health. The Group is monitoring developments in this regard.

The principal health risks associated with Sibanye's mining operations in South Africa arise from occupational exposure to silica dust, noise, heat and certain hazardous chemicals. The most significant occupational diseases affecting Sibanye's workforce include lung diseases (such as silicosis, tuberculosis, a combination of the two and chronic obstructive airways disease (COAD) as well as noise induced hearing loss. The Occupational Diseases in Mines and Works Act, 78 of 1973 (ODMWA), governs the compensation paid to mining employees who contract certain illnesses, such as silicosis. The South African Constitutional Court has ruled that a claim for compensation under ODMWA does not prevent an employee from seeking compensation from its employer in a civil action under common law (either as individuals or as a class). While issues, such as negligence and causation, need to be proved on a case-by-case basis, it is possible that such ruling could expose Sibanye to individual or class action claims related to occupational hazards and diseases (including silicosis). If Sibanye were to face a significant number of such claims and the claims were suitably established against it, the payments of compensation for the claims could have a material adverse effect on Sibanye's results of operations and financial position. In addition, Sibanye may incur significant additional costs arising out of these issues, including costs relating to the payment of fees, levies or other contributions in respect of compensatory or other funds established (if any) and expenditures arising out of its efforts to resolve any outstanding claims or other potential action.

On 21 August 2012, a court application was served on a group of respondents that included Sibanye (the August Respondents). On 21 December 2012, a further court application was issued and was formally served on a number of respondents, including Sibanye (the December Respondents) and, again on 10 January 2013, both the August Respondents and the December Respondents (together the Respondents), on behalf of current and former mine workers, and their dependents, of, amongst others, Sibanye and who allegedly contracted silicosis and/or other occupational lung diseases (OLD) (the Class). The court application of 21 August 2012 and 21 December 2012 are together referred to below as the Applications.

Sibanye filed a notice of its intention to oppose the applications and its attorneys to defend the claims.

These Applications requested that the court:

1. As a first phase, certify a class action to be instituted by the applicants on behalf of the class, as defined.
2. As a second phase, possibly split the class, as defined into smaller classes based on common legal and factual issues. The Respondents are of the view that the definition of the class in the first phase and the proposed process involving the second phase are contrary to South African legal precedent.
3. In the last phase, bring an action wherein they will attempt to hold the respondents liable for silicosis and other OLD and resultant consequences.

The Applications do not identify the number of claims that may be instituted against the Respondents or the quantum of damages that the applicants may seek.

The Applications were heard during the weeks of 12 and 19 October 2015. Judgement was handed down certifying a class action to be instituted.

Anglo American South Africa, AngloGold Ashanti, Gold Fields, Harmony and Sibanye announced in November 2014 that they have formed a gold mining industry working group to address issues relating to the compensation and medical care for OLD in the gold mining industry in South Africa. Essentially, the companies are seeking a comprehensive and sustainable solution which deals both with the legacy compensation issues and future legal frameworks which, while being fair to employees, also ensures the future sustainability of companies in the industry.

The companies have engaged all stakeholders on these matters, including government, organised labour, other mining companies and legal representatives of claimants who have filed legal suits against the companies. These legal proceedings are being defended.

On 13 May 2016, the High court ruled in favour of the applicants and found that there were sufficient common issues to certify two industry-wide classes: (i) a silicosis class comprising current and former mine workers who have contracted silicosis and the dependents of mine workers who have died of silicosis; and (ii) a tuberculosis class comprising current and former mine workers who have worked on the mines for a period of not less than two years and who have contracted pulmonary tuberculosis and the dependents of deceased mine workers who died of pulmonary tuberculosis. The High court ordered a two-stage process in the class action: (i) resolve common issues and allow individuals to opt out, and (ii) allow the individuals to opt in to the class to make claims against the Respondents. The High court also decided that claims for general damages will transmit to the estate of the deceased mine worker who dies after the date of filing of the certification application.

On 3 June 2016, Sibanye and the other Respondents filed an application with the High Court for leave to appeal to the Supreme Court of Appeal. Arguments in the application for leave to appeal were heard on 23 June 2016. On 24 June 2016, leave to appeal was (i) granted in respect of the transferability of general damages claims but (ii) denied in respect of certification of silicosis and tuberculosis classes. On 15 July 2016, Sibanye and the other Respondents each filed petitions with the supreme court of Appeal for leave to appeal against the certification of the two separate classes for silicosis and tuberculosis.

On 21 September 2016, the Supreme Court of Appeal granted the Respondents leave to appeal against all aspects of the class certification judgement of the High Court delivered in May 2016. The appeal record has been filed.

