CHIEF FINANCIAL OFFICER'S REPORT

Charl Keyter
Chief Financial Officer

- **Group loss for the year decreased by 43% to R2,521 million**
- **Substantial increase in US and SA PGM adjusted EBITDA**
- **US$350 million revolving credit facility (RCF)** refinanced and upsized to US$600 million on improved terms in April 2018
- **US$500 million streaming transaction** completed in July 2018
- **US$395 million bond buy back** resulting in US$25 million annual interest saving
- **DRDGOLD transaction completed**

2018 will be remembered as one of the more challenging years for Sibanye-Stillwater. The safety incidents at our SA gold operations in the early part of the year as well as the extended strike action at these operations, which started on 21 November 2018, had a significant impact on the financial results of the Group. In stark contrast to this, the PGM operations in southern Africa and the United States maintained steady operating performances with revenues benefitting from higher palladium and rhodium prices in 2018. The well-timed entry into the PGM sector is clearly evident in the financial results, with solid operating and financial performance of our PGM operations compensating for the operational and industrial relations challenges experienced at the SA gold operations.

The Group's major source of earnings for 2018 was our US PGM operations, which accounted for 50% of Group adjusted EBITDA. The contribution from the SA PGM operations has also increased substantially, due to the improved rand PGM basket price and solid, sustained operational performance. In 2018 the SA PGM operations contributed 34% of Group adjusted EBITDA, up from 18% in 2017. Despite a flat average rand gold price received year-on-year, the impact of the safety incidents and other unanticipated operational disruptions as well as the strike, caused production from the SA gold operations to decrease by 7,034kg (226,157oz), resulting in adjusted EBITDA from the SA gold operations declining by 74% to R1,362 million. The SA gold operations contributed only 16% of Group adjusted EBITDA in 2018, compared with 59% in 2017.

The liquidity requirements of the Group were substantially improved through the refinancing of the three-year US$350 million RCF in April 2018.

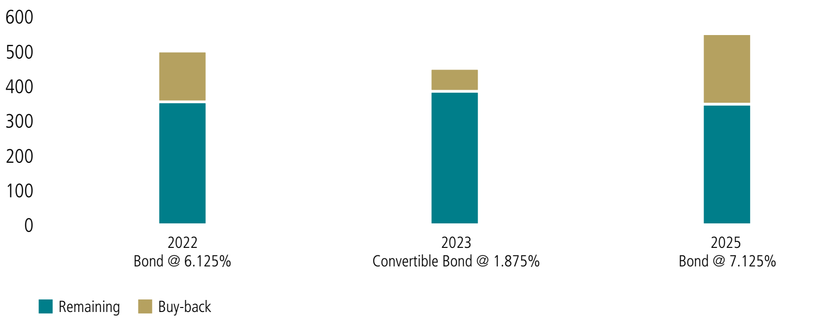
The facility was refinanced for three years with two optional one-year extensions and was increased to US$600 million on improved terms. In anticipation of the change in revenue recognition at Rustenburg operation, where we are moving from a purchase of concentrate arrangement to a toll refining agreement, the Group approached its lending group to provide further covenant relief. The net debt to adjusted EBITDA covenant has been extended at 3.5 times till the end of 2019, thereafter it will step down to 2.5 times.

Sibanye-Stillwater completed a gold and palladium stream agreement with Wheaton Precious Metals International (Wheaton International) in July 2018. In terms of the agreement, Sibanye-Stillwater received US$500 million from Wheaton International in exchange for an amount of gold and palladium equal to a percentage of gold and palladium produced from our US PGM operations (comprised of its East Boulder and Stillwater mining operations). The US$500 million arising from the transaction was competitively priced relative to existing Group debt and alternative financing available in international capital markets.

A portion of the advanced proceeds of the streaming transaction of US$500 million was utilised to buy back US$415 million of the high yield and convertible bonds for a nominal consideration of US$395 million. The buyback has resulted in an annual interest saving of US$25 million and a saving of US$137 million over the remaining life of these bonds.

From an operational perspective, the rand gold price received for 2018 was in line with 2017 at R535,929/kg. The impact of the safety incidents and other unanticipated operational disruptions as well as the strike, caused production from the SA gold operations to decrease by 7,034kg (226,157oz).

