

DELIVERING VALUE FROM OPERATIONS, PROJECTS AND TECHNOLOGY



MESSAGE FROM THE CEO

“The year 2017 was operationally and strategically significant for Sibanye-Stillwater.”

Neal Froneman – Chief Executive Officer

OPERATIONS

APPROACH

Sibanye-Stillwater is uniquely positioned to deliver, tangible value to all of its stakeholders, consistent with our vision and values. The SA and US regions have developed effective strategies to sustain and improve operational and financial delivery with strong leadership teams in place to lead the execution of our strategy.

PERFORMANCE

The strong operating and cost performance across the expanded Group during 2017, particularly in the second half of the year, reinforced the appropriateness of the decision to restructure the business regionally in order to ensure role clarity and sustainable operational delivery.

Operating highlights of the year included the smooth integration of the US operations into the Group. In addition, the ongoing integration of the PGM operations in the SA region, and that of the Rustenburg operations in particular, exceeded expectations. The gold operations in the SA region were restructured to ensure their sustainability.

In total, Sibanye-Stillwater produced 1.8Moz of PGMs (platinum, palladium, rhodium, gold, ruthenium and iridium) and 1.4Moz of gold (2016: 0.5Moz and 1.5Moz, respectively).

SA REGION

Both the gold and PGM operations in the SA region delivered annual production above guidance and costs below the guided range.

Gold operations

Gold produced declined 7% year-on-year to 43,634kg (2016: 47,034kg), primarily due to the cessation of underground operations at Cooke. The SA gold operations recorded an AISC of R482,693/kg (US\$1,128/oz), as compared with R450,152/kg (US\$954/oz) in 2016.

Underground production from the Cooke operations decreased by 52% to 2,338kg, 75,200oz (2016: 4,853kg, 156,000oz) as a result of Cooke 4 shaft being placed on care and maintenance towards the end of September 2016, and at the Cooke 1, 2 and 3 shafts being placed on care and maintenance at the end of

October 2017. This will negatively impact the gold production in 2018, but is expected to favourably affect AISC for the gold operations in 2018.

At Beatrix, underground gold production decreased by 8% to 8,859kg, 284,800oz (2016: 9,601kg, 308,700oz), primarily due to re-planning at the Beatrix West shaft. The reduction allowed greater flexibility, reduced costs and addressed constraints underground. Given the Section 189 consultations, the remainder of Beatrix shafts experienced restrictions in filling their critical labour complement, which impacted production volumes. Gold production from surface sources decreased by 47% to 232kg, 7,500oz (2016: 440kg, 14,100oz) due to a similar decline in throughput as surface sources were depleted.

Underground production at Driefontein of 13,262kg; 426,400oz (2016: 13,920kg, 447,600oz) was 5% lower year-on-year, due to an 8% decline in yield partially offset by a 4% increase in throughput. The decrease in grade was primarily due to lower grades at the Driefontein 5 and 8 shafts, which were expected and in line with plan. Gold production from surface sources decreased by 21% to 1,742kg (2016: 2,210kg), in line with the decline in yield owing to depletion of the higher-grade surface resources. Surface throughput remained steady at 3.9Mt.

Kloof delivered another strong performance with underground production increasing by 8% to 14,826kg; 476,700oz (2016: 13,704kg, 440,600oz) and surface production by 7% to 1,606kg; 51,600oz (2016: 1,506kg, 48,400oz). Higher underground mining volumes resulted in an 8% increase in ore milled to 2.2Mt. Surface throughput increased by 34% to 3.6Mt, owing to the greater volumes of Venterspost surface material treated at the Ezulwini plant, post the closure of Cooke 4.

PGM operations

The integration of the Rustenburg operations exceeded expectations by consistently delivering solid production and improving financial results. Cost savings of over R1 billion were achieved from synergies realised in the first 14 months of incorporation, well ahead of initial expectations of savings of R800 million over three to four years. The SA PGM operations contributed R1.6 billion (US\$120 million) (18%) to the Group adjusted EBITDA in 2017 on the back of effective cost management, boosted by improving PGM prices.

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The SA PGM operations reported attributable 4E PGM production of 1.2Moz (2016: 0.4Moz). The year-on-year, increase was a result of both Kroondal and Rustenburg being included for a full 12 months in 2017. Attributable production of 4E PGM at Kroondal was higher at 241,225oz, another record performance since it started mining in 2001 and 35% higher than in 2016, while 4E PGM production at Rustenburg for the year was 809,527oz. Attributable 4E PGM production at Mimosa increased by 36% to 124,153oz.

The SA PGM operations had an AISC of R10,399/4Eoz (US\$782/4Eoz), which is in the lower half of the industry cost curve.

US REGION

The executive team for the US region has been finalised and is now well placed to oversee and to ensure continued delivery.

PGM operations

The US PGM operations, comprising the Stillwater mine (including the Blitz project), the East Boulder mine and the Columbus Metallurgical Complex (made up of the recycling operations, smelter, base metals refinery and analytical laboratory) were incorporated into the Sibanye-Stillwater Group effective from 4 May 2017.

Our ownership of the US region assets has coincided with the palladium price rising by more than 60% since the acquisition was announced in December 2016. The integration of the US PGM operations has proceeded smoothly, with steady operating results and the critical Blitz project being commissioned three months ahead of plan. The US PGM operations contributed R2.1 billion (US\$161 million) (24%) to Group adjusted EBITDA in the eight months since acquisition. Notably, the recent strength in the rand, which has impacted the margins of all the SA region mining operations, has provided welcome diversification and supported the fortuitous timing of the acquisition.