At this stage, Sibanye can neither quantify the potential liability from the action due to the inherent legal and factual uncertainties with respect to the pending claims and other claims not yet filed against the Group nor can the length of time until finalisation or quantum be estimated.

STILLWATER TRANSACTION TERMINATION FEE

If the Stillwater Transaction agreement is terminated in certain circumstances, *inter alia,* Sibanye shareholder approval not have been obtained at the general meeting (on 25 April 2017), Sibanye shall pay to Stillwater an amount in cash equal to US$33.0 million plus the reasonable and documented out-of-pocket fees and expenses incurred by the Stillwater in connection with the contemplated transaction.

The Board recommend that Sibanye shareholders vote in favour of the Stillwater Transaction and accordingly, no adjustment for the effects that may result from the termination has been made in the consolidated financial statements.

32. RELATED-PARTY TRANSACTIONS

Sibanye entered into related-party transactions with Rand Refinery, and its subsidiaries during the year as detailed below. The transactions with these related parties are generally conducted with terms comparable to transactions with third parties, however in certain circumstances such as related-party loans, the transactions were not at arm's length.

RAND REFINERY

Rand Refinery, in which Sibanye holds a 33.1% interest, has an agreement with the Group whereby it refines all the Group's gold production. No dividends were received during the years ended 31 December 2016, 2015 and 2014. For the year ending 31 December 2016, the group paid refining fees to Rand Refinery and received interest (refer to note 14.1 for the loan to Rand Refinery).

The table below details the transactions and balances between the Group and its related-parties:

Figures in million - SA rand	Notes	2016	2015	2014
Rand Refinery				
Refining fees paid		**(44.4)**	(30.8)	(30.6)
Interest income	14.1	**40.2**	37.3	1.2
Loan receivable	14.1	**403.9**	363.7	384.6

KEY MANAGEMENT REMUNERATION

The executive directors and prescribed officers were paid the following remuneration during the year:

Figures in thousands – SA Rand	Salary	Annual bonus accrued for 2016 paid in 2017	Share proceeds and dividends on Bonus Shares	Pension scheme total contribu-tions	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**	–
Total	36,643	17,260	141,921	3,798	181	**199,803**	71,410

[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.*

The non-executive directors were paid the following fees during the year:

Figures in thousands – SA Rand	Directors' fees	Committee fees	Expense allowance	2016	2015
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**	**347**	**14,515**	13,263

The directors' and prescribed officers' share ownership at 31 December 2016 was:

	Number of shares	
	2016	**2015**
Executive directors		
Neal Froneman[1]	**804,402**	164,832
Charl Keyter[1]	**469,954**	227,898
Non-executive directors		
Sello Moloko[1]	**46,000**	-
Chris Chadwick[1]	**88**	88
Tim Cumming[1]	**100**	100
Barry Davison[1]	**500,000**	500,000
Rick Menell[1]	**44,800**	44,800
Keith Rayner[1]	**45,000**	60,000
Sue van der Merwe[1]	**424**	-
Total share ownership by directors	**1,910,768**	997,718
Prescribed officers		
Hartley Dikgale[2]	**175,215**	-
Themba Nkosi[1]	**367**	-
Richard Stewart[1]	**12,854**	-
Total share ownership by directors and prescribed officers	**2,099,204**	997,718

[1] *Share ownership at the date of this report is unchanged*

[2] *Share ownership at the date of this report is 271,798 ordinary shares.*

33. EVENTS AFTER THE REPORTING DATE

There were no events that could have a material impact on the financial results of the Group after 31 December 2016, other than those disclosed below.

FINAL DIVIDEND DECLARED

On 23 February 2017 a final dividend in respect of the six months ended 31 December 2016 of 60 SA cents per share was approved by the Board resulting in a total dividend of 145 SA cents per share for the year ended 31 December 2016. This dividend is not reflected in these financial statements. The final dividend will be subject to Dividend Withholding Tax.

