

SA REGION – LOCAL ECONOMIC DEVELOPMENT PROJECTS

Local economic development projects are undertaken in accordance with the implementation plans agreed in the specific social and labour plans (SLPs) of each mining right.

The primary aims of these projects are to:

- implement sustainable socio-economic programmes in host and labour-sending communities
- promote enterprise development
- implement skills development programmes aimed at job creation and poverty alleviation
- assist with the development of social infrastructure (for example schools and clinics/healthcare infrastructure)
- improve community environmental management and food security
- contribute to improved academic performance in mathematics and science

The projects are at varying stages of implementation depending on their scopes and SLP provisions.

PROJECT	STATUS 2017	OUTCOMES	BENEFICIARIES	IMPACTS	BUDGET/SPEND
EASTERN CAPE					
Livestock development in the Eastern Cape: SA gold operations					
<p>This project facilitates access to animal husbandry services and products, promotes good farming practices and increases the earning potential of emerging farmers in labour-sending areas of the Eastern Cape, particularly areas from where the majority of Sibanye-Stillwater employees originate.</p>	<p>This project has been completed in terms of the requirements of the SLP. It is considered to be sustainable. It provides support for village linkage persons (VLPs) who are small, medium and micro enterprises (SMMEs) supplying animal health services and medicine, sourced at a discount from an NPO, to livestock owners.</p> <p>Phase 2 of this project, wool shearing, will be implemented as part of the 2017 - 2021 SLPs with the construction of a wool-shearing shed.</p>	<ul style="list-style-type: none"> • Improved animal health has contributed to higher yields and growth in the animal population, which in turn has generated increased revenue and profit • 44 VLPs (SMMEs) established : 24 in the Chris Hani Municipality 9 in the Elundini Municipality 11 in the Alfred Nzo District Municipality • Value of average annual income per VLP: R103,352 	<ul style="list-style-type: none"> • 44 VLPs/SMMEs established and earning an income • 14,221 farmers who each own, on average, 19 units of livestock 	<ul style="list-style-type: none"> • Contributed to poverty alleviation and enterprise development • Better animal health results in increased yields and growth in the animal population, resulting in greater wealth • Social upliftment 	<p>Spend to date R8.9 million Spend in 2017: R0.3 million</p> <p>The respective municipalities contributed an equivalent amount, or more, to the project.</p>

PROJECT	STATUS 2017	OUTCOMES	BENEFICIARIES	IMPACTS	BUDGET/SPEND
EASTERN CAPE CONTINUED					
Skenjana Senior Secondary School in the Eastern Cape: SA gold operations					
<p>A new school is required to replace dilapidated facilities in Idutywa, Eastern Cape a labour sending area. The new school will create an environment conducive to learning.</p>	<p>The rezoning of the land on which the school will be relocated was approved by the Mbashe Local Municipality. The project was included in the new SLP as a backlog project and will be implemented in phases. The regulatory provisions for this project have been completed and construction is being re-scoped.</p>	<ul style="list-style-type: none"> Once completed, the new school will provide a more encouraging learning environment Temporary employment of local community members during construction 	<ul style="list-style-type: none"> Approximately 1,600 learners from five feeder schools Local construction companies and their employees during construction 	<ul style="list-style-type: none"> Improved educational facilities and learning environment to produce better matriculation results Skills development Facilities will be available for use by the local community Social upliftment 	<p>Spend to date: R11.3 million</p> <p>Spend in 2017: R0.8 million</p>
GAUTENG					
Invasive alien species: Driefontein, Kloof and Cooke operations					
<p>This is an ongoing programme to remove and control thirsty alien vegetation. However the vegetation is required in certain areas such as around tailings dams to take up excess contaminated water and as a wind screen around tailings for dust control. This involves plantings in woodlots of Eucalyptus grandis, which has category 2 status and is thus permitted. This plant is fast growing and used for timber and other commercial uses. The reforestation will contribute to the project's sustainability by providing a source of income for local communities when harvested.</p> <p>Biodiversity, environmental management, job creation and enterprise development are all focus areas of this project.</p>	<p>In terms of the new SLPs, phase 2 will begin in 2018. It will involve establishing a charcoal plant to convert biomass into charcoal and the related training that will be necessary to ensure the future sustainability of this project.</p>	<ul style="list-style-type: none"> Reduced water consumption Reforestation in progress. Invasive alien vegetation management Potential to earn carbon credits. An application for which is being formulated by the environment team 	<ul style="list-style-type: none"> Three local SMMEs established which employ people and generate income 8 jobs were created in Merafong 	<ul style="list-style-type: none"> Improved environmental management Job creation and enterprise development Skills development Social upliftment 	<p>Spend to date:</p> <ul style="list-style-type: none"> Driefontein R3.7 million Kloof R3.4 million Cooke R3.5 million <p>R10.6 million</p> <p>Spend in 2017:</p> <ul style="list-style-type: none"> Driefontein: R0.1 million Kloof: R0.4 million Cooke: R0.2 million <p>R0.7 million</p>

