we are one
Sibanye Stillwater

COMPANY FINANCIAL STATEMENTS

2017

FORWARD-LOOKING STATEMENTS

These company financial statements are for informational purposes only and does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States or any other jurisdiction nor a solicitation of any vote of approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. The shares to be issued in connection with the offer for Lonmin plc (Lonmin) and the "New Sibanye Shares", respectively have not been and will not be registered under the US Securities Act of 1933 (the Securities Act) and, accordingly, may not be offered or sold or otherwise transferred in or into the United States except pursuant to an exemption from the registration requirements of the Securities Act. The New Sibanye Shares are expected to be issued in reliance upon the exemption from the registration requirements of the Securities Act provided by Section 3(a)(10) thereof.

These company financial statements are not directed to, or intended for distribution to or use by, any person or entity that is a citizen or resident or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would require any registration or licensing within such jurisdiction.

No statement in these company financial statements should be construed as a profit forecast.

FORWARD LOOKING STATEMENTS

These company financial statements contains forward-looking statements within the meaning of the "safe harbour" provisions of the United States Private Securities Litigation Reform Act of 1995. These forward-looking statements, including, among others, those relating to Sibanye-Stillwater's financial positions, business strategies, plans and objectives of management for future operations, are necessarily estimates reflecting the best judgment of the senior management and directors of Sibanye-Stillwater. All statements other than statements of historical facts included in this report may be for- ward-looking statements. Forward-looking statements also often use words such as "will", "forecast", "potential", "estimate", "expect" and words of similar meaning. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances and should be considered in light of various important factors, including those set forth in this disclaimer. Readers are cautioned not to place un- due reliance on such statements. The important factors that could cause Sibanye-Stillwater's actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, economic, business, political and social conditions in the United Kingdom, South Africa, Zimbabwe and elsewhere; changes in assumptions underlying Sibanye-Stillwater's estimation of their current mineral re- serves and resources; the ability to achieve anticipated efficiencies and other cost savings in connection with past, ongoing and future acquisitions, as well as at existing operations; the ability of Sibanye-Stillwater to complete any ongoing or future acquisitions; the success of Sibanye-Stillwater's business strategy, exploration and development activities; the ability of Sibanye-Stillwater to comply with requirements that it operate in a sustain- able manner; changes in the market price of gold, PGMs and/or uranium; the occurrence of hazards associated with underground and surface gold, PGMs and uranium mining; the occurrence of labour disruptions and industrial action; the availability, terms and deployment of capital or credit; changes in relevant government regulations, particularly environmental, tax, health and safety regulations and new legislation affecting water, mining, mineral rights and business ownership, including any interpretations thereof which may be subject to dispute; the outcome and consequence of any potential or pending litigation or regulatory proceedings or other environmental, health and safety issues; power disruptions, constraints and cost increases; supply chain shortages and increases in the price of production inputs; fluctuations in exchange rates, currency devaluations, inflation and other macro-economic monetary policies; the occurrence of temporary stoppages of mines for safety incidents and unplanned maintenance; their ability to hire and retain senior management or sufficient technically skilled employees, as well as their ability to achieve sufficient representation of historically disadvantaged South Africans' in management positions; failure of information technology and communications systems; the adequacy of insurance coverage; any social unrest, sickness or natural or man-made disaster at informal settlements in the vicinity of some of Sibanye-Stillwater's operations; and the impact of HIV, tuberculosis and other contagious diseases. These forward-looking statements speak only as of the date of this report. Sibanye-Stillwater expressly disclaims any obligation or undertaking to update or revise any forward-looking statement (except to the extent legally required).

CONTENTS

ACCOUNTABILITY

The audited company financial statements for the year ended 31 December 2017 have been prepared by Sibanye-Stillwater's group financial reporting team headed by Alicia Brink. This process was supervised by the Company's CFO, Charl Keyter and authorised for issue by Sibanye-Stillwater's Board of Directors on 29 March 2018.

COMPANY FINANCIAL STATEMENTS

ADMINISTRATIVE DETAILS

These company financial statements, together with the other reports produced for the financial year from 1 January 2017 to 31 December 2017, covers Sibanye-Stillwater's progress and achievements in delivering on our strategic objectives and commitment to creating stakeholder value. These company financial statements should be read in conjunction with:

- Annual financial report 2017;
- Integrated annual report 2017;
- Summarised report and notice of annual general meeting 2017; and
- Mineral resources and mineral reserve report 2017.

These reports cover the operational, financial and non-financial performance of the operations and activities of Sibanye Gold Limited (Sibanye), trading as Sibanye-Stillwater (Sibanye-Stillwater) and provide stakeholders with transparent insight into our strategy, our business and performance and the progress made in delivering on our strategic objectives and our commitment to creating stakeholder value over the year to 31 December 2017. These (SEC) reports which include sustainable development related information, are the primary reports in our 2017 suite of reports take note of any material events since year-end and the date of approval by the Board.

In addition, a Form 20-F is filed with the United States SEC. In producing its suite of reports and the Form 20-F for 2017, Sibanye-Stillwater complies with the requirements of the exchanges on which it is listed, namely the Johannesburg Stock Exchange (JSE) and the New York Stock Exchange (NYSE).

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STATEMENT OF RESPONSIBILITY BY THE BOARD OF DIRECTORS

The directors are responsible for the preparation and fair presentation of the company annual financial statements of Sibanye Gold Limited (Sibanye-Stillwater or Company), comprising the company statement of financial position at 31 December 2017, and company income statement and company statements of changes in equity and cash flows for the year then ended, and the notes to the company financial statements, which include a summary of significant accounting policies, and other explanatory notes, in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB), the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides issued by the Accounting Practices Committee and Financial Reporting Pronouncements issued by the Financial Reporting Standards Council, as well as the requirements of the South African Companies Act 71 of 2008 (the companies Act) and the JSE Listings Requirements.

In addition, the directors are responsible for preparing the directors' report.

The directors consider that, in preparing the company financial statements, they have used the most appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all IFRS standards that they consider to be applicable have been complied with for the financial year ended 31 December 2017. The directors are satisfied that the information contained in the company financial statements fairly presents the results of operations for the year and the financial position of the Company at year end. The directors are responsible for the information included in the company annual financial statement, and are responsible for both its accuracy and its consistency.

The directors have responsibility for ensuring that accounting records are kept. The accounting records should disclose with reasonable accuracy the financial position of the Company to enable the directors to ensure that the company annual financial statements comply with the relevant legislation.

The Company operated in a well-established control environment, which is well documented and regularly reviewed. This incorporates risk management and internal control procedures, which are designed to provide reasonable assurance that assets are safeguarded and the material risks facing the business are being controlled.

The directors have made an assessment of the ability of the Company and its subsidiaries to continue as going concerns and have no reason to believe that Sibanye-Stillwater and its subsidiaries will not be going concerns in the year ahead.

Sibanye-Stillwater has adopted a Code of Ethics, applicable to all directors and employees, which is available on Sibanye- Stillwater's website.

The Company's external auditors, KPMG Inc. audited the company annual financial statements. For their report, see *Accountability–Independent auditor's report*.

The company annual financial statements were approved by the Board of Directors and are signed on its behalf by:

Neal Froneman
Chief Executive Officer

Charl Keyter
Chief Financial Officer
29 March 2018

COMPANY SECRETARY'S CONFIRMATION

In terms of section 88(2)(e) of the Companies Act, as amended, I certify that the Company has lodged with the Companies and Intellectual Property Commission all such returns as are required to be lodged by a public company in terms of the Companies Act, and that all such returns are true, correct and up to date.

Cain Farrel
Company Secretary
29 March 2018

REPORT OF THE AUDIT COMMITTEE

INTRODUCTION

The Audit Committee has formal terms of reference which are updated on an annual basis. The Board is satisfied that the Audit Committee has complied with these terms, and with its legal and regulatory responsibilities as set out in the Companies Act, King IV and the JSE Listings Requirements.

The Audit Committee consisted of four independent non-executive directors from 1 January 2017 to 22 May 2017 and five independent directors from 23 May 2017 to 31 December 2017. For membership, see *Accountability–Directors' report–Directorate–Composition of the Board and sub-committees*.

The Board believes that the members collectively possess the knowledge and experience to supervise Sibanye-Stillwater's financial management, internal and external auditors, the quality of Sibanye-Stillwater's financial controls, the preparation and evaluation of Sibanye-Stillwater's audited company financial statements and Sibanye-Stillwater's periodic financial reporting.

The Board has established and maintains internal controls and procedures, which are reviewed on a regular basis. These are designed to manage the risk of business failures and to provide reasonable assurance against such failures. However, this is not a guarantee that such risks are eliminated.

RESPONSIBILITY

It is the duty of the Audit Committee, *inter alia*, to monitor and review:

- the effectiveness of the internal audit function; findings and the appointment of external auditors; reports of both internal and external auditors;
- evaluation of the performance of the chief financial officer (CFO);
- the governance of information technology (IT) and the effectiveness of the Company's information systems;
- interim and annual financial and operating reports, the audited consolidated annual financial statements, the separate company financial statements and all other widely distributed financial documents;
- the Form 20-F filing with the SEC;
- accounting policies of the Company and proposed revisions;
- compliance with applicable legislation, requirements of appropriate regulatory authorities and Sibanye-Stillwater's Code of Ethics;
- the integrity of the annual financial report and associated reports (by ensuring that its content is reliable and recommending it to the Board for approval); and
- policies and procedures for preventing and detecting fraud.

Internal and external auditors have unrestricted access to the Audit Committee, the Audit Committee chairman and the chairman of the Board, ensuring that auditors are able to maintain their independence. Both the internal and external auditors report at Audit Committee meetings. The Audit Committee also meets with both internal and external auditors separately without other invitees being present. Management attend Audit Committee meetings by invitation.

ANNUAL FINANCIAL STATEMENTS

The Committee has reviewed and is satisfied the accounting policies and financial statements of the Com are appropriate and comply with IFRS, the JSE Listings Requirements and the requirements of the Companies Act.

The significant audit matters considered by the Committee were:

- the Stillwater acquisition and related purchase price accounting;
- the liquidity risk and ability to access, service and repay debt;
- the impairment assessment of property, plant and equipment, and goodwill arising from business combinations;
- the recognition of the occupational healthcare obligation; and
- the fair value of the derivative financial instrument.

These matters were addressed as follows:

The impairment assessment of property, plant and equipment, and loans to subsidiaries

For the year ended 31 December 2017, management performed an impairment assessment over the property, plant and equipment as follows:

- assessed the recoverable amount (based on the expected discounted cash flows of the expected ore reserves and costs to extract the ore);
- calculated the fair value for each cash-generating unit (CGU) using a discounted cash flow model; and
- performed a sensitivity analysis over the fair value calculations, by varying the assumptions used (long-term commodity prices and WACC, i.e. discount rate) to assess the impact on the valuations.

Management impaired the Beatrix West mining assets by R604 million and, as a result of the impairments of the underlying assets of the Company's investment in Newshelf 1114 Proprietary Limited (Newshelf), management impaired the loans receivable from Newshelf 1114, Rand Uranium and Ezulwini by R2,574 million.

The recognition of the occupational healthcare obligation	As a result of the ongoing work of the Occupational Lung Disease Group (the Working Group), engagements with affected stakeholders and the likely settlement of the occupational healthcare claims, it became possible for management to reasonably estimate its share of the estimated settlement of the class action claims and related costs. The Working Group engaged an actuarial expert to assist with determining the estimated costs of settlement claims and related costs. Management recognised an occupational healthcare obligation of R1,072 million at 30 June 2017.
The fair value of the derivative financial instrument	For the year ended 31 December 2017, management engaged a calculation agent to determine the fair value of the derivative financial liability at 26 September 2017 and 31 December 2017. At 26 September 2017, management recognised the derivative financial liability of R1,297 million, and during the period ended 31 December 2017 recognised a gain on the derivative financial liability of R116 million.
The liquidity risk and ability to access, service and repay debt	In order to maintain adequate liquidity, management initiated a process to refinance and upsize the US$350 million RCF, which matures on 23 August 2018, to US$600 million. The US$600 million facility has been fully syndicated with a group of eight international banks having provided commitment letters. The facility documentation is expected to be executed towards the end of March 2018. The terms and conditions largely mirror the current US$350 million RCF. This will increase available RCF facilities by about US$250 million, providing additional balance sheet flexibility.

AUDITOR SUITABILITY REVIEW

In terms of section 90(1) of the Companies Act, each year at its annual general meeting (AGM), the Company must appoint an external audit firm and designated individual partner that comply with the requirements of section 90(2) of the Companies Act and with the JSE Listings Requirements.

The Board delegated to the Audit Committee the authority to review and recommend the Company's current appointed audit firm and designated individual audit partner for re-appointment to the Board, which would then make a recommendation to the shareholders in the notice of AGM.

Accordingly, in compliance with paragraph 3.84(g)(iii) of the JSE Listings Requirements, the Audit Committee assessed the suitability for re-appointment of the current appointed audit firm, being KPMG Inc., and the designated individual partner, being Henning Opperman (Auditor Suitability Review).

The Auditor Suitability Review performed by the Audit Committee included an examination and review of:

- the results of the most recent Independent Regulatory Board of Auditors (IRBA), International Standard on Quality Control (ISQC) 1, engagement inspection of KPMG Inc. and all audit engagement partners involved with the Sibanye-Stillwater audit, including the designated individual partner;
- the results of the most recent firm wide ISQC 1 engagement inspection performed by KPMG Inc. itself, which included a review of all remedial actions effected in terms of the KPMG International review announced in 2017 (KPMG International Report);
- the results of the most recent firm-wide Public Company Accounting Oversight Board (PCAOB) inspection review of KPMG Inc.;
- the results of the most recent firm-wide PCAOB inspection review of KPMG International;
- the Myburg Report which confirmed the findings and recommended remedial actions of the KPMG International Report; and
- a summary and results of all legal and disciplinary proceedings concluded within the past seven years, which were instituted in terms of any legislation or by any professional body of which the audit firm and/or designated individual auditor are a member or regulator to whom they are accountable, including where the matter is settled by consent order or payment of a fine.

As part of the Auditor Suitability Review, the Audit Committee met with KPMG Inc.'s independent chairman, chief executive officer, chief operating officer and three audit partners (involved in the group audit of Sibanye) and enquired extensively concerning:

- the sustainability of KPMG Inc., going forward;
- the culture change being implemented to prevent a recurrence of governance lapses;
- the remedial actions effected in terms of the KPMG International Report and that all relevant audit persons have been identified and have left KPMG Inc.; and
- the new client identification and approval system in place which takes account of the risk profile of each proposed client concerned, with a particular emphasis of the review of any proposed state-owned enterprise appointments.

The Audit Committee notes that the current SAICA investigation, current IRBA engagement inspection and current PCAOB engagement inspection of KPMG Inc. are in process and have not yet been concluded (referred to collectively as Investigation and Inspections).

The Audit Committee has enquired of KPMG Inc. as to whether it believes there may be any problematic findings arising from the investigation and inspections and has been assured that to the best of KPMG Inc.'s knowledge it is not expecting any problematic findings.

Based on the results of the Auditor Suitability Review and a review of the independence of KPMG Inc. and the designated individual audit partner, the Audit Committee is satisfied that there are no current material matters that have not been addressed by KPMG Inc., following the remedial actions effected in 2017 and accordingly recommends that KPMG Inc. be re-appointed as the auditors of the Company and that Henning Opperman be re-appointed as the designated individual partner. The Audit Committee has satisfied itself that both KPMG Inc. and Henning Opperman are accredited in terms of the JSE Listings Requirements. The Board concurred with the recommendation.

The Audit Committee and Board will review the findings of the Investigation and Inspections referred to above when they are individually concluded, and will take any further action deemed appropriate at that time.

In addition, the Audit Committee has recommended to the Board that in order to improve the governance relating to the appointment of an audit firm and designated individual auditor, that such appointment be subject to a full commercial review process every five years.

REPORT OF THE AUDIT COMMITTEE continued

AUDITOR INDEPENDENCE AND FEES

The Audit Committee is also responsible for determining that the external audit firm and designated individual partner have the necessary independence, experience, qualifications and skills, and that audit and other fees are reviewed and approved.

The Audit Committee has reviewed and assessed the independence of the external auditor, and has confirmed in writing that the criteria for independence, as set out in the rules of the Independent Regulatory Board for Auditors and international bodies, have been followed. The Audit Committee is satisfied that KPMG Inc. is independent of the Company.

The Audit Committee determines the nature and extent of non-audit services that the firm can provide and pre-approves all permitted non-audit assignments by the Company's independent auditor. The rules apply to Sibanye-Stillwater and its consolidated subsidiaries engaging any accounting firms for audit services and the auditor who audits the accounts filed with the SEC (the external auditor) for permissible non-audit services. When engaging the external auditor for permissible non-audit services (audit related services, tax services, and all other services), pre-approval is obtained prior to the commencement of the services.

The Audit Committee approves the annual audit plan presented by the external auditors and monitors progress against the plan. The audit plan provides the Audit Committee with the necessary assurance on risk management, internal control environments and IT governance.

INTERNAL AUDIT

The internal control systems of the company are monitored by internal auditors who report their findings and recommendations to the Audit Committee and to senior management. The Audit Committee determines the purpose, authority and responsibility of the internal audit function (Internal Audit) in an Internal Audit Charter. The internal audit function is headed by the Vice President: Internal Audit, who may be appointed or dismissed by the Audit Committee. The Audit Committee is satisfied that the incumbent Vice President: Internal Audit has the requisite skills and experience and that she is supported by a sufficient staff complement with appropriate skills and training.

Sibanye-Stillwater's Internal Audit operates in accordance with the International Standards for the Professional Practice of Internal Auditing as prescribed by the Institute of Internal Auditors. The internal audit activities carried out during the year were identified through a combination of the Sibanye-Stillwater Risk Management framework and the risk-based methodologies adopted by Internal Audit. The Audit Committee approves the annual internal audit assurance plan presented by Internal Audit and monitors progress against the plan.

Internal Audit reports deficiencies to the Audit Committee every quarter together with recommended remedial actions, which are then followed up. Internal Audit provided the Audit Committee with a written report, which assessed as adequate the internal controls over financial reporting, IT governance and the risk management process during 2017.

The Audit Committee is responsible for IT governance on behalf of the Board and reviews the report of the IT Senior Manager at each Audit Committee meeting.

In accordance with the JSE Listings Requirements, the Audit Committee reports and confirms that it has:

- evaluated the expertise, experience and performance of the company CFO during 2017 and is satisfied that he has the appropriate expertise and experience to carry out his duties, and is supported by qualified and competent senior staff;
- ensured that the Company has established appropriate financial reporting procedures in place and that those procedures are operating correctly and that there has been no breach of any required financial reporting for the 2017 financial year; and
- has performed the Auditor Suitability Review of both the current appointed external audit firm and designated individual partner as detailed above.

AUDIT COMMITTEE STATEMENT

Based on information from, and discussions with, management and external auditors, the Audit Committee has no reason to believe that there were any material breakdowns in the design and operating effectiveness of internal financial controls during the year and that the financial records may be relied upon as the basis for preparation of the company financial statements.

The Audit Committee has considered and discussed the company financial statements with both management and the external auditors.