Bond buy-backs during 2018 (US$ million)



CHIEF FINANCIAL OFFICER'S REPORT CONTINUED

The average rand basket price received at the SA PGM operations was 10% higher at R13,838/4Eoz in 2018, compared with R12,534/4Eoz in 2017. The SA PGM operations performed strongly with 4E PGM production of 1,175,672oz in 2018, compared with 1,194,348oz in 2017 mainly due to lower surface production. The US dollar average basket price received at the US PGM operations was 9% higher at US$1,007/2Eoz compared with US$927/2Eoz in 2017. 2E PGM production at 592,608 was 57% higher, reflecting the increased contribution from Blitz and the inclusion of a full year compared with eight months in 2017.

Cost performance at the SA PGM operations was again pleasing during 2018. The AISC at the SA PGM operations at R10,417/4Eoz was in line with the cost performance of 2017 at R10,399/4Eoz. The AISC at the US PGM operations increased by 4% for 2018 to US$677/2Eoz mainly due to the frontloading of skills for Blitz, increased royalties due to the improved basket price, higher maintenance cost and planned outages in the metallurgical complex. Unit costs at the SA gold operations were primarily affected by the safety incidents and other unanticipated operational disruptions as well as the strike. The AISC increased from R482,693/kg in 2017 to R557,530/kg.

Capital expenditure increased from R6,099 million in 2017 to R7,081 million in 2018 mainly due to the inclusion of a full year of US PGM expenditure compared with eight months in 2017. Capital expenditure at the SA gold operations excluding DRDGOLD declined from R3,410 million in 2017 to R2,930 million mainly due to the cessation of mining at the Cooke operations, reduced expenditure at the Burnstone project which is on care and maintenance and the impact of the strike. Capital expenditure from DRDGOLD included for 2018 was R318 million. Capital expenditure at the SA PGM operations reduced from R1,035 million in 2017 to R1,000 million in 2018, mainly due to the deferral of capital in the first half of 2018, following a period of low rand basket prices. Capital expenditure at the US PGM operations for 2018 was US$214 million (R2,833 million) of which US$119 million (R1,574 million) was spent on the Blitz project. This compares to capital expenditure for the eight months in 2017 of US$124 million (R1,654 million) of which US$67 million (R888 million) was spent on the Blitz project.

Consolidated income statement for the year ended 31 December 2018

Figures in million – SA rand	2018	2017
Revenue	**50,656.4**	45,911.6
Cost of sales	**(48,129.0)**	(42,182.4)
Interest income	**482.1**	415.5
Finance expense	**(3,134.7)**	(2,971.8)
Share-based payments	**(299.4)**	(231.9)
Gain/(loss) on financial instruments	**1,704.1**	(1,114.4)
Gain on foreign exchange differences	**1,169.1**	292.4
Share of results of equity-accounted investees after tax	**344.2**	291.6
Other income	**310.2**	300.0
Other costs	**(1,015.4)**	(932.7)
Gain on disposal of property, plant and equipment	**60.2**	40.7
Impairments	**(3,041.4)**	(4,411.0)
Gain on derecognition of borrowings and derivative financial instrument	**230.0**	–
Occupational healthcare expense	**(15.4)**	(1,106.9)
Restructuring costs	**(142.8)**	(729.8)
Transaction costs	**(402.5)**	(552.1)
Loss before royalties and tax	**(1,224.3)**	(6,981.2)
Royalties	**(212.6)**	(398.5)
Loss before tax	**(1,436.9)**	(7,379.7)
Mining and income tax	**(1,083.8)**	2,946.6
Loss for the year	**(2,520.7)**	(4,433.1)
Attributable to:		
Owners of Sibanye-Stillwater	**(2,499.6)**	(4,437.4)
Non-controlling interests	**(21.1)**	4.3
Earnings per share attributable to owners of Sibanye-Stillwater		
Basic earnings per share – cents	**(110)**	(229)
Diluted earnings per share – cents	**(110)**	(229)

Interest income increased from R416 million to R482 million due to higher average cash balances during 2018 and dividends received from Rand Mutual Assurance.

Finance expenses increased from R2,972 million in 2017 to R3,135 million. Interest on borrowings reduced from R2,092 million in 2017 to R1,573 million in 2018 following the close out of the bridge financing utilised for the Stillwater acquisition. However, this was offset by the unwinding of the amortised cost on the 2022 and 2025 notes and the 2023 convertible bond following the US$395 million buy back and the R160 million non-cash finance charge on the US$500 million streaming transaction.