PROJECT	STATUS 2017	OUTCOMES	BENEFICIARIES	IMPACTS	BUDGET/SPEND
GAUTENG CONTINUED					
Brick Manufacturing and Incubation Centre: Driefontein, Kloof and Cooke operations					
Establishment of an incubation hub to train SMMEs in the manufacturing of inputs for the construction industry in partnership with Department of Small Business (focus on Steel, Wood, Cement and Paint)	<ul style="list-style-type: none"> A disused building is being refurbished to house the incubation hub and the equipment required has been ordered. SMMEs have been taken for Technical training at various institutions and they will be commencing production mid June 2018. 	SMMEs in the building/ manufacturing and construction industry are being incubated with accredited skills training being conducted in various construction-related disciplines, including brick making, plumbing, welding, plastering and carpentry, among others.	<ul style="list-style-type: none"> 30 SMMEs established participated in West Wits host communities 	<ul style="list-style-type: none"> Skills development Poverty alleviation Eradication of informal settlements Employee home ownership in integrated settlements Social upliftment 	<p>Spend to date: R10.0 million</p> <p>Spend in 2017: R3.0 million</p>
Westcol Technical and Vocational Education and Training (TVET) College: Kloof					
During 2014, Sibanye-Stillwater was approached by students to fund their accommodation and travel to institutions in other areas as a TVET facility did not exist in Westonaria. In partnership with the local municipality, Gold Fields, the Westonaria Community development trust, the Gold Fields Education Trust, it was agreed that a permanent TVET college be established in Westonaria.	Some 1,000 students are being accommodated currently in a temporary facility at the local municipality's sports complex. Sibanye-Stillwater has donated land suited to the construction of an agri-college (confirmed by geotechnical testing). All specifications and costings were finalised and the rezoning application approved. An application for electricity supply submitted to Eskom was approved.	<p>This college will meet the need for an additional tertiary institution in the West Wits region to stimulate learning and alleviate travel and accommodation expenses incurred by attending other colleges further away.</p> <p>Engagement with local communities highlighted the need for an additional college with a curriculum focussed on farming/ manufacturing/ engineering programmes</p>	<ul style="list-style-type: none"> Up to 1,500 students Local construction companies, their employees and labourers during construction 	<ul style="list-style-type: none"> Education infrastructure Cost savings and convenience for local students Job creation during construction and for teaching and administrative staff once college is operational Poverty alleviation and skills development 	<p>Spend to date: R4.0 million</p> <p>Spend in 2017: R0.8 million</p> <p>This budget was for the planning, scoping and assessment stage of the project. The overall cost for construction and equipping of a new TVET college is estimated at R55m. The Westonaria Community Trust has committed R12m and the remainder will be funded Sibanye-Stillwater with the support of other partners</p>
This project is one of those in the backlog of projects committed to in the previous SLP.	Construction is to begin in 2018.				