During this process, the Audit Committee:

- evaluated significant judgements and reporting decisions;
- determined that the going-concern basis of reporting is appropriate;
- evaluated the material factors and risks that could impact on the annual financial report and associated reports;
- evaluated the completeness of the financial and sustainability discussion and disclosures; and
- discussed the treatment of significant and unusual transactions with management and the external auditors.

The Audit Committee considers that the audited company financial statements comply in all material respects with the statutory requirements of the various laws and regulations governing disclosure and reporting of the audited company financial statements and that the annual financial statements comply in all material respects with IFRS, as issued by the IASB, the SAICA Financial Reporting Guides issued by the Accounting Practices Committee and Financial Reporting Pronouncements issued by the Financial Reporting Standards Council, as well as the requirements of the South African Companies Act and the JSE Listings Requirements. The Audit Committee has recommended to the Board that the audited company financial statements be adopted and approved by the Board.

Keith Rayner CA(SA)
Chairman: Audit Committee
29 March 2018

DIRECTORS' REPORT

The directors have pleasure in submitting this report and the Company's financial statements for the year ended 31 December 2017.

COMPANY PROFILE AND LOCATION OF OUR OPERATIONS

Sibanye-Stillwater, an independent, global, precious metals mining company, producing a mix of metals that includes gold and platinum group metals (PGMs). Domiciled in South Africa, Sibanye-Stillwater currently owns and operates a portfolio of high-quality operations and projects, which are grouped into two regions: the Southern Africa (SA) region and the United States (US) region.

The Company is prima+rily involved in underground and surface gold mining and related activities, including extraction and processing.

The Company also has interest in PGM operations (see *Company financial statements – notes to the financial statements – Note 11: Invesnments in subsidiaries.*

FINANCIAL RESULTS

The information on the financial position of the Company for the year ended 31 December 2017 is set out in the company financial statements including the notes, which appear elsewhere in these company financial statements. The income statement for the Company shows a loss of R3,554.5 million for the year ended 31 December 2017 compared to R1,359 million in 2016.

DIRECTORATE

COMPOSITION OF THE BOARD AND SUB-COMMITTEES

On 23 May 2017, Christopher Chadwick resigned as a non-executive director and Savannah Danson was appointed as an independent non-executive director. She is eligible and available for election. On 18 September 2017, Robert Chan and Yuan Jiyu resigned as non-executive directors.

The membership of the Board and its sub-committees is set out in the table below.

Board	Audit	Nominating and governance	Remuneration	Risk	Social and Ethics	Safety, health and sustainable development
Sello Moloko (chairman)		Chairman	✓		✓	✓
Neal Froneman						✓
Charl Keyter						
Tim Cumming			Chairman	✓	✓	
Savannah Danson	✓		✓			
Barry Davison		✓	✓		✓	Chairman
Rick Menell	✓	✓		Chairman	✓	✓
Nkosemntu Nika	✓	✓	✓			
Keith Rayner	Chairman		✓	✓	✓	
Sue van der Merwe	✓					✓
Jerry Vilakazi		✓			Chairman	

ROTATION OF DIRECTORS

Directors retiring in terms of the Company's Memorandum of Incorporation (MOI) are Savannah Danson, Rick Menell, Keith Rayner and Jerry Vilakazi. All the directors are eligible and offer themselves for re-election.

DIRECTORS' AND OFFICERS' DISCLOSURE OF INTERESTS IN CONTRACTS

As of the date of this report, none of the directors, officers or major shareholders of Sibanye-Stillwater or, to the knowledge of Sibanye-Stillwater's management, their families, had any interest, direct or indirect, in any transaction during the last fiscal year or in any proposed transaction which has affected or will materially affect Sibanye-Stillwater or its investment interests or subsidiaries. None of the directors or officers of Sibanye-Stillwater or any associate of such director or officer is currently or has been at any time during the past fiscal year materially indebted to Sibanye-Stillwater.

For related party information, see *Company financial statements–Notes to the company financial statements–Note 29: Related-party transactions*.

FINANCIAL AFFAIRS

DIVIDEND POLICY

Sibanye-Stillwater's dividend policy is to return at least 25% to 35% of normalised earnings to shareholders and after due consideration of future requirements the dividend may be increased beyond these levels. Normalised earnings are defined as profit for the year excluding gains and losses on foreign exchange differences and financial instruments, non-recurring items, and share of results of equity-accounted investees after tax.

For the year under review, the Company paid a total dividend of R558 million compared with R1,611 million in 2016.

Since the final dividend in respect of the six months ended 31 December 2016, which was paid during 2017, no further dividends have been declared by the Company.

BORROWING POWERS

In terms of Clause 4 of the Company's MOI, the borrowing powers of the Company are unlimited. As at 31 December 2017, the borrowings of the Company, including the derivative financial instrument, was R11,709 million (2016: R7,219 million), see *Company financial statements–Notes to the company financial statements–Note 21: Borrowings*.

Sibanye-Stillwater is subject to financial and other covenants and restrictions under its credit facilities from time to time. Such covenants may include restrictions on Sibanye-Stillwater 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

SIBANYE SUCCESSFULLY CONCLUDES THE ACQUISITION OF STILLWATER – 4 MAY 2017

On 9 December 2016, Sibanye announced it had reached a definitive agreement to acquire Stillwater Mining Company (Stillwater) for US$18 per share in cash, or US$2,200 million in aggregate (the Stillwater Transaction).

On 25 April 2017, at the shareholders meeting of Sibanye, the Sibanye shareholders approved the proposed Stillwater Transaction by voting in favour of the various resolutions to give effect to the Stillwater Transaction and at the shareholders meeting of Stillwater, the requisite majority of Stillwater shareholders resolved to approve the Stillwater Transaction.

On 4 May 2017, all the closing conditions to the Stillwater Transaction were satisfied or waived, and Sibanye concluded the acquisition of Stillwater.

SIBANYE RIGHTS OFFER SUCCEEDS WITH EXCESS OVERSUBSCRIPTION OF ALMOST FIVE TIMES – 12 JUNE 2017

The US$1 billion (approximately R13 billion) rights offer, which closed on Friday 9 June 2017, was overwhelmingly supported. The rights offer proceeds were applied to partly refinancing the US$2.65 billion bridge loan facility Sibanye raised to acquire Stillwater, which closed on 4 May 2017. Approximately 97% of shareholders subscribed for approximately 1.2 billion new Sibanye shares in terms of the rights offer resulting in approximately 36 million rights offer shares available for excess applications. Excess applications were received for an additional approximately 5.9 billion new shares (almost five times or 492% more than the rights offer shares available). For additional information of the rights offer, see Company *financial statements–Notes to the company financial statements–Note 20: Stated share capital*.

SIBANYE COMMENCES CONSULTATION ON RESTRUCTURING TO ENSURE SUSTAINABILITY OF ITS GOLD OPERATIONS – 3 AUGUST 2017

Sibanye entered into consultation with relevant stakeholders in terms of section 189A of the Labour Relations Act, regarding restructuring of its gold operations pursuant to ongoing losses experienced at its Beatrix West and Cooke operations. Losses experienced at these operations negatively affect Group cash flow as well as the sustainability and economic viability of other operations in the Southern Africa region, in this way, posing a threat to more sustainable employment across the region.

For additional information of the impairment of the Cooke operations and Beatrix West mining assets, see *Company financial statements–Notes to the company financial statements–Note 7: Impairments*.

SIBANYE LAUNCHES AND PRICES US$450 MILLION SENIOR UNSECURED GUARANTEED CONVERTIBLE BONDS – 19 SEPTEMBER 2017

On 19 September 2017, the offering of US$450 million senior unsecured guaranteed convertible bonds due 2023 (US$450 million Convertible Bonds) was launched and priced. The US$450 million Convertible Bonds will pay a coupon of 1.875% per annum, payable semi-annually in arrear in equal instalments on 26 March and 26 September of each year. The initial conversion price is US$1.6580, representing a 35% premium to the volume weighted average price of Sibanye's shares on the JSE between opening of trading and pricing. The US$450 million Convertible Bonds were issued on 26 September 2017 and payments in respect of US$450 million Convertible Bonds will be guaranteed by Stillwater and Kroondal Operations Proprietary Limited (together, the Guarantors). For additional information of the acquisition of the US$450 million Convertible Bonds, see *Company financial statements–Notes to the company financial statements–Note 21.3: US$450 million Convertible Bonds*.

CASH FRACTION APPLICABLE TO THE CAPITALISATION ISSUE – 5 OCTOBER 2017

On 29 August 2017, the Board resolved to issue and allot fully paid ordinary shares of no par value (ordinary shares) as a capitalised issue to Sibanye shareholders and American Depositary Receipt (ADR) holders pro rate on the current holding as a ratio of 2 (two) ordinary shares for every 100 ordinary shares held on the record date, being 6 October 2017. If the application of this ratio gave rise to a fraction of an ordinary share, such fraction would be rounded down to the nearest whole number, resulting in whole ordinary shares being allocated with an equivalent cash payment in compensating for the fraction.

SIBANYE AND DRDGOLD TO CREATE AN INDUSTRY-LEADING SURFACE MINING PARTNERSHIP – 22 NOVEMBER 2017

On 22 November 2017, Sibanye announced that it has entered into various agreements with DRDGOLD Limited (DRDGOLD) to exchange selected surface gold processing assets and tailings storage facilities (TSF) for approximately 265 million newly issued DRDGOLD shares (the DRDGOLD Transaction). The implementation of the DRGDOLD Transaction is still subject fulfilment of conditions precedent and is expected to complete during April 2018.

DIRECTORS' REPORT continued

PROPOSED ACQUISITION OF LONMIN BY SIBANYE – 14 DECEMBER 2017

On 14 December 2017, Sibanye announced that it had reached agreement with Lonmin plc (Lonmin) on the terms of a recommended all-share offer to acquire the entire issued and to be issued ordinary share capital of Lonmin (the Lonmin Acquisition). It is proposed that the Lonmin Acquisition will be effected by means of a scheme of arrangement between Lonmin and the Lonmin Shareholders under Part 26 of the UK Companies Act. Under the terms of the Lonmin Acquisition, each Lonmin Shareholder will be entitled to receive: 0.967 new Sibanye shares for each Lonmin share. The Lonmin Acquisition is subject to the fulfilment of conditions precedent and is expected to complete during the second half of 2018.

WORKING CAPITAL AND GOING CONCERN ASSESMENT

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

For the year ended 31 December 2017, the company incurred a loss of R3,554.5 million (2016: R1,359.2 million). As at 31 December 2017, the Company's current liabilities exceeded its current assets by R2,008.7 million (2016: R898.5 million) and during the year then ended the Company generated cash from operating activities of R3,445.6 million (2016: R4,931.8 million).

Gold is sold in US dollars, and while the majority of the Company's gold costs are denominated in rand, the Company's results and financial condition may be impacted if there is a material change in the value of the rand.

Subsequent to year end, the average rand/US dollar exchange rate strengthened to R11.68/US$ from the average exchange rate of R13.31/US$ for the year ended 31 December 2017. Management has performed various sensitivities relating to the rand/US dollar exchange rate and the impact on the rand commodity prices. Should a strong rand/US dollar exchange rate persist without a corresponding gain in commodity prices, the Company could consider increasing operational flexibility by adjusting mine plans, reducing capital expenditure and/or selling assets. The Company may also, if necessary, consider options to increase funding flexibility which may include, among others, streaming facilities, prepayment facilities, facility restructuring or, in the event that other options are not deemed preferable or achievable by the Board, an equity capital raise.

The Company currently has committed undrawn debt facilities of R3,653 million at 31 December 2017. In order to maintain adequate liquidity, the refinancing and upsizing of the US$350 million RCF, maturing on 23 August 2018, to US$600 million, has been initiated. The facility has been fully syndicated with a group of eight international banks having provided commitment letters. The facility documentation is expected to be executed by the end of March 2018. The terms and conditions largely mirror the current US$350 million RCF which is US$92 million drawn as at 31 December 2017. On successful completion an additional US$250 million (approximately R3,000 million) of committed unutilised financing would be available.

Sibanye-Stillwater's leverage ratio (or net debt to adjusted EBITDA) at 31 December 2017 is 2.6. Using the committed unutilised debt facilities could impact on the leverage ratio if used to fund operating losses. As indicated above, management have significant operational and financing flexibility and will continue to manage the operations and capital structure to ensure compliance with debt covenants. The borrowing facilities, permit a leverage ratio of 3.5:1 through to 31 December 2018, and 2.5:1, thereafter, calculated on a quarterly basis. Consistent with its long-term strategy, Sibanye-Stillwater plans to deleverage over time to its targeted leverage ratio of no greater than 1.0:1.

The directors believe that the cash generated by its operations, cash on hand, the committed unutilised debt facilities as well as additional funding opportunities will enable the Company to continue to meet its obligations as they fall due. The company financial statements for the year ended 31 December 2017, therefore, have been prepared on a going concern basis.

LITIGATION

During 2012 and 2014, two court applications were served on Sibanye-Stillwater (as well as other mining companies) by various applicants who represent classes of mine workers (and where deceased, their dependents) who were previously employed by or who are employees of, among others, Sibanye-Stillwater and who allegedly contracted silicosis and/or tuberculosis. The two class actions were consolidated into one application on 17 October 2014. In terms of the consolidated application, the court was asked to allow the class actions to be certified.

On 13 May 2016, the High Court ordered, among other things: (1) the certification of two classes: (a) a silicosis class comprising current and former mine workers who have contracted silicosis and the dependents of mine workers who have died of silicosis; and (b) a tuberculosis class comprising current and former mine workers who have worked on the mines for a period of not less than two years and who have contracted pulmonary tuberculosis and the dependents of deceased mine workers who died of pulmonary tuberculosis; and (2) that the common law be developed to provide that, where a claimant commences suing for general damages and subsequently dies before close of pleadings, the claim for general damages will transmit to the estate of the deceased claimant.

The progression of the classes certified will be done in two phases: (i) a determination of common issues, on an opt-out basis, and (ii) the hearing and determination of individualised issues, on an opt-in basis. In addition, costs were awarded in favour of the claimants. The High Court ruling did not represent a ruling on the merits of the cases brought by the Claimants.

Sibanye-Stillwater and the other respondents believed that the judgment addressed a number of highly complex and important issues, including a far reaching amendment of the common law, that have not previously been considered by other courts in South Africa. The High Court itself found that the scope and magnitude of the proposed claims is unprecedented in South Africa and that the class action would address novel and complex issues of fact and law. The respondents applied for leave to appeal against the judgement because they believed that the court's ruling on some of these issues is incorrect and that another court may come to a different decision. On 21 September 2016, the Supreme Court of Appeal granted the respondents leave to appeal against all aspects of the class certification judgment of the South Gauteng High Court delivered in May 2016, however the appeal case has since been postponed indefinitely as Sibanye-Stillwater, the other respondents and the claimants representatives have made significant progress in the attempt to have this matter settled out of court. It has to be noted, however, that whatever settlement and whenever it is concluded, will still be subject to approval by court.

ADMINISTRATION

Cain Farrel was appointed Company Secretary of Sibanye-Stillwater 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 and in terms of the JSE Listings Requirements. Henning Opperman is the designated group audit engagement partner, accredited by the JSE, for Sibanye-Stillwater.

SUBSIDIARY COMPANIES

For details of major subsidiary companies in which the Company has a direct or indirect interest, see *Company financial statements–Notes to the company financial statements–Note 11: Investment in subsidiaries*.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF SIBANYE GOLD LIMITED, TRADING AS SIBANYE-STILLWATER

REPORT ON THE AUDIT OF THE SEPARATE FINANCIAL STATEMENTS

OPINION

We have audited the separate financial statements of Sibanye Gold Limited, trading as Sibanye-Stillwater (the Company) as set out on pages 15 to 56, which comprise the company statement of financial position as at 31 December 2017, the company income statement, the company statement of changes in equity and the company statement cash flows for the year then ended, and the notes to the company financial statements, including a summary of significant accounting policies.

In our opinion, the separate financial statements present fairly, in all material respects, the separate financial position of Sibanye Gold Limited as at 31 December 2017, and its separate financial performance and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act of South Africa.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the A*uditor's Responsibilities for the Audit of the Separate Financial Statements* section of our report. We are independent of the Company in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants* (Part A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the separate financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

LIQUIDITY AND GOING CONCERN

Refer to the Directors' Report, note 27.2 working capital and going concern assessment and note 21 borrowings and derivative financial instruments

Key audit matter

The Company sells gold products based on external market prices that are quoted in US dollars, while the majority of its costs are incurred in South African rand.

The weakening of the US dollar against the rand towards the end of 2017 and into the first quarter of 2018 has significantly reduced the rand denominated revenue, while costs remained stable. This has had an impact on the Company's profit margins.

The Company has raised a significant amount of debt in 2017 through its US$450 Million Convertible Bond to settle the acquisition price of Stillwater Mining Company (Stillwater).

The combination of lower margins and increased finance expenses have impacted the forecasted cash flows and compliance with the Company's debt covenant ratios. This has increased the risk of the Company's ability to settle obligations as they become due.

In anticipation of the increased debt facilities to settle the Stillwater purchase consideration, negotiations regarding existing covenants were completed during 2017 where the leverage ratio as defined in note 27.2 was increased to 3.5:1. The Company is in compliance with its covenants as at 31 December 2017, but the required leverage ratio reduces to 2.5:1 times in the first quarter of 2019.

Negotiations with lenders are also at an advanced stage and a term sheet for refinancing the US$350 million facility with a US$600 million facility has been entered into with new lenders to maintain adequate liquidity.

The separate financial statements explain how the directors have concluded that the Company remains able to settle its obligations as they fall due, and that the going concern basis is appropriate in preparing the separate financial statements. The conclusion reached considered:

- The committed undrawn debt facilities available to the Company; and

How we addressed the matter in our audit

Our procedures related to the Company's ability to settle their obligations as they fall due and the conclusion to prepare financial statements on the going concern basis included the following,:

- We obtained and inspected documentation supporting the Company's ability to settle its obligations as they become due:
  - correspondence with lenders regarding the increase of the debt covenant ratios and the period covered by the increase;
  - the directors' evaluation of the liquidity and solvency position of the Company, which includes budgets and cash flow forecasts, including scenarios of different commodity prices and rand/US dollar exchange rates; and
  - signed term sheets for the refinancing of the debt agreements.
- In respect of the directors' evaluation and in particular the budgets and forecast supporting their conclusion, we:
  - evaluated the reasonability of the budgeted information with reference to 2017 actual results;
  - challenged the reasonableness of production costs, inflation and capital budgets by comparing the forecasts to our knowledge of the Company and industry norms; and
  - performed an independent sensitivity analysis on the budget using scenarios of different commodity prices and rand/US dollar exchange rates over the twelve months; and
  - engaged with valuation experts to assist in evaluating the reasonableness of forecast commodity prices and exchange rates.
- In respect of the committed undrawn debt facilities, we:
  - inspected signed term sheets from the financiers which included the amount of available facilities; and
  - recalculated the committed undrawn debt facilities with reference to the debt agreements and confirmation of outstanding amounts from the lenders.

- Other various options such as streaming facilities, reduction of capital expenditure, sale of assets and as a last resort equity raises.

Given the significance of the impact that exchange rate movements after year-end have on the Company's forecast profitability and cash flows, the evaluation of the Company's liquidity and going concern assumption was a focus area in our audit, and was considered a key audit matter in our audit of the separate financial statements.