A detailed, independent competent person's report (CPR) released in November 2017 values the US assets at approximately US\$2.73 billion, which exceeds the US\$2.24 billion acquisition price (including transaction fees of US\$40 million) and supports the rationale for the transaction. This report is available on the Sibanye-Stillwater website at www.sibanyestillwater.com

The US PGM operations recorded an AISC of US\$651/2Eoz for the eight months in 2017.

For the eight months under Sibanye-Stillwater's control, the US PGM operations sustained their operating performance and reported 2E PGM production of 376,356oz. This compares favourably with mined 2E PGM production of approximately 363,874oz for the same period in 2016 and the 2017 guidance. East Boulder delivered record 2E PGM production of 93,725oz during the eight-month period while Stillwater contributed 282,631oz, which includes production of approximately 7,000oz by the Blitz project which was commissioned three months ahead of schedule.

The Columbus Metallurgical Complex processed a record of 860,711oz (mined: 383,142oz and recycled: 477,569oz, including ounces tolled) during the eight months in 2017. This performance was supported by strong growth in volumes at the recycling operation during this period with a record average of feed material being processed of 24.2 tonnes/day compared with 23.0 tonnes/day in 2016.

US region: PGM production and recycling for May – December 2017

Mined 2E production	Ounces
Stillwater ¹	228,268
East Boulder	148,088
Total mined	376,356
Recycling 3E²	
Columbus Metallurgical Complex	
– PGM fed	517,148
– PGM sold	377,793
PGM tolled returned	108,728

¹ Includes 7,000oz produced by the Blitz project

² Recycling production includes rhodium



SA region – Gold operations 2017

		Gold operations	Driefontein	Kloof	Beatrix	Cooke
Production						
Ore milled	000t	19,030	6,042	5,844	3,515	3,722
Underground	000t	7,575	2,137	2,177	2,737	524
Surface	000t	11,455	3,905	3,667	778	3,198
Yield	g/t	2.29	2.48	2.86	2.59	0.83
Underground	g/t	5.19	6.21	6.81	3.24	4.46
Surface	g/t	0.38	0.45	0.45	0.30	0.24
Gold produced	kg	43,634	15,004	16,432	9,091	3,107
	000oz	1,403	482	528	292	100
Underground	kg	39,285	13,262	14,826	8,859	2,338
	000oz	1,263	426	477	285	75
Surface	kg	4,349	1,742	1,606	232	769
	000oz	140	56	52	8	25
Gold sold	kg	43,763	15,088	16,466	9,091	3,118
	000oz	1,407	485	529	292	100
Price and costs						
Gold price received	R/kg	536,378	535,319	537,167	536,333	537,684
	US\$/oz	1,254	1,251	1,256	1,254	1,257
Adjusted EBITDA margin ¹	%	23	23	34	19	(31)
All-in sustaining cost ²	R/kg	482,693	487,951	430,572	502,761	673,445
	US\$/oz	1,128	1,141	1,007	1,175	1,574
All-in cost ²	R/kg	501,620	490,893	439,506	503,036	677,197
	US\$/oz	1,173	1,148	1,027	1,176	1,583
Capital expenditure						
Ore reserve development	Rm	2,288	876	876	482	54
Sustaining capital	Rm	531	235	210	63	9
Corporate and projects ³	Rm	591	44	147	1	12
Total	Rm	3,410	1,156	1,234	546	74
	US\$m	256	87	93	41	6

Average exchange rates for 2017 was R13.31/US\$

Figures may not add as they are rounded independently

¹ Adjusted EBITDA margin is calculated by dividing adjusted EBITDA by revenue

² 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. All-in sustaining cost per kilogram (and ounce) and All-in cost per kilogram (and ounce) are calculated by dividing the All-in sustaining cost and All-in cost, respectively, in a period by the total gold sold in the same period

³ Corporate project expenditure in 2017 was R402 million (US\$30 million), the majority of which related to the Burnstone project

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SA and US regions – PGM operations 2017

		Group		SA region			US region	
		Total	Kroondal	Mimosa	Platinum Mile	Rustenburg	Total	
Production (attributable)⁶								
Ore milled	000t	27,051	26,196	3,778	1,385	8,050	12,983	855
Underground	000t	13,116	12,261	3,778	1,385		7,098	855
Surface	000t	13,935	13,935			8,050	5,885	
Plant head grade	g/t	2.50	2.09	2.42	3.58	0.65	2.72	15.01
Underground	g/t		3.30	2.42	3.58		3.70	15.01
Surface	g/t		1.02			0.65	1.52	
Plant recoveries	%	72.37	68.06	81.91	77.87	11.62	71.41	91.00
Underground	%		83.42	81.91	77.87		84.99	91.00
Surface	%		24.25			11.62	31.58	
Yield	g/t	1.81	1.42	1.99	2.79	0.08	1.94	13.69
Underground			2.75	1.99	2.79		3.15	13.69
Surface			0.25			0.08	0.48	
PGM production (4E – 2E)	000oz	1,571	1,194	241	124	19	810	376
Underground		1,460	1,084	241	124		719	376
Surface		110	110			19	91	
PGM sales (4E – 2E)	000oz	1,550	1,194	241	124	19	810	355
Price and costs²								
Average PGM basket price received ³	R/oz	12,477	12,534	12,564	12,572	12,679	12,505	12,330
	US\$/oz	938	942	944	945	953	940	927
Adjusted EBITDA margin ⁴	%		12	15	31	27	11	23
All-in sustaining cost ⁵	R/oz	9,959	10,399	10,176	9,781	6,696	10,554	8,707
	US\$/oz	748	782	765	735	503	793	651
All-in cost ⁵	R/oz	10,582	10,401	10,176	9,781	6,815	10,554	11,097
	US\$/oz	795	782	765	735	512	793	821
Capital expenditure								
Ore reserve development	Rm	1,004	465				465	539
Sustaining capital	Rm	572	568	191	223	11	366	227
Corporate and projects	Rm	891	2			2		888
Total	Rm	2,466	1,035	191	223	13	831	1,654
	US\$m	202	78	14	17	1	62	124