The gain on financial instruments of R1,704 million was mainly due to a gain on the revised cash flow of the Burnstone Debt of R805 million, a fair value gain on the derivative financial instrument of R678 million, revised cash flows at the Rustenburg operation resulting in a decreased purchase price based on 35% of future cash flows (R151 million) and a decreased dividend expectation for our 26% BEE partners (R250 million).

Revenue

Figures in millions – SA rand	2018	2017	% change
Total	**50,656.4**	45,911.6	10
US PGM operations	**15,872.8**	9,161.6	73
SA PGM operations	**15,153.6**	13,276.4	14
SA gold operations (excluding DRDGOLD)	**18,609.2**	23,473.6	(21)
DRDGOLD	**1,047.5**	–	–
Group corporate	**(26.7)**	–	–

The Group's revenue for 2018 of R50,656 million was 10% higher than 2017. Revenue from the US PGM operations increased by 73% mainly due to the inclusion of a full year in 2018, compared with eight months in 2017, additional production from Blitz and a 9% increase in the average US dollar basket price received of $1,007/2Eoz. SA PGM revenue increased by 14% due to a 10% higher rand basket price received of R13,838/4Eoz. Revenue from the SA gold operations (excluding DRDGOLD) reduced by 21% due to 19% lower gold produced as a result of the safety incidents in the first half of 2018 and the AMCU strikes. The average rand gold price was in line with 2017 at R535,929/kg. DRDGOLD contributed R1,048 million to 2018 revenue following the successful conclusion of the DRDGOLD transaction in July 2018.

The gain on foreign exchange differences relates to foreign exchange gains of financial assets of R2,216 million as the closing exchange rate at 31 December 2018 of R14.35/US$ was 16% weaker than R12.36/US$ at 31 December 2017. This gain was partly offset by foreign exchange losses on the US dollar borrowing, including the US$600 million RCF, US$350 million RCF, convertible bond, derivative financial instrument and Burnstone Debt of R1,194 million

Impairments

Ongoing losses at certain of the Beatrix and Driefontein shafts negatively affected group cash flow and threatened the sustainability and economic viability of other operations in South Africa. As a result, a decision was taken to impair the mining assets of and goodwill allocated to Driefontein by R2,172 million and R167 million, respectively. Goodwill allocated to Kloof of R166 million and the mining assets of and goodwill allocated to Beatrix of R167 million and R104 million, respectively were impaired. Development of the Burnstone project has been deferred to 2020 and, as a result of this, a decision was taken to impair the mine development assets by R194 million.

Cost of sales, before amortisation and depreciation

Figures in millions – SA rand	2018	2017	% change
Total	**41,515.2**	36,482.7	14
US PGM operations	**11,720.9**	7,011.7	67
SA PGM operations	**12,096.0**	11,591.8	4
SA gold operations (excluding DRDGOLD)	**16,678.3**	17,879.2	(7)
DRDGOLD	**1,020.0**	–	–

Cost of sales, before amortisation and depreciation increased by 14%. Costs at the US PGM operations increased by 67% due to the inclusion of a full year in 2018, compared with eight months in 2017 and additional production from Blitz. The increase of 4% at the SA PGM operations was mainly due to above inflation increases on wages and electricity cost increases partly offset by synergies realised. The decrease at the SA gold operations was the direct result of the strike action plans implemented to limit the impact of the AMCU strikes as well as the no work no pay principle that applies to striking workers.

Royalties decreased from R399 million in 2017 to R213 million in 2018 impacted by the substantially reduced profitability of the SA gold operations.

Mining and income tax

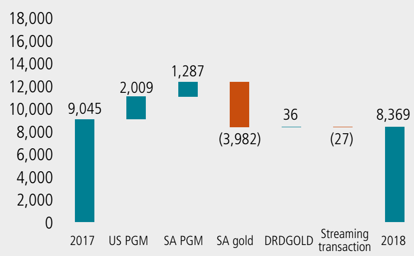
The deferred tax credit of R3,451 million of 2017 compares with a deferred tax charge of R989 million in 2018. The deferred tax charge for 2018 is as a result of the changes to the long-term deferred tax rates of the SA gold operations and the New Jersey Governor signing a number of bills implementing numerous tax changes, which affected the US PGM operations.