- In respect of the debt covenants we:
  - recalculated the ratios at year end based on the contractual agreements and the amendments to the agreements; and
  - determined forecast covenant ratios for each of the sensitivity scenarios calculated and assessed the likelihood that the Company can comply with the covenants into the future.
- In respect of the additional funding possibilities available to the Company we:
  - inspected correspondence with possible counter parties regarding proposed streaming transactions;
  - assessed the nature of different capital expenditure budgeted for the period, especially the capital expenditures which could be postponed and the capital expenditure required for continuing production;
  - considered the possibility and impact of possible asset disposals on the Company's production; and
  - considered the possible cash inflows from equity raises, taking into account the shares available to the directors under the general authority to issue additional shares.
- Finally, we assessed the adequacy of the Company's disclosures in relation to the directors' liquidity and going concern assessment.

VALUATION AND IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND LOANS TO SUBSIDIARIES

Refer to note 7 impairments, note 10 property, plant and equipment and note 29 loans to subsidiaries

Key Audit Matter

Several impairment indicators relating to certain of the Company's operations and assets were identified during the year:

- ongoing losses experienced at the Beatrix West mine which negatively affected cash flow as well as the sustainability and economic viability of the operation;
- ongoing losses experienced at the Cooke 1, 2 and 3 operations. The Company has a 76% shareholding in Newshelf 1114 Proprietary Limited (Newshelf), which in turn owns 100% of Rand Uranium Proprietary Limited (Rand Uranium) and Ezulwini Proprietary Limited (Ezulwini) (together referred to as the Cooke operations);
- weakening of the US dollar against the rand during the year from an average of R14.68/US$ to R12.36/US$ at the end of 2017,
- Planned disposals of a certain of the tailing assets relating to the West Rand Tailings Retreatment Project (WRTRP); and
- Company's restructuring and prioritising of its operations following S189A consultations.

Following the indicators identified above, the recoverable amounts of the cash generating units were determined. This, together with the decision to close the Cooke 1, 2 and 3 shafts, resulted in the Company impairing the following assets:

- Beatrix West mining assets, included in property, plant and equipment, by R603.7 million, and
- The loan to Newshelf, Rand Uranium and and Ezulwini, by R2,574.4 million.

These impairments were based on the recoverable amount, over the life of mine, calculated using discounted cash flow forecasts from the expected revenues from gold and uranium reserves, and costs to extract these reserves.

Discounted cash flows include numerous significant estimates and assumptions, including:

- proven and probable mineral reserves,
- forecast commodity prices and exchange rates,
- forecast production and costs of production; and
- discount rates.

How we addressed the matter in our audit

Our procedures relating to the valuation and impairment of property, plant and equipment and loans to subsidiaries included the following:

- In respect of the changes in future operational plans and methods of recovery of the assets we inquired from management and inspected minutes of meetings of executive management regarding expected closures of operations.
- In respect of the proven and probable mineral reserves and technical estimates applied in the discounted cash flow models we:
  - assessed the competence, capabilities and objectivity of the geologists and mine planners employed by the Company;
  - inspected and evaluated reserve reconciliations for the operations for significant changes in declared reserves and obtained relevant support for such changes; and
  - assessed the head grade and technical factors applied in determining the reserves of the operations against historical results of the Company and future projections based on geological surveys.
- In respect of the discounted cash flow models used to determine the recoverable amount we:
  - assessed the design, implementation and operating effectiveness of controls over management's review of the abovementioned assumptions;
  - identified and evaluated the Company's assumptions and estimates used to determine the recoverable value of its operations;
  - assessed the reasonableness of inputs in the discounted cash flow models used to calculate the fair value. This includes the rand gold prices, operating and capital expenditure, discount rates and foreign currency exchange rates used in determining the fair value less costs to sell;
  - challenged these assumptions by comparing to external benchmarks, as well as evaluating the accuracy of the modelling process by comparing past estimates to actual results and evaluating the assumptions based on our knowledge of the Company and its industry;
  - engaged with our own valuation experts to assist in challenging the discount rates and forecast prices applied in the discounted cash flow models; and

Management makes use of experts in assisting to make estimates around geological and technical factors to determine forecast production and proven and probable reserves.

The valuation and impairment of property, plant and equipment and loans to subsidiaries was considered to be a key audit matter in our audit of the separate financial statements due to the significant change in expected recovery of the assets, and judgement required in determining the recoverable amounts.

- performed sensitivity analyses to consider the impact of changes in assumptions and estimates on the fair value less costs to sell.
- In respect of the disclosures of the significant estimates and judgements used in the valuation of property, plant and equipment we:
  - assessed the adequacy of the Company's disclosures, including those disclosures relating to the significant accounting judgements and estimates used in determining the recoverable amount in terms of the requirements of IAS 36 *Impairment of non-financial assets*.

OCCUPATIONAL HEALTHCARE OBLIGATION

Refer to the Directors' report and note 23 occupational healthcare obligation

Key Audit Matter

During 2012 and 2014, two court applications were served on the Company (as well as other mining companies) by various applicants purporting to represent classes of mine workers, and where deceased, their dependents, who were previously employed by or who are employees of the Company and who allegedly contracted silicosis and/or tuberculosis. Silicosis is a lung disease caused by the inhalation of dust containing silica. In the 2016 separate financial statements the class action against the Company was disclosed as a contingent liability as the amount of the possible claims was not considered reliably quantifiable.

As a result of the ongoing work of the Occupational Lung Disease Working Group (Working Group) and various engagements with affected stakeholders through the Working Group since 31 March 2017, it became possible during 2017 for the Company to reasonably estimate its share of the estimated cost in relation to the Working Group of a possible settlement of the class action claims and related costs.

The occupational healthcare obligation as at 31 December 2017 amounted to R1,153.3 million.

The valuation of the occupational healthcare obligation is subject to numerous estimates to develop the estimate of the expected future cash flows to settle this obligation. This includes amongst others:

- the ultimate outcome of the settlement;
- the agreed benefits of the previous employees;
- timing of the required payments; and
- the number of historic employees exposed to the risk and the number of these employees who will be identified.

Management uses an actuarial expert to assist them in calculating the obligation because of the complexity and level of uncertainty applicable.

This matter was considered to be a key audit matter in our audit of the separate financial statements given the inherent complexity and related judgements and estimates required in the measurement of the provision for occupational healthcare obligations.

How we addressed the matter in our audit

Our procedures relating to the provision for occupational healthcare obligation included the following:

- In respect of the recognition of the obligation in the current year: we evaluated the appropriateness of the triggering event for the recognition of the obligation, and assessed this against the criteria of IAS 37 *Provisions, contingent liabilities and contingent assets* (IAS 37).
- In respect of the expert engaged by the Working Group we:
  - evaluated the competence, capabilities and objectivity of the external expert; and
  - we engaged with our actuarial experts to assist in challenging the methods and assumptions applied by the expert engaged by the Working Group.
- In respect of the model applied in estimating the settlement obligation we:
  - obtained an understanding of the methods, model and inputs applied in estimating the obligation through inquiries with the external expert engaged by the Working Group, and reading memoranda prepared by the expert and draft settlement agreements;
  - engaged with internal KPMG actuarial specialists to assist in understanding the model used, the nature of the obligation and sourcing of inputs, and verification of the inputs;
  - tested the design, implementation and operating effectiveness of management's controls over the estimates and judgements applied in the determining the number of historic employees, the timing of onset and the timeframe of expected settlement. Our experts assisted the engagement team in identifying the areas susceptible to misstatements;
  - inspected and critically assessed the models with the assistance of our actuarial experts to assess the appropriateness and methodology applied, and the appropriateness of inputs and assumptions made to adjust externally observable inputs; and
  - inquired from the Company's legal representative about the estimated settlement amount which was used within the model to determine the occupational healthcare obligation.
- In respect of disclosures included in the financial statements regarding the occupational healthcare obligation we evaluated the adequacy of the disclosures in respect of significant judgements and estimates made in determining the estimated amount of the obligations against the requirements in IAS 37.

VALUATION OF THE CONVERTIBLE BOND

Refer to note 21.3 US$450 million Convertible Bond

Key Audit Matter	How we addressed the matter in our audit

The Company announced in September 2017 the issue of convertible bonds worth US$450 million (the Convertible Bond). The Convertible Bond was issued to partially settle the purchase consideration of acquiring the Stillwater business. The bonds will mature in 2023.
 	
Recognition of the Convertible Bond was bifurcated between the host contract and an embedded derivative. The bonds are denominated in US dollars, but the shares in which it may be converted are in rands.
 	
Management performed a valuation of the embedded derivative to ascertain how much of the settlement amount is attributable to the embedded derivative and how much of the value is attributable to the host contract. Management made use of an expert to assist them with the valuation.
 	
Due to the complexity of valuing the settlement option the valuation of the Convertible Bond was therefore considered to be key audit matter in our audit of the separate financial statements.
	Our procedures relating to the valuation of the convertible bond included the following:
	• In respect of the experts engaged by the Company to assist in determining the fair value of the embedded derivative we:
	  • evaluated the competence, capabilities and objectivity of the external expert used my management; and
	  • engaged with our own valuation expert to assist in challenging the methods and assumptions applied by the expert engaged by the Company.
	• In respect of the mechanics of the settlement option and the model used to estimate the fair value of the embedded derivative on recognition and subsequently at year-end we:
	  • confirmed the amount and terms of the instrument to the issuing documents and agreements;
	  • compared management's expert's inputs to our independently determined inputs,; and
	  • recalculated the fair value of the embedded derivative (R1,093.5 million at 31 December 2017) by involving our own internal expert who measured the fair value by applying binominal pricing techniques using an independently developed model.
	• In respect of disclosures included in the financial statements regarding the valuation of the embedded derivative we evaluated the adequacy of the Company's disclosures in respect of significant judgements and estimates made in estimating the fair value of the embedded derivative.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the Company secretary's confirmation, Report of the audit committee, and the Directors' report as required by the Companies Act of South Africa, and the other information contained in the Company financial statements 2017, the Annual financial report 2017, Integrated annual report 2017, Summarised report and notice of annual general meeting 2017 and Mineral resources and mineral reserve report 2017. Other information does not include the separate financial statements and our auditor's report thereon. Our opinion on the separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE SEPARATE FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of the separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE SEPARATE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

INDEPENDENT AUDITOR'S REPORT continued

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the company financial statements, including the disclosures, and whether the company financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the company financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that KPMG Inc. has been the auditor of Sibanye Gold Limited for eight years.

KPMG Inc.

Registered Auditor

Per Henning Opperman
Chartered Accountant (SA)
Registered Auditor
Director
29 March 2018

KPMG Crescent
85 Empire Road
Parktown, Johannesburg
2193

COMPANY INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2017

Figures in million - SA rand	Notes	2017	2016	2015
Revenue	3	**21,797.7**	24,175.9	19,742.9
Cost of sales	4	**(19,159.5)**	(17,392.5)	(16,317.5)
Interest income	13	**479.4**	277.4	242.2
Finance expense	5	**(1,261.0)**	(586.7)	(396.8)
Share-based payments	6	**(223.4)**	(240.8)	(247.4)
Loss on financial instruments		**(260.5)**	(931.9)	(56.0)
Gain on foreign exchange differences		**111.9**	191.7	0.9
Other income		**94.1**	7.8	1.1
Other costs		**(206.7)**	(180.7)	(126.3)
Impairments	7	**(3,178.1)**	(4,700.2)	-
Occupational healthcare expense	23	**(1,106.9)**	-	-
Gain on disposal of property, plant and equipment	10	**28.8**	80.7	49.0
Net gain/(loss) on recognition/(derecognition) of financial guarantee asset and liability	15	**390.1**	-	(158.3)
Restructuring costs		**(310.0)**	(121.1)	(67.2)
Transaction costs		**(524.5)**	(84.7)	(25.7)
(Loss)/profit before royalties and tax		**(3,328.6)**	494.9	2,640.9
Royalties	8.1	**(311.6)**	(512.4)	(383.9)
(Loss)/profit before tax		**(3,640.2)**	(17.5)	2,257.0
Mining and income tax	8.2	**85.7**	(1,341.7)	(496.4)
(Loss)/profit for the year		**(3,554.5)**	(1,359.2)	1,760.6

The Company does not have other comprehensive income, therefore no statement of comprehensive income is presented.

The accompanying notes form an integral part of these company financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

Figures in million - SA rand	Notes	2017	2016	2015
ASSETS				
Non-current assets		**40,738.7**	26,068.7	23,570.5
Property, plant and equipment	10	**13,587.1**	14,996.8	14,878.6
Investment in subsidiaries	11	**14,570.6**	6,479.0	1,201.6
Investment in associates	12	**81.0**	5.0	5.0
Investments		**145.5**	145.5	145.5
Related party loans	29	**9,952.3**	2,250.4	5,335.8
Environmental rehabilitation obligation funds	13	**2,012.4**	2,178.2	2,004.0
Other receivable	14	**70.4**	13.8	-
Financial guarantee asset	15.1	**319.4**	-	-
Current assets		**5,009.5**	4,120.7	3,470.2
Inventories	16	**66.9**	93.6	45.3
Trade and other receivables	17	**969.3**	1,265.9	1,380.1
Other receivable	14	**35.2**	68.6	-
Related party receivables	29	**3,012.0**	2,353.1	1,926.4
Tax and royalties receivable	8.4	**25.0**	-	-
Financial guarantee asset	15.1	**89.6**	-	-
Disposal group held for sale	18	**701.4**	-	-
Cash and cash equivalents	19	**110.1**	339.5	118.4
Total assets		**45,748.2**	30,189.4	27,040.7
EQUITY AND LIABILITIES				
Total equity		**22,131.1**	13,095.6	15,893.4
Stated share capital	20	**34,667.0**	21,734.6	21,734.6
Share-based payment reserve		**2,896.7**	2,680.9	2,508.9
Accumulated loss		**(15,432.6)**	(11,319.9)	(8,350.1)
Non-current liabilities		**16,598.9**	12,074.6	5,237.4
Borrowings	21	**9,493.5**	6,469.0	-
Derivative financial instrument	21	**1,093.5**	-	-
Environmental rehabilitation obligation	22	**1,586.2**	1,841.8	1,579.7
Post-retirement healthcare obligation		**11.3**	16.3	16.1
Occupational healthcare obligation	23	**1,152.5**	-	-
Share-based payment obligations	6.4	**-**	-	118.5
Deferred tax liabilities	8.3	**3,171.5**	3,747.5	3,523.1
Financial guarantee liability	15.2	**90.4**	**-**	-
Current Liabilities		**7,018.2**	5,019.2	5,909.9
Borrowings	21	**1,121.5**	749.5	1,961.6
Share-based payment obligations	6.4	**-**	204.5	395.7
Occupational healthcare obligation	23	**0.8**	-	-
Trade and other payables	24	**2,237.3**	2,090.9	2,077.5
Financial guarantee liability	15.2	**38.6**	**-**	-
Tax and royalties payable	8.4	**-**	50.9	129.9
Related party payables	29	**3,223.7**	1,923.4	1,345.2
Disposal group held for sale	18	**396.3**	-	-
Total equity and liabilities		**45,748.2**	30,189.4	27,040.7

The accompanying notes form an integral part of these company financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2017

Figures in million - SA rand	Notes	Stated share capital	Share-based payment reserve	Accumulated loss	Total Equity
Balance at 31 December 2014		**21,734.6**	**2,389.9**	**(9,452.6)**	**14,671.9**
Total comprehensive income for the year		-	-	1,760.6	**1,760.6**
Profit for the year		-	-	1,760.6	**1,760.6**
Share-based payments	6	-	119.0	-	**119.0**
Dividends paid	9	-	-	(658.1)	**(658.1)**
Balance at 31 December 2015		**21,734.6**	**2,508.9**	**(8,350.1)**	**15,893.4**
Total comprehensive income for the year		-	-	(1,359.2)	**(1,359.2)**
Loss for the year		-	-	(1,359.2)	**(1,359.2)**
Share-based payments	6	-	172.0	-	**172.0**
Dividends paid	9	-	-	(1,610.6)	**(1,610.6)**
Balance at 31 December 2016		**21,734.6**	**2,680.9**	**(11,319.9)**	**13,095.6**
Total comprehensive income for the year		-	-	(3,554.5)	**(3,554.5)**
Loss for the year		-	-	(3,554.5)	**(3,554.5)**
Share-based payments	6	-	215.8	-	**215.8**
Dividends paid	9	-	-	(558.2)	**(558.2)**
Rights issue	20	12,932.4	-	-	**12,932.4**
Balance at 31 December 2017		**34,667.0**	**2,896.7**	**(15,432.6)**	**22,131.1**

The accompanying notes form an integral part of these company financial statements.

COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2017

Figures in million - SA rand	Notes	2017	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash generated by operations	25	**4,604.6**	9,356.0	6,119.1
Post-retirement health care payments		**(6.3)**	(1.2)	(0.2)
Cash-settled share-based payments paid	6	**(232.4)**	(1,324.4)	(38.9)
Change in working capital	26	**1,054.0**	591.8	(1,124.1)
		5,419.9	8,622.2	4,955.9
Interest received		**245.1**	58.8	127.1
Interest paid		**(962.4)**	(429.9)	(254.1)
Tax and royalties paid	8.4	**(764.7)**	(1,708.7)	(1,016.1)
Dividends paid	9	**(558.2)**	(1,610.6)	(658.1)
Guarantee fee received	15.1	**82.0**	-	9.6
Guarantee release fee	15.2	**(16.1)**	-	(61.4)
Net cash from operating activities		**3,445.6**	4,931.8	3,102.9
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to property, plant and equipment	10	**(2,938.8)**	(3,043.4)	(2,728.1)
Proceeds on disposal of property, plant and equipment	10	**33.0**	81.6	60.6
Investment in subsidiaries	11	**(8,089.6)**	(6,000.0)	-
Loan advanced to equity-accounted investee		**(5.0)**	(1.9)	(3.0)
Loan repaid by equity-accounted investee		**-**	-	20.9
Contributions to environmental rehabilitation obligation funds	13	**(15.6)**	(34.4)	(75.2)
Payment of environmental rehabilitation obligation	22	**(15.9)**	-	(0.3)
Related-party loans repaid	29	**(19,048.6)**	(1,396.5)	(413.1)
Related-party loans raised	29	**8,178.2**	238.1	91.2
Net cash used in investing activities		**(21,902.3)**	(10,156.5)	(3,047.0)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from shares issued		**13,438.5**	-	-
Transaction costs paid on rights offer shares issued		**(506.1)**		
Loans raised	21	**33,343.8**	14,353.5	1,552.0
Loans repaid	21	**(27,837.8)**	(8,907.7)	(1,572.9)
Net cash from/(used in) financing activities		**18,438.4**	5,445.8	(20.9)
Net (decrease)/increase in cash and cash equivalents		**(18.3)**	221.1	35.0
Effect of exchange rate fluctuations on cash held		**(211.1)**	-	-
Cash and cash equivalents at beginning of the year		**339.5**	118.4	83.4
Cash and cash equivalents at end of the year	19	**110.1**	339.5	118.4

The accompanying notes form an integral part of these company financial statements.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

1. ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these separate (company) financial statements are set out below. Where an accounting policy is specific to a note, the policy is described in the note which it relates to. These policies have been consistently applied to all the periods presented, except for the adoption of new and revised standards and interpretations. The consolidated financial statements of Sibanye-Stillwater and its subsidiaries (the Group) can be found on Sibanye-Stillwater's website (www.sibanyestillwater.com).