Average exchange rate for 2017 was R13.31/US\$

Figures may not add due to rounding

¹ The US PGM operations' results for 2017 are for eight months since acquisition. The US PGM operations' underground production is converted to metric tonnes and kilograms, and performance is translated into SA rand. In addition to the US PGM operations' underground production, the operation treats recycling material which is excluded from the statistics shown, except for adjusted EBITDA margin

² The Group and total SA PGM operations' unit cost benchmarks exclude the financial results of Mimosa, which is equity accounted, and excluded from revenue and cost of sales

³ The average PGM basket price is the PGM revenue per 4E/2E ounce, prior to a purchase of concentrate adjustment

⁴ Adjusted EBITDA margin is calculated by dividing adjusted EBITDA by revenue

⁵ 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. All-in sustaining cost per ounce (and kilogram) and all-in cost per ounce (and kilogram) are calculated by dividing the all-in sustaining cost and all-in cost, respectively, in a period, by the total 4E/2E PGM production in the same period

⁶ Kroondal and Mimosa represent 50% attributable production, while Platinum Mile is 91.7% owned and 100% incorporated

SA region – Gold operations 2016 (comparative data)

		Total SA gold	Driefontein	Kloof	Beatrix	Cooke
Production						
Ore milled	000t	20,181	5,971	4,676	4,333	5,201
Underground	000t	8,084	2,055	2,009	2,862	1,158
Surface	000t	12,097	3,916	2,667	1,471	4,043
Yield	g/t	2.33	2.70	3.25	2.32	1.09
Underground	g/t	5.21	6.77	6.82	3.35	4.19
Surface	g/t	0.41	0.56	0.56	0.30	0.20
Gold produced	kg	47,034	16,130	15,210	10,041	5,653
	000oz	1,512.2	518.6	489.0	322.8	181.7
Underground	kg	42,078	13,920	13,704	9,601	4,853
	000oz	1,352.9	447.6	440.6	308.7	156.0
Surface	kg	4,956	2,210	1,506	440	800
	000oz	159.3	71.1	48.4	14.1	25.7
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
Price and costs						
Gold price received	R/kg	586,319	585,884	585,853	585,997	595,923
	US\$/oz	1,242	1,242	1,242	1,242	1,263
Adjusted EBITDA margin ¹	%	36	40	43	35	9
All-in sustaining cost ²	R/kg	450,152	421,501	427,036	452,754	588,748
	US\$/oz	954	893	905	960	1,248
All-in cost ²	R/kg	472,585	424,872	435,609	453,232	595,959
	US\$/oz	1,002	901	923	961	1,263
Capital expenditure						
Ore reserve development	Rm	2,394.4	779.0	912.9	542.9	159.6
Sustaining capital	Rm	683.5	218.5	261.2	84.8	48.9
Corporate and projects ³	Rm	746.3	54.1	130.1	0.7	40.7
Total	Rm	3,824.2	1,051.6	1,304.2	628.4	249.2
	US\$m	260.5	71.6	88.8	42.8	17.0

Average exchange rates for 2016 was R14.68/US\$

Figures may not add due to rounding

¹ Adjusted EBITDA margin is calculated by dividing adjusted EBITDA by revenue

² 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. All-in sustaining cost per kilogram (and ounce) and All-in cost per kilogram (and ounce) are calculated by dividing the All-in sustaining cost and All-in cost, respectively, in a period by the total gold sold in the same period

³ Corporate project expenditure in 2016 was R521 million (US\$35 million), the majority of which related to the Burnstone project

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SA region – PGM operations 2016 (comparative data)

		Total SA region	Kroondal	Mimosa	Plat Mile	Rustenburg
Production (attributable)⁶						
Ore milled	000t	11,611	2,733	1,012	5,669	2,198
Underground	000t	4,949	2,733	1,012		1,204
Surface	000t	6,663			5,669	994
Plant head grade	g/t	1.72	2.48	3.57	0.65	2.69
Underground	g/t	2.99	2.48	3.57		3.65
Surface	g/t	0.73			0.65	1.53
Plant recoveries	%	66.45	81.73	78.44	11.54	72.42
Underground	%	81.76	81.73	78.44		84.54
Surface	%	19.11			12.69	37.42
Yield	g/t	1.13	2.03	2.80	0.08	2.69
Underground		2.44	2.03	2.80		3.09
Surface		0.15			3.57	0.57
PGM production (4E – 2E)	000oz	420.8	178.2	91.1	13.7	137.8
Underground		388.8	178.2	91.1		119.5
Surface		32.0			13.7	18.3
PGM sales (4E – 2E)	000oz	420.8	178.2	91.1	13.7	137.8
Price and costs¹						
Average PGM basket price received ²	R/oz	12,209	12,409	12,206	12,497	11,910
	US\$/oz	832	846	832	852	811
Adjusted EBITDA margin ³	%	9	13	37	30	5
All-in sustaining cost ⁴	R/oz	10,403	10,264	11,222	6,947	10,925
	US\$/oz	709	699	765	473	744
All-in cost ^{4,5}	R/oz	10,403	10,264	11,222	6,947	10,925
	US\$/oz	709	699	765	473	744
Capital expenditure						
Sustaining capital	Rm	325.7	175.8	159.8	1.3	148.7
Corporate and projects	Rm	1.3				
Total	Rm	327.0	175.8	159.8	1.3	148.7
	US\$m	22.3	12.0	10.9	0.1	10.1

Average exchange rates for 2016 was R14.68/US\$

Figures may not add as they are rounded independently

¹ The total SA PGM operations' unit cost benchmarks exclude the financial results of Mimosa, which is equity accounted, and excluded from revenue and cost of sales

² The average PGM basket price is the PGM revenue per 4E/2E ounce, prior to a purchase of concentrate adjustment.

