

directors' report

for the year ended 31 December 2013

The directors have pleasure in submitting their second report and the consolidated annual financial statements of Sibanye Gold (the Company) and its subsidiaries (together referred to as the Group) for the year ended 31 December 2013.

PROFILE

Business of the Group

Sibanye is a producer of gold and a major holder of gold resources and reserves in South Africa. The Group is primarily involved in underground and surface gold mining and related activities, including extraction, and processing. All of the Group's operations are located in South Africa. The Group has gold reserves of 19.7Moz and resources of 65.0Moz as at 31 December 2013.

REVIEW OF OPERATIONS

The activities of the various Sibanye operations are detailed in the Chief Executive Officer's Report on page 15.

FINANCIAL RESULTS

The information on the financial position of the Group for the year ended 31 December 2013 is set out in the financial statements on pages 92 to 149 of this report. The income statement for the Group shows a profit of R1,698 million (US\$177 million) for the year ended 31 December 2013 compared with R2,980 million (US\$364 million) in 2012.

DIRECTORATE

Composition of the Board

The following change in directorate occurred during the year under review:

- On 1 October 2013 Dr Zola Skweyiya was appointed an independent non-executive director. He is eligible and available for election.
- At the shareholders meeting held on 5 November 2013 Messrs Robert Chan and Chris Chadwick, both nominees of Gold One International Limited (Gold One), were elected as directors of the company to serve on its board with effect from the closing date for the acquisition of Gold One's Cooke Operations (proposed transaction). The closing date being the date of the allotment and issue to Gold One of

such number of Sibanye Gold shares as represents 17% of its issued share capital, on a fully diluted basis on a business day that is not more than ten business days after all conditions precedent to the proposed transaction have been fulfilled.

- The membership of all the Board sub-committees is disclosed on pages 52 to 54.

Directors' and officers' disclosure of interests in contracts

During the year under review, no contracts were entered into in which directors and officers of Sibanye had an interest and which significantly affected the business of the Group.

Related party information is disclosed on page 148.

Rotation of Directors

Directors retiring in terms of the Company's MOI are Sello Moloko, Neal Froneman, Charl Keyter, Keith Rayner and Zola Skweyiya. All the Directors are eligible and offer themselves for re-election.

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

FINANCIAL AFFAIRS

Dividend policy

Sibanye adopted a dividend policy to pay between 25% and 35% of normalised earnings as dividends. Normalised earnings are defined as profit for the year excluding gains and losses on foreign exchange, financial instruments, non-recurring items and share of associates after royalties and taxation.

For the year under review, the Group paid a total dividend of R272 million (US\$27 million) compared with R731 million (US\$96 million) in 2012.

On 19 February 2014 a final dividend in respect of the financial period ended 31 December 2013 of 75 cents per share was approved by the Board.

On 17 March 2014 the Group paid a final dividend for 2013 of R555 million (US\$52 million).

Borrowing powers

In terms of Clause 4 of the Company's MOI, the borrowing powers of the Company are unlimited. As at 31 December 2013, the Company and the Group's borrowings totalled R1,991 million (US\$193 million), compared to total borrowings of R4,220 million (US\$493 million) at 31 December 2012.

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

SIGNIFICANT ANNOUNCEMENTS

01 March 2013

Sibanye announced its reviewed preliminary condensed consolidated results for the year ended 31 December 2012.

18 March 2013

Sibanye gave an update on the power failure post lightning strike which affected power supply to Driefontein Mine.

12 April 2013

Shareholders advised of the delivery of summarised financial statements and the 2012 Annual Report.

29 May 2013

Agreement reached with employees and organised labour on the future of its Beatrix West Section, following the consolidation process which began on 2 April 2013.

21 August 2013

Sibanye announced that it had reached agreement with Gold One International Limited to acquire its Cooke underground and surface operations.

11 September 2013

Sibanye advises shareholders that it has concluded a two-year wage agreement with the National Union of Mineworkers, Solidarity and the United Association of South Africa.

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12 September 2013

Sibanye declared a 37 cents a share maiden interim dividend for the six months ended 30 June 2013.

5 November 2013

Sibanye announced that it's shareholders approved the issue of 150 million ordinary shares, or such number of shares that represent 17% of the issued capital, on a fully diluted basis for the acquisitions of the Cooke operations.

11 December 2013

Sibanye announced that it had offered to acquire the entire issued share capital of Witwatersrand Consolidated Gold Resources Limited, thereby securing the future of Beatrix.

GOING CONCERN

The consolidated financial statements have been prepared using appropriate accounting policies, supported by reasonable judgements and estimates. The directors believe that the Group has adequate resources to continue as a going concern for the foreseeable future.