PROJECT	STATUS 2017	OUTCOMES	BENEFICIARIES	IMPACTS	BUDGET/SPEND
GAUTENG CONTINUED					
You Reap What You Sow Agricultural Co-operative: Cooke					
<p>The aim of the project is to reduce poverty and unemployment through sustainable agricultural activities.</p>	<p>The project area is expanding as cash flow improves. Business mentoring is provided and additional support is received from Rand West City Local Municipality and Gauteng Department of Agriculture and Rural Development (GRDARD).</p> <p>Sibanye -Stillwater has completed the project as it was 2012- 2016 SLP cycle. We have allocated R1.1 million as part of project handover for expansion and handed it over to RWCLM and GRDARD for mentoring and technical support for the enterprise</p>	<p>Offtake agreements have been secured for the produce being cultivated. This co-operative is currently operating successfully.</p>	<ul style="list-style-type: none"> • 1,413 community members • 30 seasonal jobs created 	<ul style="list-style-type: none"> • Created 30 seasonal jobs • Business skills development • Food security for beneficiaries and their families • Poverty alleviation • Social upliftment 	<p>Spend in 2017: R0.6 million</p>
Aredirisaneng Agriculture Co-operative: Cooke					
<p>The aim of the project is to reduce poverty and unemployment through by sustainable agricultural activities.</p>	<p>The project is functional and we have given them additional support of the youth to assist them in managing the farm. We support the project and have requested advice from Gauteng department of Agriculture and Rural development (GRDARD) on weed management and will include them in our phase 2 outgrower model. Close out report and handing over of Phase 1 to beneficiaries. A turnaround strategy was established, and phase 1 closed out. In phase 2, support and assistance will be provided on weeding and access to markets. This project will be incorporated into the agri-parks model.</p>	<p>Offtake agreements have been secured and a turnaround strategy has proved successfulturnaround strategy is established, hence we close out phase 1 and do phase 2 to support and assist them with deweeding and markets. They will be incorporated into agriparks model.</p>	<ul style="list-style-type: none"> • 12 seasonal jobs created • 8 community members 	<ul style="list-style-type: none"> • Business skills development • Increased food security for beneficiaries and their families and the community • Poverty alleviation • Social upliftment 	<p>Spend to date: R5.3 million</p> <p>Spend in 2017: R0.4 million</p>

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FREE STATE					
Mathematics, science and technology programme supported by infrastructure development: Beatrix					
<p>Begun in 2013, this five-year programme is conducted in partnership with the Free State Department of Education and the Kutlwanong Maths, Science and Technology Centre. The programme offers support in the subjects of mathematics, science and technology by improving knowledge in and mastery of these subjects to enable school leavers to succeed at university and in their careers.</p>	<p>This project was concluded as part of the 2012-2016 SL. It was attended by school pupils in grades 10 to 12 at 26 schools around the Matjhabeng and Masilonyana local municipalities. Dedicated support was offered at another five schools – including the Taiwe Secondary Senior School and Mamello Senior Secondary School projects below.</p>	<p>Academic performance was boosted significantly.</p> <p>In 2017, 241 grade 12 pupils achieved the following results in their matriculation examinations:</p> <ul style="list-style-type: none"> • Maths – 24 distinctions • Science –32 distinctions • Bachelor pass – 189 • Maths pass rate – 94% • Science pass rate – 97% 	<p>Around 600 pupils annually in grades 10 to 12</p> <p>Approximately 200 grade 12 pupils annually attended this programme, equivalent to 400 to date</p>	<ul style="list-style-type: none"> • Participating learners are equipped to pursue tertiary studies • Improved results in participating schools • Indirect impacts include poverty alleviation with learners being more employable and social upliftment 	<p>Spend to date: R12.9 million</p> <p>Spend in 2017: R3.2 million</p>
Mamello Senior Secondary School: Beatrix					
<p>A dedicated mathematics facility will address poor mathematics results and support the Sibanye-Stillwater-funded Mathematics and Science Support Programme in Virginia, Free State.</p>	<p>Following a needs assessment, classrooms were renovated, the roof, gutters, ceilings, windows, doors and floor tiles were repaired or replaced, interior and exterior surfaces were painted, and electrical installations rewired. The interactive mathematics facility, which is information and communications technology (ICT) enabled, was handed over to the school and the Free State Department of Education in October 2017. A borehole was installed to reduce the school's water and electricity costs.</p>	<p>Given the more favourable learning environment, mathematics results are expected to improve</p>	<ul style="list-style-type: none"> • More than 1,300 learners 	<ul style="list-style-type: none"> • Improved learner interest and confidence • Improved performance in mathematics will have long-term benefits for students and will increase their employability, thus indirectly helping to alleviate poverty and contributing to social upliftment 	<p>Spend to date: R1.4 million</p> <p>Spend in 2017: R0.4 million</p>