³ Adjusted EBITDA margin is calculated by dividing adjusted EBITDA by revenue

⁴ 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. All-in sustaining cost per ounce (and kilogram) and all-in cost per ounce (and kilogram) are calculated by dividing the all-in sustaining cost and all-in cost, respectively, in a period, by the total 4E/2E PGM production in the same period

⁵ The comparatives for 2016 have been revised retrospectively in terms of IFRS 3 Business Combinations after acquisition-accounting of the Rustenburg operations was finalised

⁶ Kroondal and Mimosa represent 50% attributable production, while Platinum Mile is 91% owned and 100% incorporated. For 2016, Kroondal, Mimosa and Platinum Mile represent 9 months, while Rustenburg operations represent 2 months

FUTURE FOCUS

The development and growth of the Group has been rapid and the strategic imperative for 2018 will be consolidation. Strategic priorities from an operational perspective are to:

- maintain our focus on operational excellence in order to ensure consistent and sustainable delivery on production and costs
- drive down costs in order to enhance competitiveness
- continue the integration and optimisation of recently acquired operations

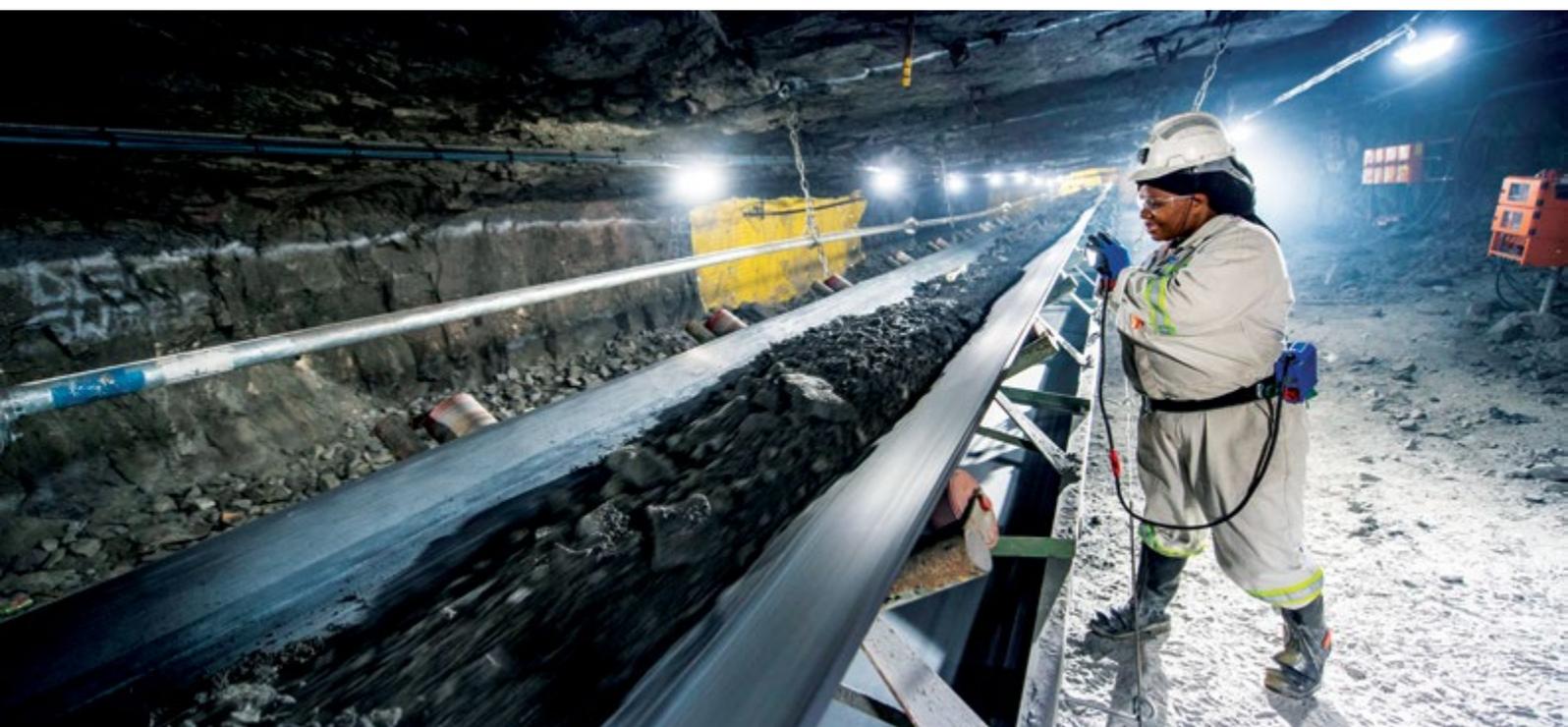
In the SA region, in particular:

- the proposed transfer of certain gold surface assets on the West Rand to DRDGOLD, for a 38% stake in that company with an option to acquire a majority stake, will enable us to realise immediate value from the West Rand Tailings Retreatment Project (WRTRP) while providing future optionality without the need to incur significant capital investment. The DRDGOLD transaction is expected to close after the end of March 2018
- the proposed acquisition of Lonmin, announced on 14 December 2017 and which remains subject to the successful completion of various conditions precedent, will enable the realisation of significant synergies with their incorporation into Sibanye-Stillwater's SA PGM operations. The fundamental outlook for PGMs continues to improve and we are confident that Sibanye-Stillwater is strongly positioned to deliver significant value in the near term