1.1 REPORTING ENTITY

Sibanye Gold Limited (Sibanye-Stillwater or the Company) is a South African focused gold producer, listed on the Main Board of the JSE Limited (JSE) and New York Stock Exchange. Sibanye's principal operations are Driefontein, Kloof and Beatrix.

1.2 BASIS OF PREPARATION

The company financial statements for the year ended 31 December 2017 have been prepared on a going concern basis in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board, the South African Institute of Chartered Accountants Financial Reporting Guides issued by the Accounting Practices Committee and Financial Reporting Pronouncements issued by the Financial Reporting Standards Council, as well as the requirements of the South African Companies Act and JSE Listings Requirements. The company annual financial statements have been prepared under the historical cost convention, except for financial assets and financial liabilities (including derivative instruments), which are measured at fair value through profit or loss.

STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2017

During the financial year, the following new and revised accounting standards and amendments to standards became effective and had no significant impact on the Company's financial statements:

Pronouncement	Details of amendments	Effective date
IFRS 12 *Disclosure of Interests in Other Entities* (Amendment)	*Annual Improvements 2014-2016 Cycle* Clarification of the scope of IFRS 12 with respect to interests in entities classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.	1 January 2017
IAS 7 *Statement of Cash Flows* (Amendment)	*Disclosure Initiative* Amendments requiring entities to disclose information about changes in their financing liabilities.	1 January 2017
IAS 12 *Income Taxes* (Amendment)	*Recognition of Deferred Tax Assets for Unrealised Losses* Narrow-scope amendment to clarify the requirements on recognition of deferred tax assets for unrealised losses on debt instruments measured at fair value.	1 January 2017

STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS WHICH ARE NOT YET EFFECTIVE

Certain new standards, amendments and interpretations to existing standards have been published that apply to the Company's accounting periods beginning on or after 1 January 2018 but have not been early adopted by the Company. The standards, amendments and interpretations that are applicable to the Company are:

Pronouncement	Details of amendments and estimated impact	Effective date[1]
IFRS 2 *Share-based payment* (Amendment)[2]	*Classification and Measurement of Share-based Payment Transactions:* A collection of three distinct narrow-scope amendments dealing with classification and measurement of share-based payments. The amendments address: • The effects of vesting conditions on the measurement of a cash-settled share-based payment; • The accounting requirements for a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled; and • The classification of share-based payment transactions with net settlement features.	1 January 2018
IFRS 3 *Business Combinations* (Amendment)[2]	*Annual Improvements 2015-2017 Cycle* Clarification that when an entity obtains control of a business that is a joint operation, it is required to remeasure previously held interests in that business.	1 January 2019

Pronouncement	Details of amendments and estimated impact	Effective date[1]
IFRS 9 *Financial Instruments* (New standard)	IFRS 9 arises from a three-part project to replace IAS *39 Financial Instruments: Recognition and Measurement*. IFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting, and a new impairment model for financial assets. The Company performed an assessment of the impact of adoption of IFRS 9 calculated that it had no significant impact on its statement of financial position. The new standard also introduces expanded disclosure requirements and changes in presentation. These will change the nature and extent of the Company's disclosures about its financial instruments which will be provided in the financial statements for the year ending 31 December 2018. The Company does not intend to adopt IFRS 9 before the effective date.	1 January 2018
IFRS 9 *Financial instruments* (Amendment)	*Prepayment Features with Negative Compensation* The narrow-scope amendment allows companies to measure particular prepayable financial assets with negative compensation at amortised cost or at fair value through other comprehensive income if a specified condition is met.	1 January 2019
IFRS 11 *Disclosure of Interest in Other Entities* (Amendment)[2]	*Annual Improvements 2015-2017 Cycle* Clarification that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.	1 January 2019
IFRS 15 *Revenue from Contracts with Customers* (New standard)	IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related interpretation when it becomes effective. IFRS 15 establishes a single comprehensive five-step model to account for revenue arising from contracts with customers and is based on the core principle that revenue is recognised when control of a good or service transfers to a customer. The Company assessed the "new" recognition of its gold, PGM and chrome sales. There will not be any adjustment as of 1 January 2018 due to the transition to IFRS 15.	1 January 2018
IFRS 16 *Leases* (New standard)	IFRS 16 replaces the previous lead standard IAS 17 *Leases* and related interpretations. IFRS 16 has one model for lessees which will result in almost all leases being recognised on balance sheet as the distinction between operating and finance leases is removed. The only exceptions are short-term and low-value leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees also will be required to remeasure the lease liability upon the occurrence of certain events (e.g. a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. In 2017, the Company assembled a project team to begin the process of assessing the impact of the leases standard. The project team has developed its project plan, established a steering committee, identified key stakeholders, high level education sessions have been completed and the process has begun to gather more information (through the use of interviews and questionnaires) with respect to the population of procurement contracts that will need to be assessed in light of the new requirements. In 2018, the Company plans to continue to assess the potential effect of IFRS 16 on its company financial statements. An area of specific focus already identified relates to certain service contracts which may fall in the scope of IFRS 16. The Company does not intend to adopt IFRS 16 before the effective date.	1 January 2019
IAS 12 *Income Taxes* (Amendment)[2]	*Annual Improvements 2015-2017 Cycle* Clarification that all income tax consequences of dividends should be recognised in profit or loss, regardless how the tax arises.	1 January 2019

Pronouncement	Details of amendments and estimated impact	Effective date[1]
IAS 19 *Employee Benefits* (Amendment)[2]	*Plan Amendment, Curtailment or Settlement* The amendments require an entity to use the updated assumptions from a remeasurement net defined benefit liability or asset resulting from a plan amendment, curtailment or settlement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan.	1 January 2019
IAS 23 *Borrowing Costs* (Amendment) [2]	*Annual Improvements 2015-2017 Cycle* The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.	1 January 2019
IAS 28 *Investments in Associates and Joint Ventures* (Amendment)[2]	*Annual Improvements 2014-2016 Cycle* Clarification that a venture capital organisation, or a mutual fund, unit trust and similar entities may elect, at initial recognition, to measure investments in an associate or joint venture at fair value through profit or loss separately for each associate or joint venture.	1 January 2018
IAS 28 *Investments in Associates and Joint Ventures* (Amendment)[2]	*Long-term interest in Associates and Joint Ventures* Clarification provided that an entity should apply IFRS 9 to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.	1 January 2019
IFRIC 22 *Foreign Currency Transactions and Advance Consideration*[2]	This interpretation addresses the exchange rate to use in transactions that involve advance consideration paid or received in a foreign currency.	1 January 2018
IFRIC 23 *Uncertainty over Income Tax Treatments*	The interpretation specifies how an entity should reflect the effects of uncertainties in accounting for income taxes.	1 January 2019

[1] Effective date refers to annual period beginning on or after said date.
[2] No impact

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Use of estimates: The preparation of the financial statements requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The determination of estimates requires the exercise of judgement based on various assumptions and other factors such as historical experience, current and expected economic conditions, and in some cases actuarial techniques. Actual results could differ from those estimates.

The more significant areas requiring the use of management estimates and assumptions relate to Mineral Reserves (that are the basis of future cash flow estimates and unit-of-production depreciation and amortisation calculations, impairments and reversal of impairments); revenue recognition; deffered tax; write-downs of inventory to net realisable value; borrowings, environmental, reclamation and closure obligations; and occupational healthcare obligation.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the financial period are discussed under the relevant note of the item affected.

1.3 TRANSACTIONS WITH SHAREHOLDERS OF SIBANYE-STILLWATER

Transactions with owners in the capacity as equity participants are not recognised in profit or loss, but instead are recognised in equity with a corresponding change in assets or liabilities.

1.4 FOREIGN CURRENCIES

FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the functional currency) which is South African rand. The company financial statements are presented in South African rand, which is the Company's presentation currency.

TRANSACTIONS AND BALANCES

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities are translated into the functional currency at each reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in profit or loss.

1.5 COMPARATIVES

Where necessary comparative periods may be adjusted to conform to changes in presentation.

2. SEGMENT REPORTING

ACCOUNTING POLICY

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker and is based on individual mining operations. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Committee that makes strategic decisions.

	2017					2016					2015				
Figures in million - SA rand	Total Company	Driefontein	Kloof	Beatrix	Corporate and reconciling items[1]	Total Company	Driefontein	Kloof	Beatrix	Corporate and reconciling items[1]	Total Company	Driefontein	Kloof	Beatrix	Corporate and reconciling items[1]
Revenue	**21,797.7**	8,076.9	8,845.0	4,875.8	-	**24,175.9**	9,401.1	8,890.9	5,883.9	-	**19,742.9**	8,236.0	6,691.4	4,815.5	-
Underground	**19,886.5**	7,148.1	7,985.3	4,753.1	-	**21,744.8**	8,105.3	8,012.6	5,626.9	-	**17,952.6**	7,284.1	6,112.8	4,555.7	-
Surface	**1,911.2**	928.8	859.7	122.7	-	**2,431.1**	1,295.8	878.3	257.0	-	**1,790.3**	951.9	578.6	259.8	-
Cost of sales, before amortisation and depreciation	**(15,918.7)**	(6,203.5)	(5,762.7)	(3,952.5)	-	**(14,360.9)**	(5,566.6)	(5,041.0)	(3,753.3)	-	**(13,402.4)**	(5,234.2)	(4,777.2)	(3,391.0)	-
Underground	**(14,450.5)**	(5,488.9)	(5,109.5)	(3,852.1)	-	**(13,028.9)**	(4,852.1)	(4,609.4)	(3,567.4)	-	**(12,320.6)**	(4,681.2)	(4,454.9)	(3,184.5)	-
Surface	**(1,468.2)**	(714.6)	(653.2)	(100.4)	-	**(1,332.0)**	(714.5)	(431.6)	(185.9)	-	**(1,081.8)**	(553.0)	(322.3)	(206.5)	-
Amortisation and depreciation	**(3,240.8)**	(1,126.5)	(1,404.5)	(696.2)	(13.6)	**(3,031.5)**	(1,012.9)	(1,190.7)	(818.0)	(9.9)	**(2,915.1)**	(1,142.6)	(1,029.3)	(739.4)	(3.8)
Interest income	**479.4**	77.6	71.1	18.4	312.3	**277.4**	70.8	62.3	34.1	110.2	**242.2**	67.5	50.6	31.3	92.8
Finance expense	**(1,261.0)**	(220.9)	(246.9)	(128.4)	(664.8)	**(586.8)**	(143.1)	(156.0)	(77.6)	(210.1)	**(396.8)**	(147.7)	(150.1)	(57.2)	(41.8)
Share-based payments	**(223.4)**	(2.8)	(1.8)	(1.3)	(217.5)	**(240.8)**	(16.5)	(13.7)	(9.1)	(201.5)	**(247.4)**	(35.1)	(27.6)	(23.5)	(161.2)
Net other costs[2]	**(261.2)**	(8.6)	(14.4)	(48.0)	(129.2)	**(907.8)**	(226.1)	(187.9)	(170.5)	(323.3)	**(180.3)**	(77.9)	(60.4)	(47.3)	5.3
Non-underlying items[3]	**(4,700.6)**	(74.9)	(50.4)	(675.3)	(3,900.0)	**(4,830.6)**	(20.8)	15.7	(12.6)	(4,812.9)	**(202.2)**	(2.9)	7.2	(8.4)	(198.1)
Royalties	**(311.6)**	(77.8)	(189.3)	(44.5)	-	**(512.4)**	(204.8)	(194.3)	(113.3)	-	**(383.9)**	(196.8)	(98.4)	(88.7)	-
Current taxation	**(377.2)**	(14.7)	(350.1)	(12.4)	-	**(1,117.3)**	(472.3)	(422.0)	(223.0)	-	**(681.5)**	(430.8)	(97.4)	(153.4)	0.1
Deferred taxation	**462.9**	(12.0)	61.4	245.3	168.2	**(224.4)**	(64.3)	(148.5)	19.4	(31.0)	**185.1**	53.4	0.9	18.0	112.8
(Loss)/profit for the year	**(3,554.5)**	412.8	957.4	(419.1)	(4,444.6)	**(1,359.2)**	1,744.5	1,614.8	760.0	(5,478.5)	**1,760.6**	1,088.9	509.7	355.9	(193.9)
Adjusted EBITDA	**5,766.4**	1,841.0	3,044.5	910.0	(29.1)	**9,642.1**	3,782.5	3,800.7	2,085.9	(27.0)	**6,215.4**	2,934.4	1,865.1	1,389.1	26.7
Sustaining capital expenditure	**512.6**	235.0	210.2	63.1	4.3	**623.7**	218.5	261.2	84.8	59.2	**568.4**	249.2	225.6	86.1	7.5
Ore reserve development	**2,234.3**	876.1	876.2	482.0	-	**2,234.8**	779.0	912.9	542.9	-	**2,078.0**	727.0	840.6	510.4	-
Growth projects	**192.0**	44.4	147.1	0.5	-	**720.9**	54.1	130.1	0.7	536.0	**81.7**	18.0	63.7	-	-
Total capital expenditure	**2,938.9**	1,155.5	1,233.5	545.6	4.3	**3,579.4**	1,051.6	1,304.2	628.4	595.2	**2,728.1**	994.2	1,129.9	596.5	7.5

[1] *Corporate and reconciling items represents the items to reconcile segment data to company financial statement totals. This does not represent a separate segment as it does not generate miniing revenue.*

[2] *Net other costs consists of loss on financial instruments, gain on foreign exchange differences, other income and other costs as detailed in profit or loss.*

[3] *Non-underlying items consists of impairments, occupational healthcare expense, gain on disposal of property, plant and equipment, restructuring costs, transaction costs and net gain/(loss) on recognition/(derecognition) of financial guarantee asset and liability as detailed in profit or loss.*

3. REVENUE

ACCOUNTING POLICY

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Company and the amount of revenue can be reliably measured.

Revenue arising from gold sales is recognised at the fair value of the consideration received or receivable, once the significant risks and rewards of ownership have passed to the buyer. These criteria are typically met when the gold is delivered to the refinery. The price of gold is determined by market forces.

Figures in million - SA rand	2017	2016	2015
Revenue from mining activities	**21,797.7**	24,175.9	19,742.9
Total revenue	**21,797.7**	24,175.9	19,742.9

4. COST OF SALES

ACCOUNTING POLICY

The following accounting policies relates to some costs that are included in cost of sales:

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be reliably estimated.

Pension and provident funds

The Company operates a defined contribution retirement plan and contributes to a number of industry-based defined contribution retirement plans. The retirement plans are funded by payments from employees and the Company.

Contributions to defined contribution funds are expensed as incurred.

Figures in million - SA rand	Notes	2017	2016	2015
Salaries and wages		**(7,207.4)**	(6,670.3)	(6,151.8)
Consumable stores	16	**(4,052.3)**	(3,479.5)	(3,123.3)
Utilities		**(3,060.4)**	(2,893.7)	(2,660.9)
Mine contracts		**(1,486.3)**	(1,230.9)	(1,048.7)
Other		**(2,346.6)**	(2,321.3)	(2,495.7)
Ore reserve development costs capitalised	10	**2,234.3**	2,234.8	2,078.0
Cost of ales, before amortisation and depreciation		**(15,918.7)**	(14,360.9)	(13,402.4)
Amortisation and depreciation	10	**(3,240.8)**	(3,031.6)	(2,915.1)
Total cost of sales		**(19,159.5)**	(17,392.5)	(16,317.5)

All employees are members of various defined contribution retirement plans. The cost of providing retirement benefits for the year amounted to R552.5 million (2016: R513.3 million and 2015: R557.3 million).

5. FINANCE EXPENSE

ACCOUNTING POLICY

Finance expense comprises interest on borrowings, occupational healthcare obligation, post-retirement healthcare obligation and environmental rehabilitation obligation offset by borrowing costs capitalised on qualifying assets.

Interest payable on borrowings is recognised in profit or loss over the term of the borrowings using the effective interest method. Cash flows from interest paid are classified under operating activities in the statement of cash flows.

Figures in million - SA rand	Notes	2017	2016	2015
Interest charge on:				
Borrowings - interest paid	21	**(962.3)**	(427.5)	(247.9)
Borrowings - accrued interest and unwinding of amortised cost	21	**(80.5)**	(2.0)	(3.0)
Environmental rehabilitation obligation	22	**(168.9)**	(154.8)	(138.3)
Occupational healthcare obligation	23	**(46.4)**	-	-
Other		**(2.9)**	(2.4)	(7.6)
Total finance expense		**(1,261.0)**	(586.7)	(396.8)

6. SHARE-BASED PAYMENTS

ACCOUNTING POLICY

The Company operates an equity-settled compensation plan in which certain employees of the Company participate. The fair value of the equity-settled instruments is measured by reference to the fair value of the equity instrument granted.

Fair value is based on market prices of the equity-settled instruments granted, if available, taking into account the terms and conditions upon which those equity-settled instruments were granted. Fair value of equity-settled instruments granted is estimated using appropriate valuation models and appropriate assumptions at the grant date. Non-market vesting conditions (service period prior to vesting) are not taken into account when estimating the fair value of the equity-settled instruments at grant date. Market conditions are taken into account in determining the fair value at grant date.

The grant date fair value of the equity-settled instruments is recognised as an employee benefit expense over the vesting period based on the Company's estimate of the number of instruments that will eventually vest, with a corresponding increase in the share-based payment reserve. Vesting assumptions for non-market conditions are reviewed at each reporting date to ensure they reflect current expectations.

The Company also operates a cash-settled compensation plan in which certain employees of the Company participate. The grant date fair value of the cash-settled instruments is equal to the value of the equity-settled instrument granted on the same grant date.

The grant date fair value of the cash-settled instruments is recognised as an employee benefit expense over the vesting period based on the Company's estimate of the number of instruments that will eventually vest, with a corresponding increase in the share-based payment obligation. At each reporting date the obligation is remeasured to the fair value of the instrument, to reflect the potential outflow of cash resources to settle the liability, with a corresponding adjustment to gain or loss on financial instrument in profit or loss. Vesting assumptions for non-market conditions are reviewed at each reporting date to ensure they reflect current expectations.

Where the terms of an equity-settled or a cash-settled award are modified, the originally determined expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification, which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the participant as measured at the date of the modification.

Figures in million - SA rand	Notes	2017	2016	2015
Sibanye 2017 Share Plan	6.1	**-**	-	-
Sibanye Gold Limited 2013 Share Plan[1]	6.2	**(213.6)**	**(169.1)**	**(114.3)**
Performance shares		**(191.5)**	(142.9)	(92.1)
Bonus shares		**(22.1)**	(26.2)	(22.2)
Sibanye Gold Limited Phantom Share Scheme	6.3	**(9.8)**	(71.7)	(133.1)
Performance shares		**(9.8)**	(71.7)	(116.8)
Bonus shares		**-**	-	(15.2)
Phantom share dividends		**-**	-	(1.1)
Total share-based payments		**(223.4)**	**(240.8)**	**(247.4)**

[1] Included in the share-based payment reserve is R2.0 million (2016: R3.0 million and 2015: R4.7 million) relating to subsidiaries not included in the equity-settled share-based payment expense, refer to note 11.