PROJECT	STATUS 2017	OUTCOMES	BENEFICIARIES	IMPACTS	BUDGET/SPEND
FREE STATE CONTINUED					
Embonisweni Primary School: Beatrix					
Construction of a school hall which will be a resource for the school and the community at large.	Following a needs assessment, a geo-technical study was completed, the Free State Department of Education approved amended drawings, and a memorandum of agreement was signed by Sibanye-Stillwater and Adopt-A-School. Construction begun in 2017 is 99% complete. Hand over is anticipated to take place during the second quarter of 2018.	The new facility will be available for school assemblies, parents' meetings and can also be used as an examination venue for school pupils and for the marking of examination papers.	<ul style="list-style-type: none"> • 762 learners 	<ul style="list-style-type: none"> • The new hall can be hired out to generate additional income for the school • Temporary employment during construction • Social upliftment 	<p>Spend to date: R4.4 million</p> <p>Spend in 2017: R2.4 million</p>
NORTH WEST PROVINCE (Sibanye-Stillwater's SA PGM operations)					
Ramochana Early Childhood Development Centre: Kroondal					
Construction of an early learning center at Ramochana township. The center will be owned by a non-profit organization.	Project is 90% complete.	This center will provide access to early childhood education for communities around Ramochana and Sunrise Park.	<p>The center will provide permanent jobs for seven people.</p> <p>It has the capacity to accommodate 200 children.</p>	<p>The ECD will ensure access to early childhood education which is a critical foundation for children's future academic development.</p> <p>44 temporary jobs were created during construction.</p> <p>A minimum of 7 jobs will be created as the center starts to operate.</p>	<p>Spent to date: R3.9 million</p> <p>Spent in 2017: R3 million</p>

PROJECT	STATUS 2017	OUTCOMES	BENEFICIARIES	IMPACTS	BUDGET/SPEND
NORTH WEST PROVINCE CONTINUED					
Ikemeleng brick making project: Kroondal					
<p>Development of a brick manufacturing business that will generate income for local unemployed community members.</p> <p>The kind of bricks they are making is dependent on orders received. They are able make about 40,500 maxi bricks or 80,000 stock depending on that month's need.</p> <p>The project makes an average income of R45,000 per month.</p>	<p>The project has been for operational since February 2017 and selling bricks to local community members and other businesses such as Built It.</p> <p>Sibanye Stillwater continues to provide mentoring and sustainability support.</p>	<p>A site was allocated for the project, necessary infrastructure developed, equipment purchased and training given to the members of the cooperative.</p>	<p>The business is owned by five members of a Cooperative who in term have employed nine members of the community on a full time basis.</p>	<ul style="list-style-type: none"> • Full time jobs have been created for 14 community members thus sustaining livelihoods of 14 families. • Community members are able to buy bricks locally and save on high costs of transport. • Down the value chain, opportunities are created for community members who own bakkies to transport bricks to households and thus earn an income. 	<p>Spent to date: R4 million</p> <p>Spent in 2017: R1 million</p>
Provision of obstetric ambulances: Rustenburg operations					
<p>Purchase and donation of two fully equipped maternal and obstetric ambulances.</p>	<p>The two units were officially handed over to the North West Department of Health in July 2017.</p>	<p>The units were purchased, fully converted and equipped for emergency transfer of women in labour from their homes to hospital and other health care centres.</p>	<p>The Department of Health and community members around Phokeng and Tlhabane Health Center</p>	<p>About 2,000 community members in six communities around Phokeng and Tlhabane Health Centers will have access to safe patient transport which was not there before.</p> <p>The high rate of maternal death in transit to health facilities will be reduced</p> <p>These ambulances will contribute to effective service delivery and improve response time at the two centers because conventional ambulances will be freed to render services they were meant for.</p>	<p>Spent to date: 1.2 million</p> <p>Spent in 2017: R0.3 million</p>