Our guidance for 2018 is as follows:

	Production	All-in sustaining costs	Capital expenditure
SA region:			
Gold operations	38,500kg – 40,000kg (1.24Moz – 1.29Moz)	R475,000/kg – R495,000/kg (US\$1,130/oz – US\$1,180/oz)	R3,500 million (US\$268 million)
PGM operations (4E PGM)	1.10Moz – 1.50Moz	R10,750/oz – R11,250/oz (US\$825/oz – US\$860/oz)	R1,500 million (US\$115 million)
US region:			
PGM operations (2E PGM)	0.58Moz – 0.61Moz	US\$650/oz – US\$690/oz	US\$220 million

US dollar costs are based on an average exchange rate of R13.05/US\$



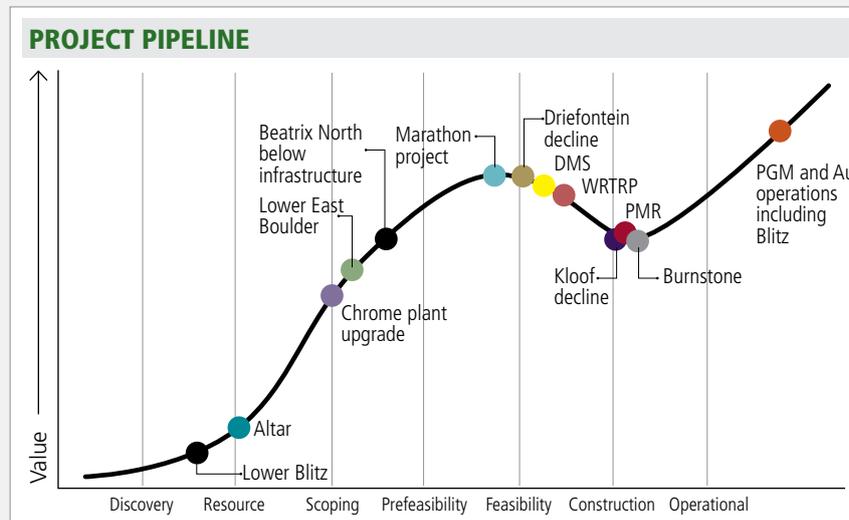
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PROJECTS

We invest in projects which meet a real internal rate of return (IRR) of

15%



Expenditure on organic growth projects during 2017 was R1,482 million (US\$111.8m) (2016: R746 million (US\$51 million)) which represents R888 million for the Blitz project in the US region and R593 million in the SA region, of which R387 million was for the Burnstone project.

On an annual basis, as part of our strategic planning, all organic projects are reviewed, evaluated and ranked. These reviews facilitate the determination of which projects are executed and in what order to ensure the highest capital efficiency of the overall portfolio.

SA REGION

GOLD OPERATIONS

Burnstone

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

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

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

The Burnstone project feasibility study was approved by the Board for project execution in November 2015. The project is planned with a six-year build-up to steady-state production by 2022, then averaging 125,000oz annually for seven years until the end of 2028. Thereafter a seven-year period of decreasing but profitable production supports an initial 20-year life-of-mine plan, yielding some 1.9Moz of gold production from the feasibility resource of 5.7Moz. This initial life of mine (LoM) plan was limited to approximately 60% of the total Burnstone resource of 8.9Moz as the mine design and schedule in the feasibility study was limited to mineable reserves within a 3km radius of the shaft infrastructure. During steady-state production period the potential of the 3.2Moz resource excluded from the initial LoM plan will be evaluated.

Burnstone re-evaluated and declared 1.934Moz of Mineral Reserves and 9.015Moz of Mineral Resources as at 31 December 2017.

In 2017, the following advances were made at Burnstone at a cost of R395 million (US\$29.7m):

- Delivered 5,073m of access development
- Shaft Tip 3 construction was completed
- Conventional raise development crews were initiated

During the latter part of 2017, numerous water intersections (fissure water) were intercepted. These intersections delayed development, however, a comprehensive water handling plan has been implemented to minimise any delays in production going forward.

Kloof decline

The feasibility study for the Kloof below infrastructure decline project was approved by the Board for project execution in November 2015. The Kloof decline project plan yields approximately 0.57Moz of additional gold to that of the current LoM plan and is anticipated to extend the operating life of the Kloof operations to 2034.

In 2017, the following advances were made at Kloof at a cost of R117 million (US\$8.8m):

- Delivered 181.6m of development
- Delivered 247.1m of development in decline

Driefontein decline

A feasibility study completed in 2015 confirmed that mining below current infrastructure has the potential to extend Driefontein's operating life from 2028 to 2042, producing an additional 2.1Moz of gold. The feasibility study project capital was estimated at R1,126 million in 2017 terms.

The feasibility study for the Driefontein below infrastructure decline project was approved by the Board for project execution in November 2015. Capital expenditure of R298.9 million (US\$22.5m) was initially approved in 2017. However, following a cash conservation strategy at the SA Gold operations, only R37 million (US\$2.8m) was spent on 275 metres of development.

The project team have subsequently completed a contract adjudication exercise for an accelerated mine plan by a specialist mining and construction contractor. This will be motivated for the Board's consideration in August 2018..

West Rand Tailings Retreatment Project

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

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

On 22 November 2017, Sibanye-Stillwater announced that it would vend selected assets of the WRTRP into DRDGOLD for 38% shareholding in the company. For more information on the transaction, please refer to: www.sibanyestillwater.com/investors/transactions/drdgold.

Southern Free State Projects

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

The Wits Gold mining right consolidating the De Bron Merriespruit, Bloemhoek, Hakkies and Robijn projects into one mining right has been approved for a period of 23 years and was executed in June 2017. This mining right is contiguous to the north-east of the Beatrix mining right. Sibanye-Stillwater acquired the De Bron Merriespruit and Bloemhoek projects in December 2013 on its acquisition of Wits Gold.

