

GOLD DIVISION – LOCAL ECONOMIC DEVELOPMENT PROJECTS

Local economic development projects (as opposed to corporate social investment projects) are undertaken in accordance with the implementation plans set out in the specific social and labour plans of each operation

Project	Status 2016	Outcomes	Beneficiaries	Impacts	Budget/spend
EASTERN CAPE					
Livestock development					
<p>This project facilitates access to animal husbandry services and products, promotes good farming practices and increases the earning potential of emerging farmers and small, medium and micro enterprises in labour-sending areas of the Eastern Cape, particularly areas from where the majority of Sibanye employees originate.</p>	<ul style="list-style-type: none"> The project supports village linkage persons (VLPs) who are small, medium and micro enterprises (SMMEs) that supply animal health services and medicine, sourced at a discount from a non-profit organisation (NPO), to livestock owners. 	<ul style="list-style-type: none"> Livestock deaths have declined while birth rates have increased 38 VLPs (SMMEs) established : 22 in the Chris Hani Municipality 7 in the Elundini Municipality 9 in the Alfred Nzo District Municipality Value of average monthly sales per VLP: R5,000 Earning potential of participating farmers has improved with the sales of better quality wool and produce 	<ul style="list-style-type: none"> 38 VLPs/SMMEs created to provide animal medicines 13 798 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>Overall budget: R7.2 million over three years (ends June 2017)</p> <p>Spend in 2016: R2.8 million</p> <p>The respective municipalities contribute an equivalent amount, or more, to the project</p>
Skenjana Senior Secondary School					
<p>A new school is required to replace dilapidated facilities in Idutywa, Eastern Cape. The new school will create an environment conducive to learning.</p>	<p>Phase 1 of the project entailing conducting environmental assessments and planning, as well as production of detailed designs, quantity surveying and civil and electrical work was completed.</p> <p>Detailed building plans were drawn up and the tender documents are ready</p> <p>A partnership with Gold Fields (South Deep Mine) is being explored</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>Budget – phase 1: R10 million</p> <p>Spend in 2016: R10.4 million</p> <p>Funding for construction of the school is to be included in the next SLP cycle</p> <p>Contributions from co-funders, such as Gold Fields, are being sought</p>
GAUTENG					
Merafong waste recycling: Driefontein					
<p>A buy-back centre has been set up – in Fochville, Gauteng, for the collection, separation and sale of recyclable waste. Sibanye's partners in this project are Harmony, AngloGold Ashanti and the Merafong City Local Municipality</p>	<ul style="list-style-type: none"> As the target to recycle 100t a month had been reached, the project was handed over to the local municipality in May 2016. 	<ul style="list-style-type: none"> Reduced volumes of waste being disposed of at the Merafong landfill site Provides employment – both direct and indirect 	<ul style="list-style-type: none"> Up to 22 community members employed 250 indirect jobs created (selling recyclable waste to the buy-back centre) 	<ul style="list-style-type: none"> Job creation Improved environmental management Poverty alleviation within the local community. Social upliftment 	<p>Overall budget: R3 million</p> <p>Spend in 2016: R0.8 million</p> <p>Overall spend since project began in 2013: R3.3 million</p>