Refer to note 40 of the consolidated financial statements on page 149 for further details on the Group's liquidity position at 31 December 2013.

OCCUPATIONAL HEALTHCARE SERVICES

Occupational healthcare services are made available by Sibanye to employees from its existing facilities. There is a risk that the cost of providing such services could increase in the future, depending upon changes in the nature of underlying legislation such as the ruling by the Constitutional Court in February 2011 against Anglo American Limited in favour of a claimant, who suffered from silicosis. Increased costs, should they transpire, are currently indeterminate. The Company is monitoring developments in this regard. Further information is provided below under the Litigation paragraph and in note 34 to the consolidated financial statements.

SPECIAL RESOLUTIONS ADOPTED BY SUBSIDIARY COMPANIES

The following special resolutions were passed by subsidiary companies during the year ended 31 December 2013.

1. Agrihold Proprietary Limited

- Special resolution passed by the sole shareholder of Agrihold Proprietary Limited approving that the board of directors of the company may at any time and from time to time during the 2 (two) years from the passing hereof authorise the company in terms of and subject to the provisions of section 45(3)(b) of the Companies Act, to provide any type of direct or indirect financial assistance as defined in Section 45(1) of the Companies Act, to any company or corporation that is related or inter-related to the company, on such terms and conditions and for such amounts as the board of directors may determine.
- Special resolution passed by the sole shareholder approving the abrogation and replacement of the existing memorandum of incorporation of the company, consisting of a memorandum and articles of association.

2. Bushbuck Venture Proprietary Limited

- Special resolution passed by the shareholders of Bushbuck Venture Proprietary Limited, approving the adoption of the new Memorandum of Incorporation, in substitution for the existing memorandum and articles of association of the company, in accordance with section 16(1)(c) of the Companies Act, in order to, among other things, align and harmonise the company's constitutional documents with the Companies Act.
- Special resolution passed by the shareholders of Bushbuck Venture Proprietary Limited approving that the board of directors of the company may at any time and from time to time during the 2 (two)

years from the passing hereof authorise the company in terms of and subject to the provisions of section 45(3)(b) of the Companies Act, to provide any type of direct or indirect financial assistance as defined in Section 45(1) of the Companies Act, to any company or corporation that is related or inter-related to the company, on such terms and conditions and for such amounts as the board of directors may determine.

3. Golden Hytec Farming Proprietary Limited

- Special resolution passed by the sole shareholder of Golden Hytec Farming Proprietary Limited approving that the board of directors of the company may at any time and from time to time during the 2 (two) years from the passing hereof authorise the company in terms of and subject to the provisions of section 45(3)(b) of the Companies Act, to provide any type of direct or indirect financial assistance as defined in Section 45(1) of the Companies Act, to any company or corporation that is related or inter-related to the company, on such terms and conditions and for such amounts as the board of directors may determine.

4. Golden Oils Proprietary Limited

- Special resolution passed by the sole shareholder of Golden Oils Proprietary Limited approving that the board of directors of the company may at any time and from time to time during the 2 (two) years from the passing hereof authorise the company in terms of and subject to the provisions of section 45(3)(b) of the Companies Act, to provide any type of direct or indirect financial assistance as defined in Section 45(1) of the Companies Act, to any company or corporation that is related or inter-related to the company, on such terms and conditions and for such amounts as the board of directors may determine.

5. Living Gold Proprietary Limited

- Special resolution passed by the shareholders of Living Gold Proprietary Limited, approving the adoption of the new Memorandum of Incorporation, in substitution for the existing memorandum and articles of association of the company, in accordance with section 16(1)(c) of the Companies Act, in order to, among other things, align and harmonise the company's constitutional documents with the Companies Act.
- Special resolution passed by the shareholders of Living Gold Proprietary Limited approving that the board of directors of the company may at any time and from time to time during the 2 (two) years from the passing hereof authorise the company in terms of and subject to the provisions of section 45(3)(b) of the Companies Act, to provide any type of direct or indirect financial assistance as defined in Section 45(1) of the Companies Act, to any company or corporation that is related or inter-related to the company, on such terms and conditions and for such amounts as the board of directors may determine.

6. M Janse van Rensburg Proprietary Limited

- Special resolution passed by the sole shareholder of M Janse van Rensburg Proprietary Limited approving that the board of directors of the company may at any time and from time to time during the 2 (two) years from the passing hereof authorise the company in terms of and subject to the provisions of section 45(3)(b) of the Companies Act, to provide any type of direct or indirect financial assistance as defined in Section 45(1) of the Companies Act, to any company or corporation that is related or inter-related to the company, on such terms and conditions and for such amounts as the board of directors may determine.