All required environmental studies to support the motivation of a consolidation of the Beatrix and Wits Gold mining rights under one licence were completed in 2017. The environmental permitting process and updated environment management programme (EMP) for the envisaged mining right consolidation will be pursued after the Beatrix mining right renewal application has been submitted in Q4 2018. The Beatrix mining right expires in February 2019.

Gold Mineral Reserves for the De Bron Merriespruit project were reviewed in December 2015 with the mine design and schedule re-planned in line with revised geological and estimation models. The revised design and updated costing supports the Mineral Reserve for this project, which remains at 2.1Moz. The Bloemhoek project, which is adjacent to Beatrix North, has a Mineral Resource of 4.3Moz.

An initial desktop study performed in Q4 2015 evaluated the potential economic viability of a Beatrix North decline shaft system below infrastructure, accessing both Beatrix resources and the southern portion of the Bloemhoek resources. This would result in an extension of the current Beatrix life of mine. Drilling of two exploration holes DWV 12 and DWV 14 were completed in the Beatrix reserve area in April 2017 confirming the Beatrix VS5 reef geological structure, specifically the location and orientation of the Stuirmanspan fault and east-west trending Boundary fault, facies distribution, gold grades and the decline positioning.

The core logging and assay results revealed channel widths varying between 312cm and 344cm with the higher grades concentrated in the bottom 180cm and 80cm of the channels respectively.

An additional two exploration holes are planned in the Bloemhoek southern reserve area to confirm facies distribution and orebody grades.

A detailed feasibility study for this project will be completed in 2018.

DELIVERING VALUE FROM OPERATIONS, PROJECTS AND TECHNOLOGY

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The Beisa project at Beatrix West has not been included in the 2018 Mineral Reserve as the access shaft for the project is via Beatrix 4 shaft, which remains subject to a Section 189 process. The principle driver for the Beisa project remains an increase in the future uranium price.

SA PGM OPERATIONS

Dense media separation

In 2016, Sibanye-Stillwater acquired Aquarius, as well as Anglo American Platinum's Rustenburg assets, which included four underground PGM operations, surface tailing retreatment plant, the concentrator plants and associated surface infrastructure. At the time of the acquisition, Aquarius was successfully operating dense media separation (DMS) plants at its Kroondal concentrator plants, for the pre-concentration of mined UG2 ore. A third DMS plant, located at Marikana had been placed on care and maintenance. Rustenburg's Waterval UG2 concentrator does not have a DMS plant. The two sites are 12.5km from each other.

In 2017, Sibanye-Stillwater commissioned a feasibility study to relocate the Marikana DMS plant to the Waterval UG2 concentrator and for its commissioning. The study was completed in September 2017 and subsequently approved. This brownfields project includes the stripping and relocation of the Marikana DMS plant to the Waterval UG2 concentrator.

Chrome plant optimisation

The Waterval chrome plant, which is part of the Rustenburg operation's complex, treats 400,000t/month of feed from the Rustenburg UG2 plant. The Waterval chrome plant achieves chrome recoveries of between 10% and 12%. The plant's milling process produces very fine chrome particles and a material quantity of chrome is dumped into the tailings dam. A study is underway for the recovery of portion of that fine chrome concentrate.

Two technologies are being investigated, both of which have the potential to increase recoveries by at least 5%. Test work on the technologies has been conducted with promising results. A decision will be made in 2018 on whether this project is viable.

Platinum Mile plant upgrade

Platinum Mile currently treats Sibanye-Stillwater tailings material arising from the concentrators. The tailing product is a mixture of underground ore, e-Feed (Waterval tailing dams) and smelter slag flotation plant tailings. A feasibility study, completed in July 2017, successfully concluded that additional retention time through the implementation of additional float cells would improve recoveries translating to a potential additional ounces annually. A phased approach, constructing the flotation section, within the existing Platinum Mile Resources facility has been initiated.

This capital budget estimate of R37.5 million, covering the installation of four new flotation cells and associated infrastructure, for 2018 was approved by the Sibanye-Stillwater Board in 2017. Project to be constructed in 2018.

US REGION

MARATHON PROJECT

Marathon is a PGM-copper property in northern Ontario, Canada, adjacent to Lake Superior.

The Marathon properties are located 10km north of the town of Marathon, Ontario, on the eastern margin of the Coldwell Complex, a Proterozoic layered intrusion. The palladium, platinum and copper mineralisation occurs principally in the Two Duck Lake gabbro. The known zones of significant mineralisation have a total north-south strike length of approximately 3km and dip 30° to 40° toward the west. The mineralisation has a true thickness ranging from 4m to 100m.

The feasibility study, which was completed and updated in 2014, provided the following core information about economic viability.

The project did not provide an attractive return to shareholders, resulting in a pause to permitting and all development activities. The project reverted back to an exploration stage project to search for higher grade feeder type copper-PGM mineralisation that could be the source of the lower grade mineralisation currently defined at Marathon. Discovery of higher grade mineralisation via successful exploration could enhance project economics in the future.

During the eight months ended 31 December 2017, since Sibanye-Stillwater acquired Stillwater inclusive of this project, US\$1.8 million was spent on the project to advance the following:

During 2017, approximately 6,000m of diamond drilling tested three target areas in search of feeder structures and to test low sulphidation PGM mineralisation. Although high-grade feeders were not intercepted during 2017, the results provide valuable information for exploration vectoring.

Trails and surface trenches were also extended and sampled during 2017 at the Boyer Lake area within the prospective intrusive lithologies of the Coldwell Complex. In addition, minimum environmental baseline data was collected in 2017.