6.1 SIBANYE 2017 SHARE PLAN

On 27 May 2017, the shareholders of Sibanye-Stillwater approved the adoption of the Sibanye 2017 Share Plan (2017 Share Plan) with effect for allocations made after this date. The 2017 Share plan provides for two methods of participation, namely Conditional Shares and Forfeitable Shares. This plan seeks to attract, retain, motivate and reward participating employees on a basis which seeks to align the interest of such employees with those of the shareholders. All employees at above Vice President level are eligible to participate in the plan.

FORFEITABLE SHARES

The Remuneration Committee makes an annual award of Forfeitable Shares to eligible participants. The number of shares awarded depends on the individual's annual cash bonus, which is determined by reference to actual performance against predetermined targets for the preceding cycle, and using the relevant share price calculation at the award date.

The face value of the Forfeitable Share award is equal to two-thirds of the actual annual cash bonus and is allocated in the form of restricted forfeitable shares. The Forfeitable Shares vest in two equal tranches at nine months and 18 months after the award date. Except for the right to dispose, participants have full shareholder rights in the unvested Forfeitable Shares during the vesting period, including the right to receive dividends.

CONDITIONAL SHARES

The Remuneration Committee makes an annual award of Conditional Shares to eligible participants. The number of Conditional Shares awarded to an employee is based on the employee's annual guaranteed pay and grade combined with a factor related to the employee's assessed performance rating for the prior year and using the relevant share price calculation at the award date.

Performance Shares vest no earlier than the third anniversary of the award, to the extent that Sibanye-Stillwater has met specified performance criteria over the intervening period. Essentially the number of shares that vest will depend on the extent to which Sibanye-Stillwater's has performed over the intervening three year period relative to two particular performance criteria, Total Shareholder Return (TSR) and Return on Capital Employed (ROCE). These are considered to be the most widely acceptable vesting performance measures suited to aligning the outcome of long-term share incentive awards with shareholders' interests. This change will result in a possible vesting percentage ranging from 0%, in the case of very poor performance, to 100% vesting of the awarded Performance Shares in the event of having achieved stretched performance outcomes.

The methodology to determine the performance condition that is applied on the vesting of Conditional Shares is approved by the Remuneration Committee. Due to concerns expressed by shareholders during 2015, a review was conducted to identify appropriate adjustments to the methodology for determining the performance condition to be reflective of the Company's evolving strategic market position and to enhance alignment with shareholder interests. The revised performance condition determination methodology that is applicable to all Conditional Share awards as from 1 March 2016 is described below.

The performance condition comprises two elements that are applied with the indicated weighting.

Total Shareholder Return (TSR) – 70% Weighting

TSR is generally recognised as the most faithful indicator of shareholder value creation. It is used extensively internationally and increasingly in South Africa, sometimes as a single metric but most often as one of two or three weighted performance metrics. In some company share plans, an absolute target is set, but more often it is referenced to a peer or comparator group of "like" companies.

The TSR element is measured against a benchmark of eight peer mining and resource companies that can collectively be deemed to represent an alternative investment portfolio for Sibanye-Stillwater's shareholders. The eight peer companies for TSR comprises of similar market capitalisation companies reflective of the expected positioning of Sibanye-Stillwater over the short to medium term as a value driven multi-commodity resources company with a specific focus on gold and platinum, and are set out in the table below.

Sibanye-Stillwater's TSR over the vesting period is compared with the peer group TSR curve constructed on a market capitalisation weighted basis in the following manner. The annualised TSR over the vesting period (TSR_{ANN}) is determined for each of the companies in the peer group. The peer group companies are sorted from lowest to highest TSR_{ANN}. The average market capitalisation based on daily closing price is determined for each company, and each peer company is assigned its proportion of the overall average market capitalisation of the peer group. The peer company TSR curve is plotted at the midpoint of each company's percentage of peer group market capitalisation on a cumulative basis above the worse performing companies in the peer group. In the event that one or more of the peer companies become ineligible for comparison, a peer company curve based on the companies remaining in the peer group is utilised.

The cumulative position of Sibanye-Stillwater's TSRANN is then mapped onto the TSR curve for the peer group to determine the percentile at which Sibanye-Stillwater performed over the vesting period. The performance curve governing vesting is set out in the table below.

TSR element of performance conditions Percentile on peer group TSR curve	% vesting
0%	0%
10%	0%
20%	0%
30%	5%
40%	20%
50%	35%
60%	55%
70%	75%
80%	90%
90%	100%
100%	100%

The eight peer group comparator companies for TSR comprises of similar market capitalisation companies reflective of the expected positioning of Sibanye-Stillwater over the short to medium term as a value driven multi-commodity resources company with a specific focus on gold and platinum and are set out in the table below.

Peer group companies for TSR comparison
AngloGold Ashanti Limited
Anglo American Platinum Limited (Anglo American Platinum)
Gold Fields Limited (Gold Fields)
Impala Platinum Holdings Limited
Northam Platinum Limited
Exxaro Resources Limited
Harmony Gold Mining Company Limited (Harmony)
African Rainbow Minerals Limited

Return On Capital Employed (ROCE) – 30% Weighting

ROCE is a profitability ratio that measures how efficiently a company generates profits from its capital employed. There is an increased focus on measuring the returns earned by businesses on the capital deployed by shareholders over and above the steady low risk returns typically available on financial markets.

For Sibanye-Stillwater, ROCE is evaluated against the company's cost of capital (Ke). A minimum threshold on the performance scale for ROCE is set as equalling the cost of capital, Ke, which would lead to the ROCE element contributing 0% towards the performance condition. Delivering a return that exceeds Ke by 6% or more would be regarded as a superior return representing the maximum 100% on the performance scale and full vesting in respect of the ROCE element. The performance curve governing vesting is set out in the table below.

ROCE element of performance condition	
Annual ROCE	**% vesting**
$\leq K_e$	0%
K_e + 1%	16.7%
K_e + 2%	33.3%
K_e + 3%	50.0%
K_e + 4%	66.7%
K_e + 5%	83.3%
K_e + 6%	100%

The overall performance condition is determined by adding 70% of the TSR element to 30% of the ROCE element. Furthermore should the Board, at its sole discretion, determine that there is evidence of extreme environmental, social and governance malpractice during the vesting period, up to 20% of the Performance Shares that would otherwise settle on vesting may be forfeited.

As indicated, the performance criteria described above govern vesting of all awards effective from 23 May 2017. Should any further adjustment be made these will govern future awards but will not be applied retrospectively.

The inputs to the models for options granted during the year were as follows:

Performance shares (PS)		***Bonus Shares (BS)***
2017	***MONTE CARLO SIMULATION***	**2017**
53.96%	– weighted average historical volatility (based on a statistical analysis of the share price on a weighted moving average basis for the expected term of the option)	**53.96%**
3	– expected term (years)	**n/a**
n/a	– expected term (months)	**9 - 18**
4.65%	– expected dividend yield	**4.65%**
7.40%	– weighted average three-year risk-free interest rate (based on SA interest rates)	**7.24%**
n/a	– marketability discount	**1.27% / 0.50%**
24.07	– weighted average fair value	**24.84 / 24.14**

The compensation cost related to awards not yet recognised under the plan at 31 December 2017 amounts to R48.2 million and is to be spread over 3 years.

At the annual general meeting (AGM) on 23 May 2017, the directors of Sibanye-Stillwater were authorised to issue and allot all or any of such shares required for the 2017 Share Plan, but in aggregate all plans may not exceed 40,000,000 shares. An individual participant may also not be awarded an aggregate of shares exceeding 4,000,000 shares.

OPTIONS GRANTED, EXERCISED AND FORFEITED UNDER THIS PLAN

Performance shares (PS)		***Bonus Shares (BS)***
2017	**Number of instruments**	**2017**
	Movement during the year:	
2,376,742	Granted during the year	**-**
10,933,066	Supplementary awards related to the SGL 2013 Plan1	**-**
(105,449)	Exercised and released	**-**
(250,471)	Forfeited	**-**
12,953,888	**Outstanding at end of the year**	**-**

6.2 SIBANYE GOLD LIMITED 2013 SHARE PLAN

On 21 November 2012, the shareholders of Sibanye-Stillwater approved the adoption of the Sibanye Gold Limited 2013 Share Plan (SGL Share Plan) with effect from the date of listing. The SGL Share plan provides for two methods of participation, namely Performance Shares and the Bonus Shares. This plan seeks to attract, retain, motivate and reward participating employees on a basis which seeks to align the interest of such employees with those of the shareholders.

BONUS SHARES

The Remuneration Committee makes an annual award of forfeitable shares to the executive directors, prescribed officers, senior vice presidents and vice presidents. These are referred to as Bonus Shares. The size of this Bonus Share award depends on the individual's annual cash bonus, which is determined by actual performance against predetermined targets.

The face value of the Bonus Share award is equal to two-thirds of the actual annual cash bonus and is allocated in the form of restricted forfeitable shares. The Bonus Shares vest in two equal parts at nine months and 18 months after the award date. Dividends are payable on the Bonus Shares during the holding period.

PERFORMANCE SHARES

The Remuneration Committee makes an annual award of conditional shares to the executive directors, prescribed officers, senior vice presidents and vice presidents. These are referred to as Performance Shares. The number of Performance Shares awarded to an employee is based on the employee's annual guaranteed pay and their grade combined with a factor related to their assessed performance rating for the prior year and using the relevant share price calculation at the offer date.

Performance Shares vest no earlier than the third anniversary of their award, to the extent that Sibanye-Stillwater has met specified performance criteria over the intervening period. Essentially the number of shares that vest will depend on the extent to which Sibanye-Stillwater's has performed over the intervening three year period relative to two particular performance criteria, TSR and ROCE. These are considered to be the most widely acceptable vesting performance measures suited to aligning the outcome of long-term share incentive awards with shareholders' interests. This change will result in a possible vesting percentage ranging from 0%, in the case of very poor performance, to 100% vesting of the awarded Performance Shares in the event of having achieved stretched performance outcomes.

FOR ALLOCATIONS FROM MARCH 2016 ONWARDS

The performance criteria used to govern the vesting performance shares are determined by the Remuneration Committee and communicated in award letters to participants. The revised performance conditions, as described in note 6.1, applied with the indicated weightings, were implemented for determining the vesting of future awards effective from March 2016 onwards.

As indicated, the performance criteria described above govern vesting of all awards effective from 1 March 2016. Should any further adjustment be made these will govern future offers but will not be applied retrospectively.

The inputs to the models for options granted during the year were as follows:

Performance shares			*Bonus Shares*	
2016	**2017**	***MONTE CARLO SIMULATION***	**2017**	**2016**
55.12%	**53.96%**	– weighted average historical volatility (based on a statistical analysis of the share price on a weighted moving average basis for the expected term of the option)	**53.96%**	55.15%
3	**3**	– expected term (years)	**n/a**	n/a
n/a	**n/a**	– expected term (months)	**9/18**	9/18
3.75%	**4.65%**	– expected dividend yield	**4.65%**	3.75%
8.51%	**7.40%**	– weighted average three-year risk-free interest rate (based on SA interest rates)	**7.24%**	7.78%
n/a	**n/a**	– marketability discount	**1.27% / 0.5%**	1.60% / 0.69%
50.81	**24.07**	– weighted average fair value	**24.84 / 24.14**	54.27 / 53.02

FOR ALLOCATIONS UP TO FEBRUARY 2016

The Remuneration Committee made an annual conditional award of Performance Shares to the chief executive officer, chief financial officer (CFO), senior vice presidents and vice presidents (referred to as Performance Shares). The number of Performance Shares awarded to an employee was based on the employee's annual guaranteed remuneration, grade and performance. The actual number of Performance Shares which vest was determined by Sibanye-Stillwater's share price performance measured against the performance of a peer group, being Harmony, Pan African Resources PLC and Gold One International Limited (Gold One) (subsequently delisted), over a performance period of three years. This peer group was determined and approved by the Remuneration Committee. The Performance Shares, which vest, were based on the relative change in the Sibanye-Stillwater share price compared to the respective share prices of the individual companies within the peer group and with discretion allowed due to the small sample size. For any Performance Shares award to be settled to executives, an internal company performance target was required to be met before the external relative measure was applied. The target performance criterion was set at 85% of Sibanye-Stillwater's expected gold production over the three-year measurement period as set out in the business plans of Sibanye-Stillwater as approved by the Board. Only once the internal measure has been achieved, was the external measure (Sibanye-Stillwater's share price performance measured against the abovementioned peer group) applied to determine the scale of the vesting of awards of Performance Shares.

The Remuneration Committee makes an annual conditional award of Bonus Shares to each executive director and senior executive. The size of the award depended on the individual's annual cash bonus, which was determined by actual performance against predetermined targets. Restricted Bonus Shares were allocated on the ratio of two-thirds of an individual's annual bonus. The Bonus Shares vest in two equal parts at nine months and 18 months after the award date. Dividends are payable on the Bonus Shares during the holding period.

The fair value of the above Performance Shares equity instruments granted during the period were valued using the Monte Carlo Simulation model. For the Bonus Shares equity instruments, a future trading model was used to estimate the loss in value to the holders of bonus shares due to trading restrictions. The actual valuation was developed using a Monte Carlo analysis of the future share price of Sibanye-Stillwater.

The inputs to the models for options granted during the year ended 31 December 2015 was as follows:

Performance shares		*Bonus Shares*
2015	***MONTE CARLO SIMULATION***	**2015**
42.3%	– weighted average historical volatility (based on a statistical analysis of the share price on a weighted moving average basis for the expected term of the option)	42.3%
3	– expected term (years)	n/a
n/a	– expected term (months)	9 - 18
4.9%	– expected dividend yield	4.9%
6.4%	– weighted average three-year risk-free interest rate (based on SA interest rates)	6.4%
n/a	– marketability discount	2.1%
37.41	– weighted average fair value	25.56

The compensation cost related to awards not yet recognised under the plan at 31 December 2017 amounts to R335.5 million and is to be spread over three years. The number of options that had vested and were exercisable as at 31 December 2017 was 1,832,166 options.

At the AGM on 24 May 2016 the directors of Sibanye-Stillwater were authorised to issue and allot all or any of such shares required for the plans, but in aggregate all plans may not exceed 70,619,126 (10%) of the total issued ordinary share capital of the Company. An individual participant may also not be awarded an aggregate of shares from all or any such plans exceeding 7,061,913 (1%) of the Company's total issued ordinary share capital. The unexercised options and shares under all plans represented 15,112,493 (2%) of the total issued ordinary share capital of Sibanye-Stillwater at 31 December 2016.

OPTIONS GRANTED, EXERCISED AND FORFEITED UNDER THIS PLAN

Performance shares				*Bonus Shares*		
2015	**2016**	**2017**	**Number of instruments**	**2017**	**2016**	**2015**
23,289,262	9,398,072	**10,610,779**	Outstanding at beginning of the year	**250,827**	417,266	595,012
			Movement during the year:			
3,059,058	5,103,184	**26,160,939**	Granted during the year	**2,421,522**	504,739	862,702
(16,690,497)	(3,832,758)	**(2,721,499)**	Exercised and released	**(2,126,415)**	(667,063)	(1,010,209)
(259,751)	(57,719)	**(1,716,945)**	Forfeited	**(99,465)**	(4,115)	(30,239)
9,398,072	10,610,779	**32,333,274**	**Outstanding at end of the year**	**446,469**	250,827	417,266

DIRECTORS AND PRESCRIBED OFFICERS' EQUITY-SETTLED INSTRUMENTS

The directors and prescribed officers of Sibanye-Stillwater held the following equity-settled instruments in the above Sibanye Gold Limited 2013 Share Plan at 31 December 2017:

	2016	**Instruments granted**	**Equity-settled instruments exercised during the year**		**Instruments forfeited**	**2017**
	Number of instruments	**Number of instruments**	**Number of instruments**	**Average price**	**Number of instruments**	**Number of instruments**
Executive directors						
Neal Froneman	1,421,434	3,254,046	1,164,811	22.23	-	**3,510,669**
Charl Keyter	598,360	1,547,398	441,890	21.09	-	**1,703,868**
Prescribed officers						
Chris Bateman[1]	-	413,920	-	-	-	**413,920**
Hartley Dikgale	288,235	854,177	249,867	21.73	-	**892,545**
Dawie Mostert	345,231	890,147	256,239	20.56	-	**979,139**
Jean Nel[2]	166,151	-	-	-	166,151	**-**
Themba Nkosi	67,666	625,869	53,463	12.56	-	**640,072**
Wayne Robinson	324,682	921,495	165,169	13.26	-	**1,081,008**
Richard Stewart	484,170	1,132,375	147,356	14.39	-	**1,469,189**
Robert van Niekerk	445,920	1,280,519	361,056	21.80	-	**1,365,383**
John Wallington[3]	126,740	717,372	39,414	11.28	-	**804,698**

[1] Appointed as a prescribed officer on 1 July 2017.
[2] Appointed as a prescribed officer on 13 April 2016, and resigned as a prescribed officer on 1 November 2016 and forfeited the instruments granted after his notice period in 2017.
[3] Resigned as prescribed officer 30 June 2017.

NOTES TO THE COMPANY FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2017

6.3 SIBANYE GOLD LIMITED 2013 PHANTOM SHARE SCHEME

On 14 May 2013, Sibanye-Stillwater's Remuneration Committee limited the issuance of share options for the 2013 allocation under the SGL Share Plan to senior management only. Middle and certain senior management, who previously participated in the equity-settled share option scheme, now participate in a cash-settled share scheme, the Sibanye Gold 2013 Phantom Share Scheme (the SGL Phantom Scheme). Notwithstanding that the SGL Phantom Scheme is not subject to compliance with the JSE Listings Requirements as it is a purely cash-settled remuneration scheme, the SGL Share Plan rules apply, in all material aspects, to the SGL Phantom Scheme, other than the issue of new shares to participants.

Details of the phantom shares granted under this scheme to employees are detailed below:

Performance shares				***Bonus Shares***		
2015	**2016**	**2017**	**Number of instruments**	**2017**	**2016**	**2015**
18,966,208	17,258,326	**4,586,163**	Outstanding at beginning of the year	**-**	-	1,482,685
			Movement during the year:			
-	-	**-**	Granted during the year	**-**	-	-
(662,139)	(12,110,981)	**(4,486,053)**	Vested and paid	**-**	-	(1,438,754)
(1,045,743)	(561,182)	**(100,110)**	Forfeited	**-**	-	(43,931)
17,258,326	4,586,163	**-**	**Outstanding at end of the year**	**-**	-	-

The grant date fair value of the above Performance Shares and Bonus Shares cash-settled instruments granted during the year were valued using the Monte Carlo Simulation model and a future trading model, respectively, as with the equity settled instruments above. As the cash-settled and equity-settled instruments are issued on the same day the grant date fair value assumptions of the cash-settled instruments is the same as for the equity-settled instruments.

The fair value of the cash-settled instruments at reporting date, used to value the share-based payment obligation, is determined using the same assumptions as for the grant date valuation. However, the respective models take into account the actual share data of the peer group for the period from the grant date to the reporting date.