7. Milen Mining Proprietary Limited

- Special resolution passed by the sole shareholder of Milen Mining Proprietary Limited, approving the adoption of the new Memorandum of Incorporation, in substitution for the existing memorandum and articles of association of the company, in accordance with section 16(1)(c) of the Companies Act, in order to, among other things, align and harmonise the company's constitutional documents with the Companies Act.
- Special resolution passed by the sole shareholder of Milen Mining Proprietary Limited approving that the board of directors of the company may at any time and from time to time during the 2 (two) years from the passing hereof authorise the company in terms of and subject to the provisions of section 45(3)(b) of the Companies Act, to provide any type of direct or indirect financial assistance as defined in Section 45(1) of the Companies Act, to any company or corporation that is related or inter-related to the company, on such terms and conditions and for such amounts as the board of directors may determine.

8. Oryx Ventures Proprietary Limited

- Special resolution passed by the shareholders of Oryx Ventures Proprietary Limited, approving the adoption of the new Memorandum of Incorporation, in substitution for the existing memorandum and articles of association of the company, in accordance with section 16(1)(c) of the Companies Act, in order to, among other things, align and harmonise the company's constitutional documents with the Companies Act.
- Special resolution passed by the shareholders of Oryx Ventures Proprietary Limited approving that the board of directors of the company may at any time and from time to time during the 2 (two) years from the passing hereof

authorise the company in terms of and subject to the provisions of section 45(3)(b) of the Companies Act, to provide any type of direct or indirect financial assistance as defined in Section 45(1) of the Companies Act, to any company or corporation that is related or inter-related to the company, on such terms and conditions and for such amounts as the board of directors may determine.

9. Sibanye Gold Academy Proprietary Limited

- Special resolution passed by the sole shareholder of Gold Fields Business Leadership Academy Proprietary Limited, approving the name change of the company from Gold Fields Business Leadership Academy Proprietary Limited to Sibanye Gold Business Leadership Academy Proprietary Limited.
- Special resolution passed by the sole shareholder of Sibanye Gold Business Leadership Academy Proprietary Limited, approving the name change of the company from Sibanye Gold Business Leadership Academy Proprietary Limited to Sibanye Gold Academy Proprietary Limited.
- Special resolution passed by the sole shareholder of Sibanye Gold Academy Proprietary Limited approving that the board of directors of the company may at any time and from time to time during the 2 (two) years from the passing hereof authorise the company in terms of and subject to the provisions of section 45(3)(b) of the Companies Act, to provide any type of direct or indirect financial assistance as defined in Section 45(1) of the Companies Act, to any company or corporation that is related or inter-related to the company, on such terms and conditions and for such amounts as the board of directors may determine.

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10. Sibanye Gold Nursing College Proprietary Limited

- Special resolution passed by the sole shareholder of Sibanye Nursing College Proprietary Limited, approving the name change of the Company from Gold Fields Nursing College Proprietary Limited to Sibanye Gold Nursing College Proprietary Limited.
- Special resolution passed by the sole shareholder of Sibanye Gold Nursing college Proprietary Limited, approving the adoption of the new Memorandum of Incorporation, in substitution for the existing memorandum and articles of association of the company, in accordance with section 16(1)(c) of the Companies Act, in order to, among other things, align and harmonise the company's constitutional documents with the Companies Act.

11. Sibanye Gold Protection Services Limited Proprietary Limited

- Special resolution passed by the sole shareholder of Gold Fields Security Limited, approving the name change of the company from Gold Fields Security Limited to Sibanye Gold Security Limited.
- Special resolution passed by the sole shareholder of Sibanye Gold Security Limited, approving the name change of the company from Sibanye Gold Security Limited to Sibanye Gold Protection Services Proprietary Limited.
- Special resolution passed by the sole shareholder of Sibanye Gold Protection Services Proprietary Limited approving that the board of directors of the company may at any time and from time to time during the 2 (two) years from the passing hereof authorise the company in terms of and subject

to the provisions of section 45(3) (b) of the Companies Act, to provide any type of direct or indirect financial assistance as defined in Section 45(1) of the Companies Act, to any company or corporation that is related or inter-related to the company, on such terms and conditions and for such amounts as the board of directors may determine.

12. Sibanye Gold Shared Services Proprietary Limited

- Special resolution passed by the sole shareholder of Gold Fields Shared Services Proprietary Limited, approving the name change of the company from Gold Fields Shared Services Proprietary Limited to Sibanye Gold Shared Services Proprietary Limited.
- Special resolution passed by the sole shareholder of Sibanye Gold Shared Services Proprietary Limited, approving the adoption of the new Memorandum of Incorporation, in substitution for the existing memorandum and articles of association of the company, in accordance with section 16(1)(c) of the Companies Act, in order to, among other things, align and harmonise the company's constitutional documents with the Companies Act.
- Special resolution passed by the sole shareholder of Sibanye Gold Shared Services Proprietary Limited approving that the board of directors of the company may at any time and from time to time during the 2 (two) years from the passing hereof authorise the company in terms of and subject to the provisions of section 45(3) (b) of the Companies Act, to provide any type of direct or indirect financial assistance as

defined in Section 45(1) of the Companies Act, to any company or corporation that is related or inter-related to the company, on such terms and conditions and for such amounts as the board of directors may determine.