Marathon has 151.7 million tonnes at 0.22% Copper and PGM 2E+Au grade of 0.89g/t (730 million lb Copper and 4.3Moz 2PGE+Au) declared Resources as at 31 December 2017.

The budget for 2018 is US\$1.1 million to maintain the project during the year.

ALTAR PROJECT

Altar is a copper-gold property in San Juan province, Argentina. It is located in the Andes Mountains, approximately 10km from the Argentina-Chile border, and approximately 180km west of the city of San Juan.

In October 2011, Stillwater acquired Peregrine Metals Limited, a Canadian exploration company, whose principal asset was the Altar project. The property consists of eight wholly-owned mining concessions and five optioned mining concessions. Seven of these mining concessions are subject to production royalties, including a 1% net smelter royalty, and four other concessions are subject to a 2% net smelter royalty.

Altar, an exploration-stage project, is primarily a copper-gold porphyry deposit with potential for discrete peripheral gold system targets. The Altar deposit currently exhibits open mineralisation in most directions. During 2016, 4,931m were drilled on eight holes plus one hole extension. The 2016 drilling resulted in the discovery of a new copper-gold porphyry stock southeast of the Quebrada de la Mina (QDM) gold Mineral Resource.

During the eight months ended 31 December 2017, US\$1.7 million was spent on the project to advance the following: A total of 5,631m of HQ size diamond drilling was performed between January and April 2017 to further test the 2016 discovery of the Quebrada de la Mina QDM-radio-porphyry copper-gold mineralisation. Drilling further defined the QDM-radio-porphyry to 1,000m depth, open in all directions. In addition to diamond drilling, surface prospecting and collection of environmental baseline data continued to maintain the project status.

Altar has 2,614 million tonnes of Mineral Resource at 0.31% copper and 0.07g/t gold (17.9 billion lbs of copper and 6.3Moz of gold) as at 31 December 2017.

The budget for 2018 is US\$6.1 million, earmarked to drill 6,000m on QDM-radio-porphyry, Altar-East and Altar-Central plus continue with surface geophysics, talus fine geochemistry, and environmental baseline data collection during the year. Drilling in 2018 is intended to test depth extension of all three areas by an additional 400-500m.

LOWER EAST BOULDER

Lower East Boulder is an area directly underneath the existing East Boulder mine. The boundary is defined at the top by existing 6,500 rail level and extends down 2,500ft to a planned muck haul level on the 4,000 level. The proposed strike length of project area is 25,000ft directly below the existing East Boulder mine. Limited deep drilling in 2015 and 2016 demonstrated ore grade intercepts down to 3,850 level.

For the eight months ended 31 December 2017, there was no spending on drilling in lower East Boulder area. There is no budgeted spending in 2018 to advance the study of the lower East Boulder area.

LOWER BLITZ

The Lower Blitz project area is an area directly underneath the Blitz project. The boundary is defined at the top by existing 5,000 rail level and extends down 1,500ft to a planned muck haul level on at the 3,500 level. The proposed strike length of project area is 20,000ft directly below the Blitz Project. No deep drilling has been completed in this area to date.

For the eight months ended 31 December 2017, there was no spending on drilling in Lower Blitz area. There is no budgeted spending in 2018 for advancing the study of the Lower Blitz area.



DELIVERING VALUE FROM OPERATIONS, PROJECTS AND TECHNOLOGY

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TECHNOLOGICAL INNOVATION AND MODERNISATION

STRATEGY DEVELOPMENTS 2017

Sibanye-Stillwater established a Safe Technology and Innovation Department (STID) in 2014 and defined three strategic pillars with respect to its strategy, namely, safely optimising current mining horizons, capitalising on legacy mining and developing a safe, innovative mining method for the future. The pillars are designed as a multifaceted approach to technology and structured to create short, medium and long term value in the following ways:

- Harnessing technology to improve safety and optimise the cost-effectiveness of current mining will improve current production as well as reduce pay limits, enhancing our ability to maintain sustained delivery at a higher rate for a longer period
- Capitalising on legacy mining, in the short term, intends to return value, inherent to legacy assets, by enabling the return to old areas that are otherwise inaccessible by conventional means and recovering ore bearing material through sweeping and vamping. A longer-term value driver would be the ability to bring the otherwise sterilised resources contained within stability pillars to book by applying technology that is able to safely extract the same
- Developing a safe, innovative mining method for the future will allow Sibanye-Stillwater to consider mining ore bodies that are otherwise technically impractical as a result of depth or economic viability

The mine of the future (MoTF) vision has five general requirements (mechanised, automated, connected, dynamic and efficient) which, in part, or unison, will result in a mining operation with the following characteristics:

- Safe
- Environmentally conscious
- Highly efficient, yielding maximum return on capital employed
- Dynamic and able to respond rapidly to both internal and external stimulus
- Transparent, creating greater insight and enabling more proactive management
- Highly-skilled workforce, creating more attractive employment opportunities
- Promotion of secondary industry with sectoral transfer of skills, equipment and technology

The STID has identified more than 40 projects that fit within the scope of the MoTF vision. To ensure that resources are allocated as efficiently as possible, the department continuously ranks all projects based on impact, cost and complexity (potential return versus lead time to adopt), reserve applicability (how much of the organisation is able to adopt the technology) and interdependence (whether a project is dependent on, or contributes to, another project, programme or portfolio).

Throughout the continuous ranking process, a common theme has emerged in that “connected” projects are generally very highly ranked. The STID has thus embarked on a process of “digital understanding” in order to ascertain the organisation’s “digital status”, determine technology gaps in operational information technology and identify quick-win and high-impact initiatives to pursue in 2018.