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Eradication of 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 where they take up excess contaminated water and provide a wind screen around the tailings for dust control. The reforestation 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>Charcoal manufacturing units have been installed and 50,000 Eucalyptus grandis trees were planted in 2016. A report on preventing new infestations of uncontrolled alien vegetation growth (as required by the Department of Environmental Affairs) at Kloof was compiled. Thinning of planted screens at the Driefontein tailings storage facility was also undertaken to comply with the Department of Environmental Affairs' regulations. Offtake agreements were concluded for the sale of wood not earmarked for charcoal production. Beneficiaries received Sector Education and Training Authority-accredited training and mentoring.</p>	<ul style="list-style-type: none"> • Reduced water consumption • Reforestation completed • Invasive alien vegetation removed • Cost saving to Sibanye should the eradication be outsourced to a private company 	<ul style="list-style-type: none"> • Three local SMMEs established which employ people and generate income • 33 jobs created (eight in Merafong and 25 in the Rand West City Local Municipality) 	<ul style="list-style-type: none"> • Poverty alleviation • Improved environmental management • Job creation and enterprise development • Poverty alleviation • Skills development • Social upliftment • Potential to earn carbon credits. An application is being formulated with Sibanye's environment team 	<p>Overall budget:</p> <ul style="list-style-type: none"> • Driefontein: R2 million • Kloof: R2.5 million • Cooke: R3.5 million • Total budget: R8 million <p>Spend in 2016:</p> <ul style="list-style-type: none"> • Driefontein: R0.6 million • Kloof: R2.2 million • Cooke: R2.2 million • Total spend in 2016: R5 million
Construction incubator hub: Driefontein, Kloof and Cooke operations					
<p>Establishment of an incubation hub to train SMMEs in the production of material for the construction of houses for employees and local municipalities.</p>	<p>A disused building has been refurbished to house the incubation hub and the necessary equipment has been installed. Selected SMMEs will be trained in 2017.</p> <p>A manufacturing plant, based at a specialist partner's site, is producing high-quality bricks for use by the SMMEs</p>	<p>SMMEs in the building and construction industry have been equipped with accredited skills in the production of various construction-related materials, including brick making, window and door frames, cement materials, trusses and cabinet making, among others.</p>	<ul style="list-style-type: none"> • 30 SMMEs established in West Wits host communities • At least 150 people employed in all 	<ul style="list-style-type: none"> • Skills development • Poverty alleviation • Eradication of informal settlements • Employee home ownership in integrated settlements • Social upliftment 	<p>Overall budget: R7 million</p> <p>Spend in 2016: R5.7 million (brick-making facility)</p> <p>An application for co-funding through the Department of Small Business Development is at an advanced stage</p>

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Westcol Technical and Vocational Education and Training (TVET) College: Kloof					
<p>During 2014, Sibanye 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 and Westcol, it was agreed that a permanent TVET college be established in Westonaria.</p>	<p>Some 1,000 students are being accommodated currently in a temporary facility at the local municipality's sports complex. The municipality had committed land for the establishment of an agri-college and a site plan that included an agri-college was set up in conjunction with Westcol. As the site was subsequently found to be unsuitable for building, owing to dolomitic conditions, Sibanye donated land better suited to construction (confirmed by geotechnical testing). All specifications and costings were finalised and the rezoning application approved, while an application for electricity supply was submitted to Eskom.</p>	<p>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 agriculture focussed curriculum to support the roll-out of Sibanye's outgrower farming/agriculture programmes, where these technical skills would be beneficial.</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>Overall budget: R3 million</p> <p>Spend in 2016: R2.9 million</p> <p>Spend does not include the value of the land contributed by Sibanye, for which a valuation process is underway</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 by Sibanye in the next SLP cycle and by other collaborative partners.</p>
Simunye Senior Secondary School: Kloof					
<p>In collaboration with Gold Fields (South Deep Mine), two science laboratories to be built and equipped.</p>	<p>After a second suitable site was made available for donation by Sibanye (which had been accepted by the Gauteng Department of Education (DoE) and the School Governing Body), and Sibanye had incurred costs for, among others, building plans, rezoning and subdivision, stakeholders demanded a new location, to which the DoE agreed. As social and labour plan requirements had been met, Sibanye withdrew from the project and will recover excess costs from the DoE.</p>				<p>Overall budget: R2 million</p> <p>Spend in 2016: R2.5 million</p>