13. West Driefontein Gold Mining Company Limited

- Special resolution passed by the sole shareholder of West Driefontein Gold Mining Company Limited, approving the adoption of the new Memorandum of Incorporation, in substitution for the existing memorandum and articles of association of the company, in accordance with section 16(1)(c) of the Companies Act, in order to, among other things, align and harmonise the company's constitutional documents with the Companies Act.
- Special resolution passed by the sole shareholder of West Driefontein Gold Mining Company Limited approving that the board of directors of the company may at any time and from time to time during the 2 (two) years from the passing hereof authorise the company in terms of and subject to the provisions of section 45(3) (b) of the Companies Act, to provide any type of direct or indirect financial assistance as defined in Section 45(1) of the Companies Act, to any company or corporation that is related or inter-related to the company, on such terms and conditions and for such amounts as the board of directors may determine.

14. Witwatersrand Deep Investments Limited

- Special resolution passed by the sole shareholder of Witwatersrand Deep Investments Limited, approving the adoption of the

new Memorandum of Incorporation, in substitution for the existing memorandum and articles of association of the company, in accordance with section 16(1)(c) of the Companies Act, in order to, among other things, align and harmonise the company's constitutional documents with the Companies Act.

- Special resolution passed by the sole shareholder of Witwatersrand Deep Investment Proprietary Limited approving that the board of directors of the company may at any time and from time to time during the 2 (two) years from the passing hereof authorise the company in terms of and subject to the provisions of section 45(3) (b) of the Companies Act, to provide any type of direct or indirect financial assistance as defined in Section 45(1) of the Companies Act, to any company or corporation that is related or inter-related to the company, on such terms and conditions and for such amounts as the board of directors may determine.

LITIGATION

On 21 August 2012, a court application was served on a group of respondents that included Sibanye (the August Respondents). On 21 December 2012, a further court application was issued and was formally served on a number of respondents, including Sibanye, (the December Respondents and, together with the August Respondents, the Respondents) on 10 January 2013, on behalf of classes of mine workers, former mine workers and their dependants who were previously employed by, or who are currently employed by, among others, Sibanye and who allegedly contracted silicosis and/or other occupational lung diseases (the Classes). The court application of 21 August 2012 and the court application of

21 December 2012 are together referred to below as the Applications.

These Applications request that the court certify a class action to be instituted by the applicants on behalf of the Classes. The Applications are the first and preliminary steps in a process where, if the court were to certify the class action, the applicants may, in a second stage, bring an action wherein they will attempt to hold the Respondents liable for silicosis and other occupational lung diseases and resultant consequences. In the second stage, the Applications contemplate addressing what the applicants describe as common legal and factual issues regarding the claim arising from the allegations of the entire Classes. If the applicants are successful in the second stage, they envisage that individual members of the Classes could later submit individual claims for damages against the respective Respondents. The Applications do not identify the number of claims that may be instituted against the Respondents or the quantum of damages the applicants may seek.

With respect to the Applications, Sibanye has filed a notice of its intention to oppose the application and has instructed its attorneys to defend the claims. Sibanye and its attorneys are engaging with the applicants' attorneys in both Applications to try to establish a court-sanctioned process to agree the timelines, (including the date by which Sibanye must file its papers opposing the Applications) and the possible consolidation of the separate applications. At this stage, Sibanye cannot quantify their potential liability from these actions.

The two class actions were consolidated into one action during 2013 and the attorneys for the applicants in those matters have now applied to the court for a case management procedure in order to set times in which the parties have to

comply with various legal processes and timeframes in terms of the application. Sibanye has entered notices to oppose the various actions and its attorneys have considered the opposition in detail. However, Sibanye cannot quantify the potential liability from these actions at the moment as the application is for certification of a class.

Other than the above, Sibanye is not a party to any material legal or arbitration proceedings, nor is any of its property the subject of pending material legal proceedings.

ADMINISTRATION

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

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

AUDITORS

The Audit Committee has recommended to the Board that KPMG Inc. continues in office in accordance with section 90(1) of the Companies Act.

SUBSIDIARY COMPANIES

Details of major subsidiary companies in which the Company has a direct or indirect interest are set out in note 1 on page 100.