DIGITAL MINING

Information technology is progressing at an unprecedented rate and, with the advent of high-speed data transfer, an exponential increase in computing power and cloud storage, allows organisations to understand their operational data, both in extreme detail, and at a high level of cross-functional integration.

Millions of quantitative data points can now be combined across processes and, in conjunction with qualitative data, to generate vast data sets. Once established, organisations can use advanced analytics to understand the information in a way that is not achievable through conventional analysis, and which was not possible in the past. An example of this would be stochastic mine modelling, while complex, in short, an ore body model can be mined in a million different ways in order to optimise the mine plan. Data can now be considered a contributing asset and leveraged to realise significant returns.

SIBANYE-STILLWATER'S DIGITAL JOURNEY

Despite a general misperception that conventional mining operations are not data rich environments, the STID hypothesised in 2016 that our operations are in fact data rich and that we could embark on explorative analytical initiatives without requiring additional infrastructure. This hypothesis was confirmed during the digital understanding process. However, two significant gaps were identified with respect to Sibanye-Stillwater's current operations, subterranean communication infrastructure and data source integration.

Several different communication paradigms exist throughout the mining industry, ranging from no communication to full coverage. While some of Sibanye-Stillwater's operations such as Bathopele exist on the full coverage end of the spectrum, the majority of the gold operations as well as the conventional platinum operations have limited coverage. In short, a substantial component of the value chain operates without digital data sources.

In order to address this issue, the STID has refined the latent data concept established in 2016, performed comprehensive market research and determined a clear path to researching and developing cost-effective, operationally applicable, communication infrastructure. The scope was to include several different communication mediums, including advancement in fibre technology, co-axial data transfer, multi-frequency wireless access as well as the original latent data transfer concept including the fourth generation personnel tag, which is capable of enabling mesh networking, effectively turning any employee

into a wireless router. The outcome of the programme will be a suite of technology that may be applied to any operation, considering current state, flexibility and cost. The project is expected to be completed in 2018.

Regarding integration, both the international and South African technology markets are made up of single focus suppliers and service providers. Consequently, mines deal with a number of different suppliers or service providers for different technologies, depending on their requirements, posing a substantial challenge when considering data compatibility and integration.

There are several seemingly unidimensional technology products available that offer multidimensional data advantages. An example of this is the proximity detection system that records all aspects related to the movement as well as interactions between machinery and personnel. Sibanye-Stillwater has used this information to understand the risk profile of trackless machinery at its operations in order to mitigate the production impact that may result from implementation of revised regulations associated with proximity detection and collision avoidance. The information can also be used to understand driver behaviour and intervene in at-risk behaviour through positive coaching, potentially eliminating a risk before it transpires.

An element of integration is required to fully realise the benefits of these multi-dimensional data sources. However, a problem arises when these data sources are proprietary in nature and supplied by separate companies. The absence of collaboration has resulted in an inability to efficiently consolidate data. While significant value is still attainable through advanced analytics, Sibanye-Stillwater will only be able to fully realise the benefit of existing data once its integration has been resolved.

Sibanye-Stillwater has partnered with the University of the Witwatersrand to establish the Sibanye-Stillwater Digital Mining Laboratory. Supported by a R15 million contribution over three years, the laboratory will not only continue developing the future of mining engineering, but act as a stage gate with respect to the assessment of digital technologies, in particular, the ability to integrate across products and processes, before it is adopted by Sibanye-Stillwater. The STID is confident that current university infrastructure, combined with the support given, will create a pivotal facility that will assist in accelerating industry understanding of digital technologies as well as accelerating the development and adoption of digital enablers.

MINING PHAKISA AND THE NEWLY-ESTABLISHED MINING PRECINCT'S INNOVATION HUB – AN UPDATE

Supported by government's commitment under the banner of the Mining Phakisa, the new established Mining Precinct and Innovation Hub has progressed rapidly and established several work streams and steering committees with support from participating mining companies in the following areas:

- Non-explosive rock breaking and mechanisation
- Longevity of current mining
- Advanced ore body knowledge
- Real time information management

Sibanye-Stillwater actively participates in all of these steering committees and has taken a lead role by serving as chair of the steering committees on advanced ore body knowledge and longevity of current mining. These steering committees are overseen by the Innovation Hub's governing innovation team on which Sibanye-Stillwater serves as chair.

STOPE MECHANISATION PROGRAMME

Both the MT1000 multi-drill and MT100 sweeper and dozer prototypes were delivered and tested in 2017. Refer to the fact sheet on our stope mechanisation programme, on www.sibanyestillwater.com

MECHANISED PILLAR EXTRACTION

The mechanised pillar extraction project using prototype raise-boring technology has been temporarily suspended. The phase two feasibility study showed that, while the concept and technology are feasible, it would only be economically viable to extract a fraction of the original estimated resource of 2.2Moz in this manner. The project therefore scored low in the reserve applicability index and, coupled with its high cost and complexity, as well as extensive lead time to adopt, the decision was made to allocate resources to a more economically viable project.

ADVANCED TRANSPORT PROGRAMME

Recent developments in battery technology have inspired several amendments to the advanced transport programme. Increased capacity, efficiency and fast-charging developments have drastically reduced the need for on-board generation. As a result, the hybrid locomotive has been redesigned to include newly-developed batteries and a smaller on board diesel power generation unit. Two additional projects are being considered to increase the efficiency of the Group's lead acid battery locomotives as well as to develop a conversion package to convert diesel locomotives to battery locomotives without the need for additional infrastructure.

Owing to reduced on-board generating capacity and the logistical complexity of delivering compressed natural gas underground, this aspect has been put on hold.

CURRENT MINING IMPROVEMENT PROGRAMME

All previously reported projects progressed well through their initial short-term trial phases in 2017. They have all been approved for scaled-operational refinement in 2018.