6.4 SHARE-BASED PAYMENT OBLIGATION

Figures in million - SA rand	**2017**	**2016**	**2015**
Balance at beginning of the year	**204.5**	514.2	343.7
Share-based payments expense	**9.8**	71.7	133.1
Fair value loss on obligation[1]	**18.1**	943.0	76.3
Cash-settled share-based payments paid[2]	**(232.4)**	(1,324.4)	(38.9)
Balance at end of the year	**-**	204.5	514.2
Reconciliation of the non-current and current portion of the share-based payment obligations:			
Share-based payment obligations	**-**	204.5	514.2
Current portion of share-based payment obligations	**-**	(204.5)	(395.7)
Non-current portion of share-based payment obligations	**-**	-	118.5

[1] The fair value adjustment at reporting date is included in loss on financial instruments in profit or loss and not as part of share-based payments expense.
[2] Payments made during the year relates to vesting of shares to employees.

7. IMPAIRMENTS

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The Company assesses the recoverabily of the carrying value of investments in subsidiaries and loans receivable from subsidiaries with reference to the underlying net asset value (NAV) of the entities. Where these entities are mining operations, expected future cash flows are used to determine the recoverable amount of the underlying NAV. These future cash flows are inherently uncertain and could materially change over time. The underlying NAV is significantly affected by a number of factors including reserves and production estimates, together with economic factors such as the expected commodity price, foreign currency exchange rates, and estimates of production costs, future capital expenditure and discount rates.

Figures in million - SA rand	**Notes**	**2017**	**2016**	**2015**
Impairment of property, plant and equipment	10	**(603.7)**	-	-
Impairment of investment in subsidiaries	11	**-**	(725.6)	-
Impairment of loans to subsidiaries	29	**(2,574.4)**	(3,974.6)	-
Total impairments		**(3,178.1)**	(4,700.2)	-

IMPAIRMENT OF BEATRIX WEST MINING ASSETS

Ongoing losses experienced at the Beatrix West mine negatively affect company cash flow as well as the sustainability and economic viability of other operations in the Southern Africa region. In this regard, after numerous attempts to address the losses, it became necessary to enter into consultations in terms of Section 189 of the Labour Relations Act 66 of 1995 (S189) with relevant stakeholders regarding restructuring at the SA gold operations. As a result a decision was taken during the six months ended 30 June 2017, to impair the Beatrix West assets by R603.7 million. These impairments were based on the estimated fair value less cost to sell over the life of mine calculated as expected discounted cash flows from the expected gold reserves and costs to extract the gold.

The Company's estimates and assumptions used in the 31 December 2017 impairment testing include:

Figures in million - SA rand		2017	2016
Long-term gold price	R/kg	**545,000**	570,000
Nominal discount rate[1]	%	**12.1**	12.5
Inflation rate	%	**5.3**	6
Life of mine	years	**Dec-22**	Jul-20

[1] Nominal discount rate for WRTRP of 14.7% (2016: 13.5%).

The annual life-of-mine plan that takes into account the following:

- Proved and probable ore reserves of the CGUs;
- Resources are valued using appropriate price assumptions;
- Cash flows are based on the life-of-mine plan; and
- Capital expenditure estimates over the life-of-mine plan.

IMPAIRMENT OF INVESTMENTS IN AND LOANS TO SUBSIDIARIES

The Company has a 76% holding in Newshelf 1114 Proprietary Limited (Newshelf 1114), which consists of a 100% shareholding in Rand Uranium Proprietary Limited (Rand Uranium) and Ezulwini Proprietary Limited (Ezulwini or Cooke 4), collectively referred to as Cooke operations.

Ongoing losses experienced at the Cooke 1, 2 and 3 operations negatively affect Group cash flow as well as the sustainability and economic viability of other operations in the Southern Africa region. In this regard, after numerous attempts to address the losses, it became necessary to enter into consultations in terms of S189 with relevant stakeholders regarding restructuring at the SA gold operations. As a result a decision was taken to impair the Cooke1, 2 and 3 mining assets in the Group consolidated financial statements.

On 22 November 2017, Sibanye-Stillwater announced that it has entered into various agreements with DRDGOLD Limited (DRDGOLD) to exchange selected surface gold processing assets and tailings storage facilities (TSFs) for approximately 265 million newly issued DRDGOLD shares (the DRDGOLD Transaction). Following the implementation of the DRDGOLD Transaction, Sibanye-Stillwater will retain full ownership of the Cooke and Ezulwini TSFs (of 2.4Moz probable gold reserves and 54.26Mlb probable uranium reserves), and, as such, retains full exposure to the low uranium price environment without the higher gold price TSF (refer to note 18).

As a result of the above impairments of the underlying assets of the Company's investment in Newshelf 1114, a decision was taken to fully impair the Company's loans receivable from Newshelf 1114, Rand Uranium and Ezulwini by R2,574.4 million.

8. ROYALTIES, AND MINING AND INCOME TAX, AND DEFERRED TAX

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The Company is subject to income tax in South Africa. Significant judgement is required in determining the liability for income tax due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The Company recognises the net future tax benefit related to deferred tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred tax assets requires the Company to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in South Africa. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realise the net deferred tax assets recorded at the reporting date could be impacted.

The Company's gold mining operations are taxed on a variable rate that increases as the profitability of the operation increases. The deferred tax rate used to calculate deferred tax is based on the current estimate of future profitability when the temporary differences will reverse based on tax rates and laws that have been enacted or substantively enacted at the reporting date. Depending on the profitability of the operations, the deferred tax rate can consequently be significantly different from year to year. Calculating the future profitability of the operations is inherently uncertain and could materially change over time.

Additionally, future changes in tax laws in South Africa could limit the ability of the Company to obtain tax deductions in future periods.

ACCOUNTING POLICY

Income tax comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is measured on taxable income at the applicable statutory rate enacted or substantively enacted at the reporting date.

Deferred tax is provided on temporary differences existing at each reporting date between the tax values of assets and liabilities and their carrying amounts. Substantively enacted tax rates are used to determine future anticipated effective tax rates which in turn are used in the determination of deferred tax.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- temporary differences related to investments in subsidiaries, and interest in associates to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

These temporary differences are expected to result in taxable or deductible amounts in determining taxable profits for future periods when the carrying amount of the asset is recovered or the liability is settled. The principal temporary differences arise from depreciation of property, plant and equipment, provisions, unutilised capital allowances and tax losses carried forward.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets relating to the carry forward of unutilised tax losses and/or unutilised capital allowances are recognised to the extent it is probable that future taxable profit will be available against which the unutilised tax losses and/or unutilised capital allowances can be recovered. Deferred tax assets are reviewed at each reporting date and are adjusted if recovery is no longer probable.

8.1 ROYALTIES

The Mineral and Petroleum Resource Royalty Act 2008 (Royalty Act) imposes a royalty on refined (mineral resources that have undergone a comprehensive level of beneficiation such as smelting and refining as defined in Schedule 1 of the Royalty Act) and unrefined (mineral resources that have undergone limited beneficiation as defined in Schedule 2 of the Royalty Act) minerals payable to the State. The royalty in respect of refined and unrefined minerals (which include gold refined to 99.5% and above) is calculated by dividing earnings before interest and taxes (EBIT) by the product of 12.5 times gross revenue calculated as a percentage, plus an additional 0.5%. EBIT refers to taxable mining income (with certain exceptions such as no deduction for interest payable and foreign exchange losses) before assessed losses but after capital expenditure. A maximum royalty of 5% of mining revenue has been introduced on refined minerals. The effective rate of royalty tax payable for the year ended 31 December 2017 was approximately 1.4% (2016: 2.1% and 2015: 1.9%) of gold mining revenue.

Figures in million - SA rand	**2017**	**2016**	**2015**
Current charge	**(311.6)**	(512.4)	(383.9)
Total royalties	**(311.6)**	(512.4)	(383.9)

8.2 MINING AND INCOME TAX

The components of mining and income tax are the following:

Figures in million - SA rand	**Note**	**2017**	**2016**	**2015**
Mining tax		**(317.0)**	(1,031.6)	(665.5)
Non-mining tax		**(60.2)**	(85.7)	(16.0)
Current tax		**(377.2)**	(1,117.3)	(681.5)
Deferred tax	8.3	**462.9**	(224.4)	185.1
Total mining and income tax		**85.7**	(1,341.7)	(496.4)

Reconciliation of the Company's mining and income tax to the South African statutory company tax rate of 28%:

Figures in million - SA rand	**2017**	**2016**	**2015**
South African statutory tax rates			
Mining tax[1]	**Y=34-170/X**	Y=34-170/X	Y=34-170/X
Non-mining tax[2]	**28.0%**	28.0%	28.0%
Company tax rate	**28.0%**	28.0%	28.0%
Tax on profit before tax at maximum South African statutory company tax rate	**1,019.3**	4.9	(632.0)
South African gold mining tax formula rate adjustment	**157.6**	160.8	122.6
Non-deductible finance charges	**(148.7)**	(48.6)	
Non-deductible share-based payments	**(59.8)**	(47.3)	(32.0)
Non-deductible impairments	**(720.8)**	(1,316.1)	-
Non-taxable gain on recognition/derecognition of financial guarantee liability	**-**	-	55.1
Non-deductible transaction costs	**(146.9)**	(39.0)	(7.2)
Net other non-taxable income and non-[d]eductible expenditure	**(54.6)**	3.4	25.9
Change in estimated deferred tax rate3	**39.6**	(59.8)	(28.8)
Mining and income tax	**85.7**	(1,341.7)	(496.4)

[1] Gold mining tax is determined according to a formula which takes into account the profit and revenue attributable to mining operations. Mining taxable income is determined after the deduction of all mining capital expenditure, with the provision that this cannot result in an assessed loss. Capital expenditure amounts not deducted are carried forward as unredeemed capital expenditure to be deducted from future mining income. Accounting depreciation is ignored for the purpose of calculating mining tax. In the formula above, Y is the percentage rate of tax payable and X is the ratio of mining profit, after the deduction of redeemable capital expenditure, to mining revenue expressed as a percentage.

[2] Non-mining income consists primarily of interest income.

[3] The change in the estimated long-term deferred tax rate,as a result of applying the mining tax formula, at which the tempory differences will reverse amounted to a deferred tax benefit of R39.6 million (2016: charge of R59.8 million and 2015: charge of R28.8 million).

8.3 DEFERRED TAX

Figures in million - SA rand	Notes	2017	2016	2015
Included in the statement of financial position as follows:				
Deferred tax liabilities		**3,171.5**	3,747.5	3,523.1
Net deferred tax liabilities		**3,171.5**	3,747.5	3,523.1
Reconciliation of the deferred tax balance:				
Balance at beginning of the year		**3,747.5**	3,523.1	3,708.2
Deferred tax recognised in profit or loss	8.2	**(462.9)**	224.4	(185.1)
Disposal group held for sale	18	**(113.1)**	-	-
Balance at end of the year		**3,171.5**	3,747.5	3,523.1

The detailed components of the net deferred tax liabilities which result from the differences between the amounts of assets and liabilities recognised for financial reporting and tax purposes in different accounting periods are:

Figures in million - SA rand	Notes	2017	2016	2015
Deferred tax liabilities				
Mining assets		**3,544.7**	3,943.3	3,837.3
Environmental rehabilitation obligation funds		**390.1**	543.7	498.7
Other		**91.5**	64.2	17.3
Gross deferred tax liabilities		**4,026.3**	4,551.2	4,353.3
Deferred tax assets				
Environmental rehabilitation obligation		**(317.7)**	(496.4)	(418.2)
Other provisions		**(537.1)**	(253.0)	(276.6)
Share-based payment obligation		**-**	(54.3)	(135.4)
Gross deferred tax assets		**(854.8)**	(803.7)	(830.2)
Net deferred tax liabilities		**3,171.5**	3,747.5	3,523.1

8.4 TAX AND ROYALTIES PAYABLE

Figures in million - SA rand	Notes	2017	2016	2015
Included in the statement of financial position as follows:				
Tax receivable		**(52.0)**	54.0	106.0
Tax and royalties payable		**27.0**	(3.1)	23.9
Net tax (receivable)/payable		**(25.0)**	50.9	129.9
Reconciliation of the tax payable balance:				
Tax and royalties payable at beginning of the year		**50.9**	129.9	80.6
Current tax and royalties		**688.8**	1 629.7	1 065.4
Tax and royalties paid		**(764.7)**	(1 708.7)	(1 016.1)
Net tax and royalties (receivable)/payable at end of the year		**(25.0)**	50.9	129.9

9. DIVIDENDS

ACCOUNTING POLICY

Dividends are recognised only when such dividends are declared.

Dividends withholding tax is a tax on shareholders receiving dividends and is applicable to all dividends paid. The Company withholds dividend tax on behalf of its shareholders at a rate of 15% on dividends paid before 22 February 2017 and 20% on dividends paid after this date. Amounts withheld are not recognized as part of the Company’s tax charge but rather as part of the dividend paid, recognised directly in equity.

Cash flows from dividends paid are classified under operating activities in the statement of cash flows.

Figures in million - SA rand	2017	2016	2015
Dividend declared and paid[1]	**558.2**	1 610.6	658.1
Dividend per share - cents	**60**	175	72

[1] *The dividend declared and paid relates to the final dividend of 60 SA cents per share or R558.2 million in respect of the six months ended 31 December 2016 declared on 23 February 2017.*

10. PROPERTY, PLANT AND EQUIPMENT

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Carrying value of property, plant and equipment

All mining assets are amortised using the units-of-production method where the mine operating plan calls for production from proved and probable Mineral Reserves.

Mobile and other equipment are depreciated over the shorter of the estimated useful life of the asset or the estimate of mine life based on proved and probable Mineral Reserves.

The calculation of the units-of-production rate of amortisation could be impacted to the extent that actual production in the future is different from current forecast production based on proved and probable Mineral Reserves. This would generally result from the extent that there are significant changes in any of the factors or assumptions used in estimating Mineral Reserves.

These factors could include:

- Changes in proved and probable Mineral Reserves;
- Differences between actual commodity prices and commodity price assumptions;
- Unforeseen operational issues at mine sites;
- Changes in capital, operating, mining, processing and reclamation costs, discount rates and foreign exchange rates; and
- Changes in Mineral Reserves could similarly impact the useful lives of assets depreciated on a straight-line basis, where those lives are limited to the life of the mine.

The recoverable amounts of cash generating units (CGUs) and individual assets have been determined based on the higher of value-in-use calculations and fair value less cost to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the gold and PGM price assumptions may change which may then impact the Company estimated life of mine determinant and may then require a material adjustment to the carrying value of property, plant and equipment.

The Company reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable by comparing expected future cash flows to these carrying values. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows of each group of assets. Expected future cash flows used to determine the value in use and fair value less costs to sell of property, plant and equipment are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including reserves and production estimates, together with economic factors such as spot and future gold and PGM prices, discount rates, foreign currency exchange rates, estimates of costs to produce reserves and future capital expenditure.

Pre-production

The Company assesses the stage of each mine construction project to determine when a mine moves into the production stage. The criteria used to assess the start date are determined based on the unique nature of each mine construction project. The Company considers various relevant criteria to assess when the mine is substantially complete, ready for its intended use and moves into the production stage. Some of the criteria would include, but are not limited to the following:

- the level of capital expenditure compared to the construction cost estimates;
- ability to produce metal in saleable form (within specifications); and
- ability to sustain commercial levels of production of metal.

When a mine construction project moves into the production stage, the capitalisation of certain mine construction costs ceases and costs are expensed, except for capitalisable costs related to mining asset additions or improvements, underground mine development or ore reserve development.

Mineral Reserves estimates

Mineral Reserves are estimates of the amount of product that can be economically and legally extracted from the Company's properties. In order to calculate the reserves, estimates and assumptions are required about a range of geological, technical and economic factors, including but not limited to quantities, grades, production techniques, recovery rates, production costs, transport costs, commodity demand, commodity prices and exchange rates.

Estimating the quantity and grade of the Mineral Reserves requires the size, shape and depth of orebodies to be determined by analysing geological data such as the logging and assaying of drill samples. This process may require complex and difficult geological judgements and calculations to interpret the data.

The Company is required to determine and report, inter alia, on the Mineral Reserves in accordance with the South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves (SAMREC).

Estimates of Mineral Reserves may change from period to period due to the change in economic assumptions used to estimate Mineral Reserves and due to additional geological data becoming available during the course of operations. Changes in reported proven and probable reserves may affect the Company's financial results and position in a number of ways, including the following:

- Asset carrying values may be affected due to changes in estimated cash flows;
- Depreciation and amortisation charges to profit or loss may change as these are calculated on the units-of production method, or where the useful lives of assets change;
- Decommissioning site restoration and environmental provisions may change where changes in ore reserves affect expectations about the timing or cost of these activities; and
- The carrying value of deferred tax assets may change due to changes in estimates of the likely recovery of the tax benefits.

ACCOUNTING POLICY

Mineral and surface rights

Mineral and surface rights are recorded at cost less accumulated amortisation and accumulated impairment losses. When there is little likelihood of a mineral right being exploited, or the carrying amount has exceeded its recoverable amount, impairment is recognised in profit or loss in the year that such determination is made.

Mine development and infrastructure

Mining assets, including mine development and infrastructure costs and mine plant facilities, are recorded at cost less accumulated depreciation and accumulated impairment losses.

These costs which include the purchase price of assets used in the construction of the mine, expenditure incurred to evaluate and develop new ore bodies, to define mineralisation in existing ore bodies and to establish or expand productive capacity, are capitalised until commercial levels of production are achieved, at which times the costs are amortised as set out below.

Development of ore bodies includes the development of shaft systems and waste rock removal that allows access to reserves that are economically recoverable in the future. Subsequent to this, costs are capitalised if the criteria for recognition as an asset are met. Access to individual orebodies exploited by the Company is limited to the time span of the respective mining leases.

Land

Land is shown at cost and is not depreciated.

Other assets

Non-mining assets are recorded at cost less accumulated depreciation and accumulated impairment losses. These assets include the assets of the mining operations not included in mine development and infrastructure, borrowing costs, mineral and surface rights, land and all the assets of the non-mining operations.

Amortisation and depreciation of mining assets

Amortisation and depreciation is determined to give a fair and systematic charge in profit or loss taking into account the nature of a particular ore body and the method of mining that ore body. To achieve this, the following calculation methods are used:

- Mining assets, including mine development and infrastructure costs, mine plant facilities and evaluation costs, are amortised over the life of the mine using the units-of-production method, based on estimated proved and probable Mineral Reserves above infrastructure.
- Proved and probable Mineral Reserves reflect estimated quantities of economically recoverable reserves, which can be recovered in future from known mineral deposits.
- Certain mining plant and equipment included in mine development and infrastructure is depreciated on a straight-line basis over their estimated useful lives.
- For certain shafts, which have a short life and/or are marginal, the depreciation is accelerated based on an adjustment to the reserves for accounting purposes.

Depreciation of non-mining assets

Non-mining assets are recorded at cost and depreciated on a straight-line basis over their current expected useful lives to their residual values as follows:

- Vehicles: 5 years
- Computers: 3 years
- Furniture and equipment: 1 - 10 years

The assets' useful lives, depreciation methods and residual values are reassessed at each reporting date and adjusted if appropriate.