The most significant change in the law in the state of New Jersey (where the US PGM operations are subject to tax) resulted in tax being calculated together on all US entities under common control (greater than 50% voting ownership). This resulted in an increase in the estimated deferred tax relating to the US PGM operations and a deferred tax charge of R1,545 million (US$108 million).

Adjusted EBITDA of R8,369 million in 2018 decreased by 7% from R9,045 million in 2017, despite adjusted EBITDA from the US and SA PGM operations increasing by 94% and 81%, respectively. The 16% decline in gold production resulted in a 74% decrease in adjusted EBITDA from the SA gold operations. Adjusted EBITDA includes other cash costs and care and maintenance expenditures. Care and maintenance at Cooke and Marikana were R564 million and R12 million, respectively in 2018, compared with R236 million and R13 million, respectively in 2017. Other costs include corporate and social expenditure of R70 million and non-production royalties of R105 million for 2018. The adjusted EBITDA margin for the US PGM underground operations increased from 43% in 2017 to 46% in 2018, primarily due to the surging US dollar palladium price and strong operational performance. The adjusted EBITDA margin for the SA PGM operations increased year-on-year from 12% to 19% again, aided by the increase in palladium price. The SA gold operations adjusted EBITDA margin declined from 23% in 2017 to 7% in 2018 following the operational disruptions.

See Gearing on page 37

Adjusted EBITDA 2017 vs 2018 (R million)



CHIEF FINANCIAL OFFICER'S REPORT CONTINUED

Consolidated statement of financial position as at 31 December 2018

Figures in million – SA rand	2018	2017
Assets		
Non-current assets	**69,727.7**	64,067.3
Property, plant and equipment	**54,558.2**	51,444.6
Goodwill	**6,889.6**	6,396.0
Equity-accounted investments	**3,733.9**	2,244.1
Other investments	**156.0**	–
Environmental rehabilitation obligation funds	**3,998.7**	3,492.4
Other receivables	**314.4**	284.0
Deferred tax assets	**76.9**	206.2
Current assets	**15,195.3**	12,004.5
Inventories	**5,294.8**	3,526.5
Trade and other receivables	**6,833.0**	6,197.6
Other receivables	**35.2**	35.2
Tax receivable	**483.2**	182.8
Cash and cash equivalents	**2,549.1**	2,062.4
Total assets	**84,923.0**	76,071.8
Equity and liabilities		
Equity attributable to owners of Sibanye-Stillwater	**23,788.4**	23,978.4
Stated share capital	**34,667.0**	34,667.0
Other reserves	**4,617.2**	2,569.0
Accumulated loss	**(15,495.8)**	(13,257.6)
Non-controlling interests	**936.0**	19.8
Total equity	**24,724.4**	23,998.2
Non-current liabilities	**45,566.0**	43,635.8
Borrowings	**18,316.5**	23,992.0
Derivative financial instrument	**408.9**	1,093.5
Environmental rehabilitation obligation and other provisions	**6,294.2**	4,678.7
Post-retirement healthcare obligation	**5.6**	11.3
Occupational healthcare obligation	**1,164.2**	1,152.5
Share-based payment obligations	**168.9**	422.2
Other payables	**2,529.2**	3,760.4
Deferred revenue	**6,525.3**	–
Deferred tax liabilities	**10,153.2**	8,525.2
Current liabilities	**14,632.6**	8,437.8
Borrowings	**6,188.2**	1,657.5
Occupational healthcare obligation	**109.9**	0.8
Share-based payment obligations	**56.8**	12.3
Trade and other payables	**7,856.3**	6,690.4
Other payables	**303.3**	41.9
Deferred revenue	**30.1**	–
Tax and royalties payable	**88.0**	34.9
Total equity and liabilities	**84,923.0**	76,071.8

Gearing

Figures in millions – SA rand	2018	2017
Borrowings [1]	**23,768.5**	25,205.5
Cash and cash equivalents [2]	**2,499.4**	2,029.8
Net debt [3]	**21,269.1**	23,175.7
Adjusted EBITDA	**8,369.4**	9,045.1
Net debt [3] to adjusted EBITDA (ratio)	**2.5**	2.6