SHAREHOLDERS OWNERSHIP

REGISTERED SHAREHOLDER SPREAD AT 31 DECEMBER 2016

	Number of holders	% of total shareholders	Number of shares[1]	% of issued capital[2]
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**

[1] *As of* 28 March 2017*, the issued share capital of Sibanye consisted of* 929,004,342 *ordinary shares.*
[2] *To our knowledge: (1) Sibanye is not directly or indirectly owned or controlled (a) by another entity or (b) by any foreign government; and (2) there are no arrangements the operation of which may at a subsequent date result in a change in control of Sibanye. To the knowledge of Sibanye's management, there is no controlling shareholder of Sibanye.*

PUBLIC AND NON-PUBLIC SHAREHOLDINGS AT 31 DECEMBER 2016

	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**	**929,004,342**	**100.00**

FOREIGN CUSTODIANS ABOVE 3% AT 31 DECEMBER 2016

	Number of shares	%
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

BENEFICIAL SHAREHOLDER CATEGORIES AT 31 DECEMBER 2016

	Number of holders	% of total shareholders	Number of shares	% of issued capital
Other	17,023	94.51	221,464,023	23.84
ADR	70	0.39	203,448,530	21.90
Unit Trusts/ Mutual Funds	329	1.83	161,938,257	17.43
Pension Funds	235	1.30	152,600,017	16.43
Sovereign Wealth	33	0.18	40,906,485	4.40
Custodians	71	0.39	39,622,560	4.27
Private Investor	131	0.73	29,652,509	3.19
Trading Position	31	0.17	26,690,283	2.87
Insurance Companies	23	0.13	24,882,169	2.68
Exchange-Traded Fund	23	0.13	16,714,171	1.80
Corporate Holding	3	0.02	6,700,576	0.72
Charity	8	0.04	867,577	0.09
Medical Aid Scheme	10	0.06	701,490	0.08
University	4	0.02	684,840	0.07
Foreign Government	3	0.02	639,352	0.07
Hedge Fund	5	0.03	607,360	0.07
Local Authority	6	0.03	505,490	0.05
Investment Trust	2	0.01	254,187	0.03
Directors & Employees	1	0.01	75,000	0.01
Stockbrokers	1	0.01	49,466	0.01
Total	**18,012**	**100.00**	**929,004,342**	**100.00**

SHAREHOLDERS OWNERSHIP continued

The tables below show the change in the percentage ownership of Sibanye's major shareholders, to the knowledge of Sibanye's management, between 31 December 2014 and 31 December 2016.

INVESTMENT MANAGEMENT BENEFICIAL SHAREHOLDINGS ABOVE 3%[1]

	2016		2015		2014	
	Number of shares	%	Number of shares	%	Number of shares	%
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
Allan Gray Proprietary Limited	**4,428,112**	**0.48**	75,903,026	8.29	89,681,047	9.98
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

[1] A list of the investment managers holding, to the knowledge of Sibanye's management, directly or indirectly, 3% or more of the issued share capital of Sibanye as of 28 March 2017 is set forth below:

	Number of shares	*%*
Public Investment Corporation (SOC) Limited	*80,455,889*	*8.66*
Van Eck Associates Corporation	*55,152,707*	*5.94*
Old Mutual Plc	*35,650,804*	*3.83*
BlackRock Inc	*34,724,999*	*3.74*

BENEFICIAL SHAREHOLDINGS ABOVE 3%[1]

	2016		2015		2014	
	Number of shares	%	Number of shares	%	Number of shares	%
Gold One	**185,386,079**	**19.96**	**185,386,079**	**20.24**	178,004,754	19.80
Government Employees Pension Fund (PIC)	**83,435,716**	**8.98**	**77,297,776**	**8.44**	74,234,416	8.26

[1] A list of the individuals and organisations holding, to the knowledge of Sibanye's management, directly or indirectly, 3% or more of the issued share capital of Sibanye as of 28 March 2017 is set forth below:

	Number of shares	*%*
Gold One	*185,386,079*	19.96
Government Employees Pension Fund (PIC)	*80,455,889*	*8.66*

Sibanye's ordinary shares are subject to dilution as a result of any non-pre-emptive share issuance, including upon the exercise of Sibanye's outstanding share options, issues of shares by the Board in compliance with BEE legislation or in connection with acquisitions.

The principal non-United States trading market for the ordinary shares of Sibanye is the JSE Limited, on which they trade under the symbol "SGL". Sibanye's American depositary shares (ADSs) trade in the United States on the NYSE under the symbol "SBGL". The ADRs representing the ADSs were issued by the Bank of New York Mellon (BNYM) as Depositary. Each ADS represents four ordinary shares.

No public takeover offers by third parties have been made in respect of Sibanye's shares or by Sibanye in respect of other companies' shares during the last and current fiscal year.

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

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NYSE: SBGL

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Charl Keyter (CFO)
Chris Chadwick[2]
Robert Chan[2]
Timothy Cumming[1]
Barry Davison[1]
Rick Menell[1]
Nkosemntu Nika[1]
Keith Rayner[1]
Susan van der Merwe[1]
Jerry Vilakazi
Jiyu Yuan[2]
[1] *Independent non-executive*
[2] *Non-executive*

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