Impairment

Recoverability of the carrying values of long-term assets or CGUs of the Company are reviewed whenever events or changes in circumstances indicate that such carrying value may not be recoverable. To determine whether a long-term asset or CGU may be impaired, the higher of value in use (defined as: the present value of future cash flows expected to be derived from an asset or CGU) or fair value less costs to sell (defined as: the price that would be received to sell an asset in an orderly transaction between market participants at the measured rate, less the costs of disposal) is compared to the carrying value of the asset/unit.

A CGU is defined by the Company as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Generally for the Company this represents an individual operating mine, including mines which are part of a larger mine complex. The costs attributable to individual shafts of a mine are impaired if the shaft is closed.

Impairment losses are recognised in profit or loss. Impairment recognised in respect of a CGU is allocated first to goodwill to that particular CGU and thereafter to the individual assets in the CGU.

When any infrastructure is closed down or placed on care and maintenance during the year, any carrying value attributable to that infrastructure is impaired. Expenditure incurred on care and maintenance is recognised in profit or loss.

When the review of the events or changes in circumstances of an asset or CGU that was previously impaired indicate that such historical carrying value is recoverable, the impairment is reversed. The impairment is only reversed to such an amount that the new carrying amount does not exceed the historical carrying amount. Reversal of impairment losses are recognised in profit or loss. Reversal of impairment recognised in respect of a CGU is allocated to the individual assets in the CGU.

Derecognition of property, plant and equipment

Property, plant and equipment is derecognised on disposal or closure of a shaft when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of an item of property, plant and equipment (calculated as the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Exploration and evaluation expenditure

All exploration and evaluation expenditure, prior to obtaining the legal rights to explore a specific area, is recognised in profit or loss. After the legal rights to explore are obtained, exploration and evaluation expenditure, comprising the costs of acquiring prospecting rights and directly attributable exploration expenditure, is capitalised as a separate class of property, plant and equipment or intangible assets, on a project-by-project basis, pending determination of the technical feasibility and commercial viability.

The technical feasibility and commercial viability of extracting a mineral resource is generally considered to be determinable through a feasibility study and when proven reserves are determinable to exist. Upon determination of proven reserves, exploration and evaluation assets attributable to those reserves are first tested for impairment and then reclassified from exploration and evaluation assets to another appropriate class of property, plant and equipment. Subsequently, all cost directly incurred to prepare an identified mineral asset for production is capitalised to mine development assets. Amortisation of these assets commences once these assets are available for use, which is expected to be when the mine is in commercial production. These assets will be measured at cost less accumulated amortisation and impairment losses.

Figures in million - SA rand	Notes	Total	Mine development, infrastructure, rehabilitation and other	Land and mineral rights	Exploration and evaluation assets
31 December 2017					
Cost					
Balance at beginning of the year		**52,131.5**	51,125.7	693.6	312.2
Additions		**2,938.8**	2,900.5	23.5	14.8
Change in estimates of rehabilitation assets	22	**(173.3)**	(173.3)	-	-
Disposals		**(34.7)**	(33.9)	(0.8)	-
Disposal group held for sale	18	**(854.5)**	(504.4)	(23.4)	(326.7)
Balance at end of the year		**54,007.8**	**53,314.6**	**692.9**	**0.3**
Accumulated depreciation, amortisation and impairment					
Balance at beginning of the year		**37,134.7**	36,551.7	583.0	-
Amortisation and depreciation	4	**3,240.8**	3,237.1	3.7	-
Impairment	7	**603.7**	603.7	-	-
Disposals		**(30.5)**	(30.5)	-	-
Disposal group held for sale	18	**(528.0)**	(528.0)	-	-
Balance at end of the year		**40,420.7**	**39,834.0**	**586.7**	**-**
Carrying value at end of the year		**13,587.1**	**13,480.6**	**106.2**	**0.3**

Figures in million - SA rand	Notes	Total	Mine development, infrastructure, rehabilitation and other	Land and mineral rights	Exploration and evaluation assets
31 December 2016					
Cost					
Balance at beginning of the year		**49,037.8**	48,073.0	693.6	271.2
Additions		**3,043.4**	3001.7	0.7	41
Change in estimates of rehabilitation assets	22	**107.3**	107.3	0	-
Disposals		**(57.0)**	(56.3)	(0.7)	-
Balance at end of the year		**52,131.5**	**51,125.7**	**693.6**	**312.2**
Accumulated depreciation, amortisation and impairment					
Balance at beginning of the year		**34,159.2**	33,579.8	579.4	-
Amortisation and depreciation	4	**3,031.6**	3028	3.6	-
Disposals		**(56.1)**	(56.1)	-	-
Balance at end of the year		**37,134.7**	**36,551.7**	**583.0**	**-**
Carrying value at end of the year		**14,996.8**	**14,574.0**	**110.6**	**312.2**

Figures in million - SA rand	Notes	Total	Mine development, infrastructure, rehabilitation and other	Land and mineral rights	Exploration and evaluation assets
31 December 2015					
Cost					
Balance at beginning of the year		**46,661.3**	45,713.9	693.8	253.6
Additions		**2,728.1**	2,710.5	-	17.6
Change in estimates of rehabilitation assets	22	**(317.9)**	(317.9)	-	-
Disposals		**(33.7)**	(33.5)	(0.2)	-
Balance at end of the year		**49,037.8**	**48,073.0**	**693.6**	**271.2**
Accumulated depreciation, amortisation and impairment					
Balance at beginning of the year		**31,266.2**	30,690.3	575.9	-
Amortisation and depreciation	4	**2,915.1**	2,911.6	3.5	-
Disposals		**(22.1)**	(22.1)	-	-
Balance at end of the year		**34,159.2**	**33,579.8**	**579.4**	**-**
Carrying value at end of the year		**14,878.6**	**14,493.2**	**114.2**	**271.2**

11. INVESTMENTS IN SUBSIDIARIES

ACCOUNTING POLICY

The carrying value of a subsidiary is stated at cost less accumulated impairment losses.

Loss of control

When the Company loses its power over the relevant activities of a subsidiary, it derecognises the investment in subsidiary and any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Figures in million - SA rand	2017	2016	2015
The company has a 100% beneficial holding in:			
Sibanye Gold Protection Services Limited[1] (Sibanye Gold Protection Services)	**23.9**	23.1	21.5
Sibanye Gold Shared Services Proprietary Limited (Sibanye Gold Shared Services)	**19.8**	19.8	19.8
Sibanye Gold Academy Proprietary Limited[1] (Sibanye Gold Academy)	**9.9**	8.7	7.3
St Helena Proprietary Limited (St Helena Hospital)	**12.1**	12.1	12.1
Witwatersrand Consolidated Gold Resources Proprietary Limited (Wits Gold)	**415.3**	415.3	415.3
Agrihold Proprietary Limited	**-**	-	16.4
Golden Hytec Farming Proprietary Limited[2]	**-**	-	-
M Janse van Rensburg Proprietary Limited[2]	**-**	-	-
Milen Mining Proprietary Limited[2]	**-**	-	-
West Driefontein Gold Mining Company Proprietary Limited[2]	**-**	-	-
Witwatersrand Deep Investments Proprietary Limited[2]	**-**	-	-
The company has less than a 100% beneficial holding in:			
Newshelf 1114 Proprietary Limited (Newshelf 1114)[3]	**-**	-	709.2
Sibanye Platinum Proprietary Limited[4] (Sibanye platinum)	**14,089.6**	6,000.0	-
Bushbuck Ventures Proprietary Limited[2,5]	**-**	-	-
Oryx Ventures Proprietary Limited[2,5]	**-**	-	-
Balance at end of the year	**14,570.6**	6,479.0	1,201.6

[1] The increase of these investments relates to equity-settled share-based payments, relating to Sibanye shares, issued to employees of these subsidiaries.
[2] This is a nominal amount shown as zero due to rounding.
[3] The company has a 76% holding in Newshelf 1114, which consists of a 100% shareholding in Rand Uranium Propriety Limited [Rand Uranium] and Ezulwini Mining Company Propriety Limited (Ezulwini), collectively referred to as Cooke.
[4] The Company has a 100% holding in at Sibanye Platinum. On 12 April 2016, Sibanye Platinum acquired all of the shares in Aquarius Platinum Limited (Aquarius), and Sibanye Platinum Bermuda Proprietary Limited (Sibnaye Platinum Bermuda) (a whoilly owned subsidiary of Sibanye Platinum) and Aquarius were amalgamated. Aquarius' ownership in its subsidiaries remained unchanged. On 19 October 2016, Sibanye Rustenburg Platinum Mines Proprietray Limited (SRPM) obtained control of the Rustenburg Operations. Sibanye Platinum has a 74% benefical holding in SRPM. On 25 April 2017, Sibanye Platinum acquired all of the shares in Stillwater Mining Company (Stillwater). The Company incurred acquisition related costs (recognised in profit or loss) of R501.0 million on advisory and legal fees during the year ended 31 December 2017 (2016: R84.7 million).
[5] The company has a 95% beneficial holding in Bushbuck Ventures Proprietary Limited and Oryx Ventures Proprietary Limited.

12. INVESTMENT IN ASSOCIATES

ACCOUNTING POLICY

An associate is an investment over which the Company exercises significant influence, but not control. Associates are accounted for from the date that significant influence is obtained to the date that the Company ceases to have significant influence.

Associates are initially accounted for at fair value when significant influence is obtained and subsequently at cost (initial fair value) less accumulated impairment losses.

The Company holds the following investments in associates:

Figures in million - SA rand	Notes	2017	2016	2015
Rand Refinery	12.1	**76.0**	-	-
Living Gold	12.2	**5.0**	5.0	5.0
Balance at end of the year		**81.0**	5.0	5.0

12.1 RAND REFINERY

Sibanye-Stillwater has a 33.1% interest in Rand Refinery Proprietary Limited (Rand Refinery), a company incorporated in South Africa, which is involved in the refining of bullion and by-products sourced from, *inter alia*, South African and foreign gold producing mining companies. Rand Refinery is accounted for using the equity method.

On 18 December 2014, Rand Refinery drew down R1.029 billion under a R1.2 billion subordinated shareholders loan (the Facility), with Sibanye-Stillwater's proportional share being R384.6 million. Amounts drawn down under the Facility were repayable within two years from the first draw down date. If the loan was not repaid within two years, it would automatically convert into equity in Rand Refinery. During February 2017, Rand Refinery resolved to convert the Facility to redeemable preference shares.

12.2 LIVING GOLD

Sibanye-Stillwater has a 50% interest in Living Gold Proprietary Limited (Living Gold), a company incorporated in the Republic of South Africa, involved in growing and processing agricultural products. This allows the management of Living Gold to appoint 50% of the directors and manage the entity. Sibanye-Stillwater has assessed that the management of Living Gold controlled the entity in terms of IFRS 10 *Consolidated Financial Statements*, as a result Living Gold was de-recognised as a subsidiary in 2014, and accounted for as an associate.

13. ENVIRONMENTAL REHABILITATION OBLIGATION FUNDS

ACCOUNTING POLICY

The Company's rehabilitation obligation funds includes equity-linked investments that are fair valued at each reporting date. The fair value is calculated with reference to underlying equity instruments using industry valuation techniques and appropriate models. While Sibanye-Stillwater's management believes that these assumptions are appropriate, the use of different assumptions could have a material impact on the fair value of the investments.

Annual contributions are made to dedicated environmental rehabilitation obligation funds to fund the estimated cost of rehabilitation during and at the end of the life of the relevant mine. The amounts contributed to these funds are included under non-current assets and are measured at fair value through profit or loss. Interest earned on monies paid to rehabilitation funds is accrued on a time proportion basis and is recorded as interest income.

In addition, bank guarantees are provided for funding shortfalls of the environmental rehabilitation obligations.

Figures in million - SA rand	Note	2017	2016	2015
Balance at beginning of the year		**2,178.2**	2,004.0	1,810.1
Contributions		**15.6**	34.4	75.2
Interest income		**148.5**	128.7	110.2
Fair value adjustment[1]		**45.0**	11.1	8.5
Disposal group held for sale	18	**(374.9)**	-	-
Balance at end of the year		**2,012.4**	2,178.2	2,004.0
Environmental rehabilitation obligation funds comprise of the following:				
Restricted cash[2]		**155.0**	352.3	131.0
Funds		**1,857.4**	1,825.9	1,873.0

[1] *The environmental rehabilitation trust fund includes equity-linked investments that are fair valued at each reporting date.*

[2] *The funds are set aside to serve as collateral against the guarantees made to the Department of Minerals and Resources (DMR) for environmental rehabilitation obligations.*

14. OTHER RECEIVABLE

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Expected future cash flows used to determine the fair value of the other receivable (namely the rates and taxes receivable) is inherently uncertain and could materially change over time. The expected future cash flows are significantly affected by a number of factors including discount rates.

ACCOUNTING POLICY

The other receivable was initially recognised at fair value. Subsequent to initial recognition the other receivable is measured at amortised cost.

Figures in million - SA rand	2017	2016	2015
Rates and taxes receivable	**105.6**	82.4	**-**
Total other receivable	**105.6**	82.4	-
Reconciliation of the non-current and current portion of the other receivable			
Other receivable	**105.6**	82.4	-
Current portion of other receivable	**(35.2)**	(68.6)	-
Non-current portion of other receivable	**70.4**	13.8	-

15. FINANCIAL GUARANTEES

ACCOUNTING POLICY

Financial guarantees are accounted for as financial instruments and are recognised initially at fair value, and subsequently measured at the higher of the amount determined in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and the initial amount recognised less cumulative amortisation.

Financial guarantee assets are recognised initially at fair value and subsequently measured at amortised cost, less impairment losses.

Financial guarantee liabilities are initially recognised at fair value and subsequently measured at amortised cost.

The acquisition of Stillwater was financed by a US$2.65 billion bridge loan (Stillwater Bridge Facility) (refer to note 21.5). On 27 June 2017, Stillwater completed a two tranche US$1.05 billion international corporate bond offering (the Notes) and the proceeds of the bond offering were applied to the partial repayment of the Stillwater Bridge Facility raised for the acquisition of Stillwater. Sibanye Gold Limited was a guarantor of the Stillwater Bridge Facility and is a guarantor of the US$1.05 billion bond issued by Stillwater. The carrying value of the US$1.05 billion bond as of 31 December 2017 was R12,597.7 million.

Stillwater is a guarantor of the R6.0 billion revolving credit facility (RCF), US$350 million RCF and US$450 million Convertible Bond. The carrying values of these facilities as of 31 December 2017 was R5,536.4 million, R1,137.1 million and R4,357.1 million, respectively.

15.1 FINANCIAL GUARANTEE ASSET

Figures in million - SA rand	2017
Guarantee asset recognised	**553.6**
Guarantee fee received	**(82.0)**
Interest income	**18.3**
Loss on revised estimated cash flows	**(54.1)**
Loss on foreign exchange differences	**(26.8)**
Balance at the end of the year	**409.0**
Reconciliation of the non-current and current portion of the guarantee asset:	
Financial guarantee asset	**409.0**
Current portion of financial guarantee asset	**(89.6)**
Non-current portion of financial guarantee asset	**319.4**

15.2 FINANCIAL GUARANTEE LIABILITY

Figures in million - SA rand	2017
Guarantee liability recognised	**163.5**
Guarantee fee paid	**(16.1)**
Interest charge	**1.5**
Gain on revised estimated cash flows	**(8.0)**
Gain on foreign exchange differences	**(11.9)**
Balance at the end of the year	**129.0**
Reconciliation of the non-current and current portion of the guarantee asset:	
Financial guarantee liability	**129.0**
Current portion of financial guarantee liability	**(38.6)**
Non-current portion of financial guarantee liability	**90.4**

16. INVENTORIES

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Net realisable value tests are performed at least annually and represent the estimated future sales price of the product based on prevailing spot gold prices at the reporting date, less estimated costs to complete production and bring the product to sale. Future gold price fluctuations could negatively impact the valuation of inventory. If any inventories are expected to be realised in the long-term horizon, estimated future sales prices are used for valuation purposes.

ACCOUNTING POLICY

Inventory is valued at the lower of cost and net realisable value. The Company values gold-in-process when it can be reliably measured. Consumable stores are valued at weighted average cost after appropriate provision for surplus and slow-moving items.

Figures in million - SA rand	2017	2016	2015
Consumable stores[1]	**66.9**	55.5	45.3
Gold-on-hand	**-**	38.1	-
Total inventories	**66.9**	93.6	45.3

[1] The cost of consumable stores consumed during the year and included in operating cost amounted to R4,052.3 million (2016: R3,479.5 million and 2015: R3,123.3 million).

17. TRADE AND OTHER RECEIVABLES

ACCOUNTING POLICY

Trade and other receivables are initially recognised at fair value and subsequently carried at amortised cost less allowance for impairment. Estimates made for impairment are based on a review of all outstanding amounts at year end. Irrecoverable amounts are written off during the period in which they are identified.

Figures in million - SA rand	2017	2016	2015
Trade receivables	**482.6**	561.9	810.1
Other trade receivables	**71.3**	75.0	51.6
Payroll debtors	**97.3**	91.8	92.8
Interest receivable	**2.5**	5.1	7.1
Financial assets	**653.7**	733.8	961.6
Prepayments	**72.2**	269.7	113.9
Value added tax	**243.4**	262.4	304.6
Total trade and other receivables	**969.3**	1,265.9	1,380.1

18. DISPOSAL GROUP HELD FOR SALE

ACCOUNTING POLICY

Disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets or investment property, which continue to be measured in accordance with the Company's other accounting policies. Impairment losses on initial classification as held-for-sale and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held-for-sale, property, plant and equipment is no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

On 22 November 2017, Sibanye-Stillwater announced that it has entered into various agreements with DRDGOLD Limited (DRDGOLD) to exchange selected surface gold processing assets and tailings storage facilities (TSFs) for approximately 265 million newly issued DRDGOLD shares (the DRDGOLD Transaction). The selected surface gold processing assets and TSF (together referred to as the Selected Assets) includes:

- TSF (Driefontein 3 and 5, Kloof 1, Venterspost North and South, and Libanon)
- Active TSF (Driefontein 4)
- The land required for future development of a Central Processing Plant (CPP) and Regional Tailings Storage Facility (RTSF) and return water dam
- Surface processing plants (Driefontein 2 plant (DP2), Driefontein 3 plant (DP3) and West Rand Tailings Retreatment Project (WRTRP) pilot plant (for ongoing WRTRP gold recovery optimisation)

The currently active TSF will also be transferred, for no additional consideration, once they have been decommissioned by Sibanye-Stillwater (including Driefontein 1 and 2, Kloof 2 and Leeudoorn).

As the Company has committed to a plan to sell the Selected Assets, the assets (and related liabilities) that have been identified to be exchanged are presented as a disposal group held for sale.

As 31 December 2017, the disposal group was stated at its carrying value, being lower than its fair value less cost to sell, and consisted of the following assets and liabilities:

Figures in million - SA rand	Notes	2017
Assets held for sale		
Property, plant and equipment	10	**326.5**
Environmental rehabilitations obligation funds	13	**374.9**
Total assets held for sale		**701.4**
Liabilities held for sale		
Environmental rehabilitation obligation	22	**(280.6)**
Leave pay accrual		**(2.6)**
Deferred tax liabilities	8.3	**(113.1)**
Total liabilities held for sale		**(396.3)**
Total disposal group held for sale		**305.1**

There are no cumulative income or expenses included in other comprehensive income relating to the disposal group.