[1] *Borrowings are only those borrowings that have recourse to Sibanye-Stillwater. Borrowings, therefore, exclude the Burnstone Debt and include the derivative financial instrument*

[2] *Cash and cash equivalents exclude cash of Burnstone*

[3] *Net debt represents borrowings and bank overdraft less cash equivalents. Net debt excludes Burnstone Debt, and Burnstone cash and cash equivalents, and includes the derivative financial instrument.*

See adjusted EBITDA on page 35

During July 2018, Sibanye-Stillwater exchanged selected surface gold processing assets and tailings storage facilities for approximately 265 million newly issued DRDGOLD shares or 38.05% of the issued share capital of DRDGOLD. Although the Group owns less than half of DRDGOLD and has less than half of DRDGOLD's voting power, the Group controls DRDGOLD as a result of an option to subscribe for a sufficient number of DRDGOLD ordinary shares to attain a 50.1% shareholding in DRDGOLD at a 10% discount to the 30-day volume weighted average traded price, which is considered substantive.

Figures in million – SA rand	2018
Transaction with DRDGOLD shareholders (Consideration) [1]	**261.4**
Less: Fair value of identifiable net assets acquired	**1,166.8**
Property, plant and equipment	**1,443.2**
Environmental rehabilitation obligation funds	**244.7**
Other non-current assets	**28.7**
Inventories	**243.5**
Trade and other receivables	**138.4**
Cash and cash equivalents	**282.8**
Environmental rehabilitation obligation and other provisions	**(672.7)**
Deferred tax liabilities	**(132.2)**
Other non-current liabilities	**(54.9)**
Trade and other payables	**(337.1)**
Other current liabilities	**(17.6)**
Plus: Non-controlling interest, based on the proportionate interest in the recognised amounts of assets and liabilities [2]	**940.3**
Goodwill [3]	**34.9**

[1] *The purchase consideration was calculated as 61.95% of the fair value of Far West Gold Recoveries assets and liabilities. The fair value of assets and liabilities, excluding property, plant and equipment, approximate the carrying value. The fair value of property, plant and equipment was based on the expected discounted cash flows of the expected ore reserves and costs to extract the ore discounted at a real discount rate of 13.3%, an average gold price of R580,000/kg. Although Sibanye-Stillwater exchanged (disposed) the Far West Gold Recoveries assets and liabilities, the Group effectively retains control. The transaction with DRDGOLD shareholders, therefore, represents the difference between 61.95% of the fair value and carrying value of Far West Gold Recoveries assets and liabilities.*

[2] *Non-controlling interest, based on the proportionate interest (of 61.95%) in the carrying value of the Far West Gold Recoveries assets and liabilities, and fair value of the DRDGOLD net assets and liabilities acquired*

[3] *The goodwill is attributable to DRDGOLD's proven surface treatment capabilities*

CHIEF FINANCIAL OFFICER'S REPORT CONTINUED

Proposed Lonmin transaction

On 14 December 2017, the Boards of Sibanye-Stillwater and Lonmin announced that they had reached agreement on the terms of a recommended all-share offer pursuant to which Sibanye-Stillwater, and/or a wholly-owned subsidiary of Sibanye-Stillwater, will acquire the entire issued and to be issued ordinary share capital of Lonmin.

The Lonmin group is a major mine-to-market producer of PGMs with core operations in South Africa. It produces PGMs predominantly used in many industrial applications, and in jewellery and investment, with saleable by-products including gold, copper, nickel, chrome and cobalt. The Lonmin group is a major primary producer of PGMs worldwide. Lonmin shares are admitted to listing on the premium listing segment of the official list and to trading on the main market of the London Stock Exchange, and have a secondary listing on the JSE main board. Lonmin also has an American Depositary Receipt programme traded on the over-the-counter market in the US.

The Board believes that the proposed acquisition of Lonmin is compelling and value-accretive for Sibanye-Stillwater shareholders and is a logical step in executing its PGM strategy in southern Africa. By combining Sibanye-Stillwater's existing, and contiguous, South African PGM assets with Lonmin's operations, including Lonmin's processing facilities, Sibanye-Stillwater will be able to unlock operational synergies and complete its strategy to become a fully integrated PGM producer in South Africa. By combining Sibanye-Stillwater's existing, and contiguous, South African PGM assets with Lonmin's operations, including Lonmin's processing facilities, Sibanye-Stillwater will be able to unlock operational synergies* estimated at R730 million over the first three years while a further R780 million is expected to be unlocked should the Rustenburg PGM material be treated at the Lonmin facilities after 2021. We are also confident that this transaction will bring greater stability to the Lonmin assets, and ensure a more sustainable and positive future.

