

**FACT SHEET**  
31 December 2018

We have made great strides in the battle against illegal miners (or “zama zamas”)

## COMBATTING ILLEGAL MINING: MOVING TOWARDS ‘ZERO ZAMA’

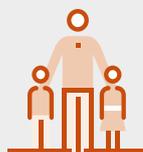
Illegal mining is becoming an increasing issue and risk to the sustainability of the mining industry in South Africa. The significant social issues facing communities in South Africa, including elevated unemployment levels, which have been exacerbated by job losses in the mining industry due to a downturn in the commodity cycle, are primary drivers of the increase in illegal mining activity.

Illegal mining activities take place on the surface and underground, and manifest at closed off mines, abandoned mines and increasingly at operating mines. Illegal mining is often organised and conducted by crime syndicates. Illegal miners, known in South Africa as “zama zamas” (a colloquial Zulu term meaning “keep trying” or “take a chance”), are often heavily armed and, when trespassing on operating mines, have been known to set ambushes and booby traps for employees, security and rival groups of illegal miners.

When arrested, illegal miners are primarily charged for trespassing and often escape prosecution for the criminal offences they commit.

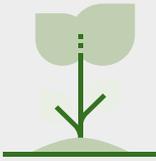
In addition to the cost to the state and to the industry, the cost of illegal mining extends to the communities and the environment.

Illegal mining	versus	Artisanal and small-scale mining
In South Africa, mining and related activities are regulated by numerous statutes. The Mineral and Petroleum Resources Development Act (MPRDA) provides for state custodianship of mineral resources for the benefit of all South Africans.		According to the International Council on Mining and Metals, artisanal and small-scale mining (ASM) includes a range of operations “from small, informal subsistence activities through to organised formal small commercial mining activities”.
The state (through the Department of Mineral Resources) may grant authorisations contemplated in the MPRDA, including prospecting and mining rights, mining permits and environmental authorisations.		ASM is “broadly understood to refer to mining activities that are labour-intensive and capital-, mechanisation- and technology-poor”.
Legislation also prohibits holding or trading without a permit certain metals in an unwrought state. Informal mining activities operating outside the legal framework constitute illegal mining.		ASM includes formal and informal activities that are legal in other parts of the world.



### SOCIAL IMPACTS OF ILLEGAL MINING

- Destroys social fabric of mining communities – increase in prostitution, teenage/learner pregnancies and substance abuse
- Increase in incidents of bullying and human rights abuses, resulting in greater levels of fear – members of the community being coerced to become complicit
- Illegal miners (and syndicate leaders) are seen as benefactors
- Increase in criminal activities – theft of copper cables, explosives, diesel from mines and other local industries
- Significant risk to employees who live in local communities: threatened, subject to booby traps and injury when they tamper with equipment
- Exposure to considerable risk while conducting illegal mining activities is also life-threatening to the illegal miners
- Focus on short-term gains rather than sustainability



## ENVIRONMENTAL IMPACTS OF ILLEGAL MINING

- Sabotaged water pipelines contaminate the environment
- Illegal water use and wastage
- Increased risk and incidence of sinkholes
- Mercury contamination
- Excavation and re-opening of sealed and rehabilitated shafts with associated hazards

“Comprehensive screening is conducted at pre-employment level and internally to better manage high-risk employee engagement and placement”

## IMPACT ON OUR BUSINESS

Although our gold operations are impacted more by illegal mining due to their long history and the extent of mined and unmined areas, illegal mining also occurs at our PGM operations where illegal miners access remote underground concessions, primarily to steal copper cable, through “holings”.

Surface illegal mining has increased over the past year although there has been a significant reduction in the number of underground incidents to 91 in 2018 from the total of 1,315 in the five years to 2017. The number of arrests – which had been increasing since 2013 to the end 2017 to a total of 2,785 – declined in 2018 to 137 mainly due to the success of our **ZeroZama@Sibanye-Stillwater** campaign, which was launched in 2017 to combat illegal mining.

During routine searches in 2018, Sibanye-Stillwater’s Protection Services team also found that 141 employees had assisted illegal miners. Assistance included feeding and equipping illegal miners underground for substantial financial reward. This is a sharp decrease from the total of 1,099 employees arrested during the five years preceding 2018

## Illegal mining incidents and arrests

Year	Number incidents reported to which Sibanye-Stillwater responded	Number of illegal miners arrested	Number of employees (including contractors) charged with aiding and abetting illegal miners
2013	143	321	89
2014	129	257	62
2015	144	282	45
2016	390	542	460
2017	509	1,383	443
2018	91	137	141
<b>Total</b>	<b>1,406</b>	<b>2,922</b>	<b>1,240</b>

## CONTROL MEASURES

Control measures include access control systems, intelligent lamp room controls, air locks, closed-circuit television systems with thermal capability, unmanned aerial vehicles, intensified stop-and-search procedures, highly trained search-and-rescue teams, reward systems, as well as food bans, saturation patrols and armed guarding, among others. Comprehensive screening is also conducted at pre-employment level and internally to better manage high-risk employee engagement and placement.

An anonymous reporting platform, managed externally and independently by Deloitte & Touche (refer to table below), is also available to Sibanye-Stillwater as a means to facilitate anonymous tip-offs and whistleblowing.

### Anonymous calls in SA operations during 2018

Area	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Total
Fraud	1	13	1	17	32
Breach of company policy	5	11	6	10	32
Procurement fraud	4	7	8	7	26
Corruption	2	6	7	1	16
Illegal mining	1	3	6	3	13
Theft of mine property	2	6	4	3	15
Time and attendance fraud	4	5	3	4	16
<b>Total</b>	<b>19</b>	<b>51</b>	<b>35</b>	<b>45</b>	<b>150</b>

*Many of the calls provided valuable leads, which were investigated.*

“Sibanye-Stillwater has invested a significant amount of money, over and above standard security expenditure”

**Sibanye-Stillwater has invested a significant amount of money, over and above standard security expenditure**, to introduce and increase biometric access controls as a deterrent at the entrances to mines, and engages with the authorities in various forums addressing illegal mining, including the Minerals Council South Africa, the South African Police Service (SAPS), the National Co-ordination and Strategic Management Team (NCSMT), the Department of Mineral Resources, international agencies such as the United Nations Interregional Crime and Justice Research Institute (UNICRI), various European police forces, Interpol and international embassies.

Apart from internal and external audits to evaluate security measures and controls, Sibanye-Stillwater Protection Services is structured and resourced to provide protection services, as well as specialised investigative services, in order to create a safe operating environment.

### FOR MORE INFORMATION, CONTACT:

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