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You reap what you sow agricultural co-operative: Cooke					
Jobs are being created for local community members through sustainable crop production. Crops being cultivated include spinach, carrots and mirco green vegetables.	The project area is expanding as cash flow improves, business mentoring is provided and additional support is received from Rand West City Local Municipality.	<p>Offtake agreements have been secured and a turnaround strategy has proved successful.</p> <p>The project will be handed over to the beneficiaries during the first half of 2017, once it has proved its sustainability without reliance on funding by the mine.</p>	<ul style="list-style-type: none"> • 14 community members • Up to 30 seasonal labourers from the local community are employed by the co-operative during planting, harvesting and weed eradication seasons 	<ul style="list-style-type: none"> • Business skills development • Food security for beneficiaries and their families • Poverty alleviation • Social upliftment 	<p>Overall budget: R3 million</p> <p>Spend in 2016: R2.2 million</p> <p>The Department of Agriculture and Rural Development also contributes by providing certain infrastructure and input costs.</p>
Aredirisaneng agriculture co-operative: Cooke					
The aim of the project is to reduce poverty and unemployment through sustainable agricultural activities.	The project area (land under cultivation) is expanding as cash flow improves, business mentoring is provided and additional support is received from the Rand West City Local Municipality.	<p>Offtake agreements have been secured and a turnaround strategy has proved successful.</p>	<ul style="list-style-type: none"> • 10 community members • Some 20 seasonal labourers from the local community are employed by the co-operative during planting, harvesting and weed eradication seasons 	<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>Overall budget: R4.2 million</p> <p>Spend in 2016: R2 million</p> <p>The Department of Agriculture and Rural Development also contributes by providing certain infrastructure and input costs.</p>
FREE STATE					
Mathematics, science and technology programme: Beatrix					
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>In its fourth year in 2016, this programme is attended by school pupils in grades 10 to 12 at 26 schools in the Free State.</p> <p>Dedicated support is offered at another five schools – see the Taiwe Secondary Senior School and the Mamello Senior Secondary School projects below.</p>	<p>Performance in these subjects in these subjects has been boosted significantly.</p> <p>In 2016, 195 grade 12 pupils achieved the following results in their matriculation examinations:</p> <ul style="list-style-type: none"> • Maths – 18 distinctions • Science – 29 distinctions • Bachelor pass – 155 • Maths pass rate – 96% • Science pass rate – 97% 	<ul style="list-style-type: none"> • Around 600 pupils annually in grades 10 to 12 • Specifically, approximately 200 grade 12 pupils annually attend this programme, equivalent to 400 to date 	<ul style="list-style-type: none"> • Skills development • Social upliftment • Poverty alleviation • Reduces dependency on mining sector for economic livelihood 	<p>Budget over five years: R16 million</p> <p>Spend in 2016: R5.2 million</p> <p>Spend to date: R9 million</p>

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Taiwe Senior Secondary School: Beatrix					
<p>Construction of a new school hall at Taiwe Senior Secondary in Theunissen, in support of the Free State Department of Education's incentive programme for township schools that show improved matriculation results.</p> <p>The department selected Taiwe Senior Secondary, the best performing township school, which had achieved a 100% pass rate for three consecutive years from 2012 to 2014.</p> <p>Since the beginning of 2015, the school has hosted the Sibanye Gold Mathematics and Science Support Programme in Masilonyana.</p>	<p>Construction was completed in January 2016 and the school hall was officially handed over to the Free State Department of Education in July 2016.</p>	<p>The new facility has seating capacity for 1,200 people during school assemblies, parents' meetings and can also be used as an examination venue for school pupils and for the marking of examination papers.</p>	<ul style="list-style-type: none"> • 1,100 learners from Ward 7, Masilonyana • 20 temporary jobs during construction 	<ul style="list-style-type: none"> • The new hall can be hired out to generate additional income for the school • Improved matriculation results will have long-term benefits for students and will increase their employability, thus indirectly helping to alleviate poverty and contributing to social upliftment 	<p>Overall budget: R7.5 million</p> <p>Spend in 2016: R3.5 million</p> <p>Total project spend was R6.2m. The balance is a cost saving to the company as service providers came in under budget.</p>
Mamello Senior Secondary School: Beatrix					
<p>A dedicated mathematics facility will address poor mathematics results and support the Sibanye-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, electrical installations were rewired, and a borehole was installed.</p>	<p>Given the more favourable learning environment, mathematics results are expected to improve</p> <p>The borehole installed has resulted in a significant cost saving for the school, as municipal water was used for the extensive orchard garden established to supplement the school feeding scheme. The money saved is used for the benefit of learners</p>	<ul style="list-style-type: none"> • 1,320 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>Overall budget: R1 million</p> <p>Spend in 2016: R1 million</p>

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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 and Adopt-a-School. Construction is due to begin in 2017.	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 	Overall budget: R3 million Spend in 2016: R2 million

ADDITIONAL INFORMATION

- Projects at Sekgweng Intermediate School in Bultfontein and Stille Primary Farm School near Oryx (Beatrix 4) shaft were completed in 2015 and handed over in 2016.
- The personal protective equipment (PPE) 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
- Funders are being sought for the formalisation of the Bhongweni and Toekomsrus townships in the Rand West City Local Municipality (costed at more than R1 billion). This will be included in the forthcoming social and labour plan cycle