To date, several of the conditions precedent have been fulfilled including approvals from the South African Reserve Bank, the UK Competition and Markets Authority, as well as the South African Competition Commission approval received on 21 November 2018, subject to specific conditions*.

On 19 December 2018, AMCU filed an appeal with the Competition Appeal Court of South Africa against the South African Competition Commission decision, which will be heard on 2 April 2019. Sibanye-Stillwater and Lonmin have agreed to extend the long-stop date for completion of the proposed acquisition from 28 February 2019 to 30 June 2019.

Additional conditions precedent include, *inter alia*, the approvals of Lonmin and Sibanye-Stillwater shareholders and the courts of England and Wales.

A circular to Sibanye-Stillwater shareholders and the Lonmin scheme of arrangement document will be posted to the respective shareholders in due course. Included in those documents will be the expected dates of the shareholder meetings and timetable for the closing of the transaction.

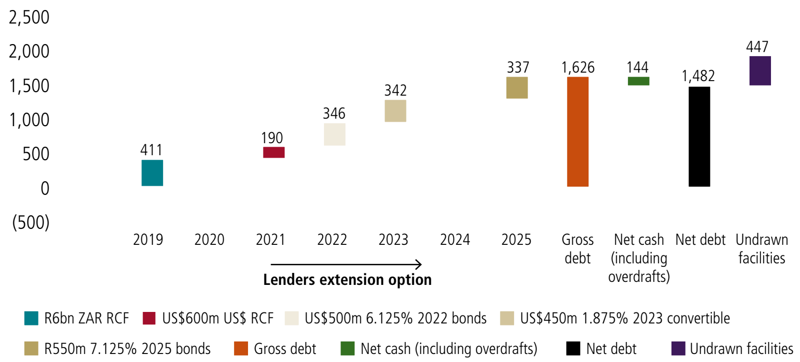
* *For further information in relation to the expected synergies, refer to pages 17, 58 and 60 of the offer announcement dated 14 December 2017 while full details on the conditions imposed by the Competition Commission are also available at www.sibanyestillwater.com/investors/transactions/lonmin*

"The Board believes that the proposed acquisition of Lonmin is compelling and value-accretive for Sibanye-Stillwater shareholders and is a logical step in executing its PGM strategy in southern Africa"

FOCUS AREAS – 2019

The continued deleveraging of the organisation will be the primary focus for 2019 through earnings growth, cash flow generation and possible alternative financing solutions which may include pipeline financing. In order to maintain adequate liquidity, the refinancing of the R6.0 billion RCF, maturing in November 2019, will be prioritised. The facility will potentially be increased to provide adequate working capital requirements to the enlarged Group post completion of the Lonmin transaction.

Debt maturity (capital repayment profile) as at 31 December 2018 (US$ million)



The strong performance of commodity prices, more specifically palladium, rhodium and gold and the weakening of the rand against the US dollar, which started in 2018 and has continued into 2019, should assist with earnings growth and cash flow, which will have a substantial positive impact on the continued deleveraging.

Commodity prices	2018	Spot prices as at 8 March 2019	% change
Gold price	**R535,929/kg**	R602,104/kg	12
SA PGM average basket price	**R13,838/4Eoz**	R17,785/4Eoz	29
US PGM average basket price	**US$1,007/2Eoz**	US$1,353/2Eoz	34

The Group's main focus on successful closure of the Lonmin transaction will be the integration of the Lonmin assets and on leveraging the initial cost synergies identified during the due diligence. High-level planning of the integration effort and the associated timeline has already started.

ACKNOWLEDGEMENT

I continue to be supported by a strong and diligent finance team across the Sibanye-Stillwater group. The Group has been able to mitigate some of the adverse consequences relating to the volatile global environment in which we operate through proactive responses by the financial team. We continue to provide relevant, qualitative information and reporting to all our stakeholders that reflect our objectives and values. I would like to take this opportunity to thank the financial team for their unwavering support and look forward to 2019.

Charl Keyter
Chief Financial Officer
29 March 2019