PROJECT	STATUS 2017	OUTCOMES	BENEFICIARIES	IMPACTS	BUDGET/SPEND
NORTH WEST PROVINCE CONTINUED					
Phatsima farming project: Rustenburg operation					
Development of a commercial fruit and vegetable production farm to service the market gap in the Rustenburg areas of Phatsima, Boschoek and Ledig.	<p>The farm is currently operating and providing fresh vegetables to local markets including the Sun City Resort.</p> <p>SibanyeStillwater continuous to monitor and provide sustainability support.</p> <p>Mentoring and sustainability support will be provided by Sibanye-Stillwater until 2019.</p>	A farm site was allocated by the Rustenburg Local Municipality. Beneficiaries were identified, infrastructure developed, equipment purchased and training provided to cooperative members.	14 Cooperative members from the community are employed full time by the farm.	<p>14 permanent jobs were created and thus sustaining the livelihood of 14 families.</p> <p>Community food security is improved as people are able to get fresh vegetables locally, at a price reasonable and thus save on transport costs.</p> <p>Local vegetable vendors are also able to access vegetables at a lower price and therefore able to improve their profit margins.</p>	<p>Spent to date: R2.5 million</p> <p>Spent in 2017: R0.4 million</p>
CORPORATE SOCIAL INVESTMENTS					
Laerskool Oos Driefontein – pre-primary school facilities:					
Sibanye-Stillwater was approached by the school with a request to use the unused and dilapidated facilities at the East Driefontein Recreation Club. This would allow the pre-primary school to expand in line with community needs.	<p>In September 2017, Sibanye-Stillwater completed alterations and renovations to the old Driefontein sport complex and provided:</p> <ul style="list-style-type: none"> • 5 Grade R classes • 2 Grade 0 classes • A reception area and office for the pre-primary school principal • A sick room with toilet facility for the educators • Ablution facilities for the learners - five toilets for boys and six for girls • A dining hall for learners • Two storerooms for pre-primary school equipment 	<p>Promote early childhood education</p> <p>Improved future education attainment levels</p> <p>Provided an environment conducive for learning</p>	200 learners	<ul style="list-style-type: none"> • Over 200 learners from the surrounding areas of Blybank, Mphahlwa village and settlements surrounding East Driefontein will gain access to early childhood development, 	<p>Spend: R0.4 million.</p> <p>This project was funded under the CSI budget.</p> <p>It will be handed over on 23 March 2018.</p>

ADDITIONAL INFORMATION:

- Numbers are quoted exclusive of Value added tax
- Sibanye-Stillwater intends to build a maths and science laboratory at Simunye Secondary School, but no expenditure has been occurred in 2017, and therefore it has not been included in the table above
- The personal protective equipment manufacture project, implemented in terms of the Cooke 1, 2 and 3 social and labour plans, experienced financial challenges in 2016 and faced closure until it was taken over by a manufacturer and supplier of mine backfill and ventilation bags. Sibanye-Stillwater is working with project beneficiaries and providing mentoring and sustainability support to ensure that the project is viable before it is handed over. An entrepreneur will be appointed to turn around the project
- In 2017, Sibanye-Stillwater has donated land in Toekomsrus Extension 4 to the Rand West City Local Municipality as part of its contribution towards establishing sustainable human settlements. Expenditure in 2017, apart from the land donation was R10,300
- Formalisation of the Bhongweni township is in progress and expected to be completed in 2018 In 2017, R0.8 million was spent on this project. The new 2017-2021 SLP has been approved and includes mainly road infrastructure construction projects for the Matjhabeng Local Municipality. These have yet to be discussed and approved
- The Masilonyana Local Municipality has yet to submit proposed LED projects an agreement with the DMR
- The Taiwe school hall project near Beatrix was handed over in 2016 (disclosed in previous reports)