19. CASH AND CASH EQUIVALENTS

ACCOUNTING POLICY

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value and are measured at amortised cost which is deemed to be fair value as they have a short-term maturity.

Figures in million - SA rand	2017	2016	2015
Cash at the bank and on hand	**110.1**	339.5	118.4
Total cash and cash equivalents	**110.1**	339.5	118.4

20. STATED SHARE CAPITAL

ACCOUNTING POLICY

Ordinary share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Figures in thousand	2017	2016	2015
Authorised number of shares	**10 000 000**	2 000 000	2 000 000
Reconciliation of issued number of shares			
Number of shares in issue at beginning of the year	**929 004**	916 140	898 840
Shares issued under SGL Share Plan	**1 407**	12 864	17 300
Rights offer	**1 195 787**	-	-
Capitalisation issue	**42 523**		
Number of shares in issue at end of the year	**2 168 721**	929 004	916 140

AUTHORISED AND ISSUED

At the shareholder's meeting held on 21 November 2012 (when Gold Fields was the sole shareholder), the Company's authorised and issued share capital of 1,000 par value shares of R1.00 each was converted into 1,000 ordinary shares with no par value. The authorised share capital was increased by the creation of a further 999,999,000 ordinary no par value shares, each ranking pari passu in all respects with the existing no par value shares in the Company's share capital so as to result in the Company's authorised share capital being 1,000,000,000 ordinary no par value shares. As at 31 December 2012, the authorised share capital was 1,000,000,000 ordinary no par value shares and the issued share capital was 1,000 ordinary no par value shares.

On 1 February 2013, prior to the unbundling of Sibanye-Stillwater from Gold Fields on 18 February 2013, Gold Fields subscribed for a further 731,647,614 shares in Sibanye-Stillwater for R17,246 million.

During 2015, the Company issued 17,300,356 shares as part of the SGL Share Plan. As of 31 December 2015, the authorised share capital was 2,000,000,000 ordinary no par value shares and the issued share capital was 916,140,552 ordinary no par value shares.

During 2016, the Company issued 12,863,790 shares as part of the SGL Share Plan, and as of 31 December 2016, the authorised share capital was 2,000,000,000 ordinary no par value shares and issued share capital was 929,004,342 ordinary no par value shares.

At the shareholder's AGM on 25 April 2017, the authorised number of shares was increased to 10,000,000,000 ordinary no par value shares.

On 14 June 2017, Sibanye-Stillwater raised net capital of R12,962.4 million, being proceeds of R13,435.5 million and transactions costs of R506.1 million, from a rights issue, when 1,195,787,294 shares were issued with nine (9) new shares issued for every seven (7) existing shares held, on 4 October 2017, 42,522,524 shares were issued with two (2) capitalisation issue shares for every 100 existing share held, and on various dates during 2017, 1,407,060 shares were issued as part of the SGL Share Plan. As of 31 December 2017, the issued share capital was 2,168,721,220 ordinary no par value shares.

In terms of the general authority granted at the shareholder's AGM on 23 May 2017, the authorised but unissued ordinary share capital of the Company representing not more than 5% of the issued share capital of the Company as at 31 December 2016, after setting aside so many ordinary shares as may be required to be allotted and issued pursuant to the share incentive scheme, was placed under the control of the directors.

This authority expires at the next AGM where shareholders will be asked to place under the control of the directors the authorised but unissued ordinary share capital of the Company representing not more than 5% of the issued share capital of the Company from time to time.

All the Sibanye-Stillwater ordinary shares rank pari passu in all respects, there being no conversion or exchange rights attached thereto, and all of the ordinary shares will have equal rights to participate in capital, dividend and profit distributions by the Company.

REPURCHASE OF SHARES

The Company has not exercised the general authority granted to buy back shares from its issued ordinary share capital granted at the shareholders' meeting held on 23 May 2017. At the next AGM, shareholders will be asked to approve the general authority for the acquisition by the Company, or a subsidiary of the Company, of its own shares.

21. BORROWINGS AND DERIVATIVE FINANCIAL INSTRUMENT

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Borrowings

Expected future cash flows used to determine the fair value of borrowings are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including reserves and production estimates, together with economic factors such as the expected gold price, foreign currency exchange rates, and estimates of production costs, future capital expenditure and discount rates.

ACCOUNTING POLICY

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, where applicable and subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Derivative financial instruments

Derivatives are initially recognised at fair value using option pricing methodologies. Any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes are generally recognised in profit or loss.

BORROWINGS

Figures in million - SA rand	Notes	2017	2016	2015
R6.0 billion revolving credit facility	21.1	**5,136.4**	5,100.0	-
US$350 million revolving credit facility	21.2	**642.7**	1,369.0	-
US$450 million Convertible Bond	21.3	**4,357.1**		
R4.5 billion Facilities	21.4	**-**	-	1,961.6
Other borrowings	21.6	**478.8**	749.5	-
Total borrowings		**10,615.0**	7,218.5	1,961.6
Reconciliation of the non-current and current portion of the borrowings:				
Borrowings		**10,615.0**	7,218.5	1,961.6
Current portion of borrowings		**(1,121.5)**	(749.5)	(1,961.6)
Non-current portion of borrowings		**9,493.5**	6,469.0	-

The current portion of borrowings will be repaid out of operational cash flows or it will be refinanced by utilising available Company facilities.

DERIVATIVE FINANCIAL INSTRUMENT

Figures in million - SA rand	Note	2017	2016	2015
Reconciliation of the non-current and current portion of the derivative financial instrument:				
Derivative financial instrument	**21.3**	**1,093.5**	-	-
Non-current portion of derivative financial instrument		**1,093.5**	-	-

21.1 R6.0 BILLION REVOLVING CREDIT FACILITY

On 15 November 2016, Sibanye-Stillwater cancelled and refinanced the R4.5 billion Facilities by drawing R3.2 billion under the R6.0 billion RCF. The purpose of the facility was to refinance the R4.5 billion Facilities, finance ongoing capital expenditure, working capital and general corporate expenditure requirements which may include the financing of future acquisitions of business combinations.

Terms of the R6.0 billion RCF	
Facility:	R6.0 billion
Interest rate:	JIBAR
Interest rate margin:	2.4%
Term of loan:	Three years
Borrowers:	Sibanye, SRPM and Kroondal Operations Proprietary Limited (Kroondal Operations)
Security and/or guarantors:	The facility is unsecured and guaranteed by Sibanye, Rand Uranium, SRPM and Kroondal.

Figures in million - SA rand	2017	2016	2015
Balance at beginning of the year	**5,100.0**	-	-
Loans raised	**400.0**	5,100.0	-
Loans repaid	**(363.6)**	-	-
Balance at end of the year	**5,136.4**	5,100.0	-

21.2 US$350 MILLION REVOLVING CREDIT FACILITY

On 24 August 2015 Sibanye-Stillwater entered into a US$300 million syndicated RCF agreement. On 15 February 2016, the facility increased to US$350 million. The purpose of the facility was to finance ongoing capital expenditure, working capital and general corporate expenditure requirements which may include the financing of future acquisitions of business combinations.

Figures in million - SA rand		
Balance at beginning of the year		
Loans raised		
Loans repaid		
Gain on foreign exchange differences		
Balance at end of the year		**642.7**
	Less than or equal to 33⅓%	0.15%
	Greater than 33⅓% and less than or equal to 66⅔%	0.30%
	Greater than 66⅔%	0.50%
Term of loan:	Three years	
Borrowers:	Sibanye, SRPM and Kroondal Operations	
Security and/or guarantors:	The facility is unsecured and guaranteed by Sibanye, Rand Uranium, SRPM and Kroondal Operations.	

Figures in million - SA rand	2017	2016	2015
Balance at beginning of the year	**1 369.0**	-	-
Loans raised	**492.9**	2 771.5	-
Loans repaid	**(1 198.2)**	(1 211.6)	-
Gain on foreign exchange differences	**(21.0)**	(190.9)	-
Balance at end of the year	**642.7**	1 369.0	-

21.3 US$450 MILLION CONVERTIBLE BOND

The acquisition of Stillwater was financed by a US$2.65 billion bridge loan. The Stillwater Bridge Facility was partially repaid through the US$1 billion rights offer, and existing cash at Stillwater. The balance was repaid through the issuance of a US$450 million Convertible Bond. The convertible bond launched and was priced on 19 September 2017.

Terms of the US$ 450 million Convertible Bond	
Issue size:	US$450 million
Coupon:	1.875%
Maturity date:	26 September 2023 (six years)
Conversion premium:	35%
Reference share price:	US$1.2281, being the volume weighted average price of a share on the JSE from launch to pricing on 19 September 2017, converted at a fixed exchange rate.
Initial conversion price:	US$1.6580
Issuer:	Sibanye
Guarantors:	Stillwater and Kroondal Operations (toghether, the Guarantors), 100% subsidtional of Sibanye.

The US$450 million Convertible Bond has two components. The option component is recognised as derivative liability, measured at fair value, with changes in fair value recorded in profit or loss and reported separately in the statement of financial position. The bond component is recognised as a financial liability and measured at amortised cost using the effective interest rate.

CONVERTIBLE BOND AT AMORTISED COST

Figures in million - SA rand	Note	2017	2016	2015
Loans raised		**4,634.5**	-	-
Accrued interest and unwinding of amortised cost	5	**80.5**	-	-
Gain on foreign exchange differences		**(357.9)**	-	-
Balance at end of the year		**4,357.1**	-	-

CONVERTIBLE BOND DERIVATIVE FINANCIAL INSTRUMENT

Figures in million - SA rand	2017	2016	2015
Derivative financial instrument recognised	**1,296.6**	-	-
Gain on financial instruments	**(115.9)**	-	-
Gain on foreign exchange differences	**(87.2)**	-	-
Balance at end of the year	**1,093.5**	-	-

21.4 R4.5 BILLION FACILITIES

Sibanye-Stillwater entered into the R4.5 billion Facilities on 13 December 2013. The R4.5 billion Facilities was used to refinance the unbundling bridge loan facilities.

Terms of the R4.5 billion Facilities	
Facility:	R2.5 billion revolving credit facility (RCF)
	R2.0 billion term loan facility (Term Loan)
Interest rate:	JIBAR
Interest rate margin:	RCF: 2.85%
	Term Loan: 2.75%
Term of loan:	Three years
Repayment period:	The Term Loan will be repaid in equal six-monthly instalments of R250 million, with the R750 million balance and any amounts outstanding under the RCF due for settlement on final maturity, being 13 December 2016.
Security and/or guarantors:	The Facilities are unsecured and guaranteed by Rand Uranium and Ezulwini.
Cancellation:	These facilities were cancelled and repaid on 15 November 2016.

Figures in million - SA rand	Note	2017	2016	2015
Balance at beginning of the year		**-**	1,961.6	1,979.5
Loans raised		**-**	1,936.4	1,000.0
Loans repaid		**-**	(3,900.0)	(1,020.9)
Unwinding of amortised cost	5	**-**	2.0	3.0
Balance at end of the year		**-**	-	1,961.6
Reconciliation of facilities:				
Term loan		**-**	-	998.0
RCF		**-**	-	963.6

21.5 STILLWATER BRIDGE FACILITY

Figures in million - SA rand	2017	2016	2015
Balance at beginning of the year	**-**	-	-
Loans raised	**11,798.3**	-	-
Loans repaid	**(11,283.8)**	-	-
Gain on foreign exchange differences	**(514.5)**		
Balance at end of the year	**-**	-	-

21.6 OTHER BORROWINGS

SHORT-TERM CREDIT FACILITIES

The Company has uncommitted loan facilities with various banks to fund capital expenditure and working capital requirements at its operations. These facilities have no fixed terms, are short-term in nature and interest rates are market related.

Figures in million - SA rand	2017	2016	2015
Balance at beginning of the year	**749.5**	**-**	
Loans raised	**14,721.5**	4,545.6	552.0
Loans repaid	**(14,992.2)**	(3,796.1)	(552.0)
Balance at end of the year	**478.8**	749.5	-

21.7 THE EXPOSURE TO INTEREST RATE CHANGES AND THE CONTRACTUAL REPRICING DATES

The exposure of the Company's borrowings to interest rate changes and the contractual repricing dates at the reporting dates are as follows:

Figures in million - SA rand	2017	2016	2015
Floating rate with exposure to change in JIBAR	**5,615.2**	5,849.5	1,961.6
Floating rate with exposure to change in LIBOR	**642.7**	1,369.0	-
Non-current borrowings exposed to interest rate changes	**6,257.9**	7,218.5	1,961.6
The Company has the following undrawn borrowing facilities:			
Committed	**3,652.5**	4,322.5	6,198.4
Uncommitted	**471.3**	200.5	548.0
Total undrawn facilities	**4,123.8**	4,523.0	6,746.4
All of the above facilities have floating rates. The undrawn committed facilities have the following expiry dates:			
– within one year	**3,188.9**	-	1,536.4
– later than one year and not later than two years	**463.6**	3,422.5	-
– later than two years and not later than three years	**-**	900.0	4,662.0
Total undrawn committed facilities	**3,652.5**	4,322.5	6,198.4

21.8 CAPITAL MANAGEMENT

The Company's primary objective with regards to managing its capital is to ensure that there is sufficient capital available to support the funding requirements of the Company, including capital expenditure, in a way that: optimises the cost of capital; maximises shareholders' returns; and ensures that the Company remains in a sound financial position.

The Company manages and makes adjustments to the capital structure as and when borrowings mature or as and when funding is required. This may take the form of raising equity, market or bank debt or hybrids thereof. Opportunities in the market are also monitored closely to ensure that the most efficient funding solutions are implemented.

The Company monitors capital using the ratio of net debt to adjusted EBITDA (earnings before interes, taxes, depreciation and amortisation, but does not set absolute limits for this ratio.

Net debt to adjusted EBITDA at 31 December 2017 of 2.01 exceeds the Company's targeted ratio of net debt to adjusted EBITDA of 1.0:1 or lower. Utilising the committed unutilised debt facilities above, will impact on the leverage ratio. The borrowing facilities, permit a leverage ratio of 3.5:1 through to 31 December 2018, and 2.5:1 thereafter, calculated on a quarterly basis. Sibanye-Stillwater plans to deleverage over time back to its targeted leverage ratio of no greater than 1.0:1.

Figures in million - SA rand	Notes	2017	2016	2015
Borrowings[1]		**11,708.5**	7,218.5	1,961.6
Cash and cash equivalents	19	**110.1**	339.5	118.4
Net debt[2]		**11,598.4**	6,879.0	1,843.2
Adjusted EBITDA[3]		**5,766.4**	9,642.1	6,215.3
Net debt to adjusted EBITDA (ratio)[4]		**2.01**	0.71	0.30

[1] *Borrowings are only those borrowings that have recourse to Sibanye-Stillwater. Borrowings, therefore, include the derivative financial instrument.*
[2] *Net debt represents borrowings and bank overdraft less cash and cash equivalents. Borrowings are only those borrowings that have recourse to Sibanye-Stillwater and, therefore, include the derivative financial instrument.*
[3] *The adjusted EBITDA calculation included is based on the formula included in the facility agreements for compliance with the debt covenant formula. Adjusted EBITDA may not be comparable to similarly titled measures of other companies. Adjusted EBITDA is not a measure of performance under IFRS and should be considered in addition to, and not as a substitute for, other measures of financial performance and liquidity.*
[4] *Net debt to adjusted EBITDA ratio is defined as net debt as at the end of a reporting period divided by adjusted EBITDA of the 12 months ended on the same reporting date.*

Reconciliation of (loss)/profit before royalties to adjusted EBITDA

Figures in million - SA rand	**2017**	**2016**	**2015**
(Loss)/profit before royalties and tax	**(3,328.6)**	494.9	2,640.9
Adjusted for:			
Amortisation and depreciation	**3,240.8**	3,031.6	2,915.1
Interest income	**(479.4)**	(277.4)	(242.2)
Finance expense	**1,261.0**	586.7	396.8
Share-based payments	**223.4**	240.8	247.4
Loss on financial instruments	**260.5**	931.9	56.0
Gain on foreign exchange differences	**(111.9)**	(191.7)	(0.9)
Impairments	**3,178.1**	4,700.2	-
Occupational healthcare expense	**1,106.9**	-	-
Gain on disposal of property, plant and equipment	**(28.8)**	(80.7)	(49.0)
Restructuring costs	**310.0**	121.1	67.2
Transaction costs	**524.5**	84.7	25.7
Net loss on derecognition of financial guarantee asset and liability	**(390.1)**	-	158.3
Adjusted EBITDA	**5,766.4**	9,642.1	6,215.3

22. ENVIRONMENTAL REHABILITATION OBLIGATION

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The Company’s mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The Company recognises management’s best estimate for asset retirement obligations in the period in which they are incurred. Actual costs incurred in future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of this provision.

ACCOUNTING POLICY

Provisions are recognised when the Company has a present obligation, legal or constructive resulting from past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Long-term environmental obligations are based on the Company’s environmental management plans, in compliance with applicable environmental and regulatory requirements.

The estimated costs of rehabilitation are reviewed annually and adjusted as appropriate for changes in legislation, technology or other circumstances. Cost estimates are not reduced by the potential proceeds from the sale of assets or from plant clean up at closure.

Based on disturbances to date, the net present value of expected rehabilitation cost estimates is recognised and provided for in full in the financial statements. The estimates are reviewed annually and are discounted using a risk-free rate that is adjusted to reflect the current market assessments of the time value of money and the risks specific to the obligation.

Annual changes in the provision consist of finance costs relating to the change in the present value of the provision and inflationary increases in the provision estimate, as well as changes in estimates. Changes in estimates are capitalised or reversed against the relevant asset to the extent that it meets the definition of dismantling and removing the item and restoring the site on which it is located. Costs that relate to an existing condition caused by past operations and do not have a future economic benefit are recognised in profit or loss. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in profit or loss. The present value of environmental disturbances created are capitalised to mining assets against an increase in the environmental rehabilitation obligation.

Rehabilitation projects undertaken, included in the estimates are charged to the provision as incurred. The cost of ongoing current programmes to prevent and control environmental disturbances is charged against income as incurred. The unwinding of the discount due to the passage of time is recognised as finance cost, and the capitalised cost is amortised over the remaining lives of the mines.

Figures in million - SA rand	Notes	2017	2016	2015
Balance at beginning of the year		**1,841.8**	1,579.7	1,759.6
Interest charge[1]	5	**168.9**	154.8	138.3
Payment of environmental rehabilitation obligation[2]		**(15.9)**	-	(0.3)
Change in estimates charged to profit or loss		**45.3**	-	-
Change in estimates capitaliused[3]	10	**(173.3)**	107.3	(317.9)
Disposal group held for sale		**(280.6)**	-	-
Balance at end of the year		**1,586.2**	1,841.8	1,579.7

[1] The provision is calculated based on the discount rates of 7.5% – 9.7% (2016: 8.5% - 10.2% and 2015: 9.2% - 10.2%).
[2] The cost of ongoing current programmes to prevent and control environmental distubances, including reclamation auther, is charged to cost of sales as incurred.
[3] Changes in estimates are defined as changes in reserves and corresponding changes in life of mine, changes in discount rates, and changes in laws and regulations governing environmental matters.

The Company's mining operations are required by law to undertake rehabilitation works as part of their ongoing operations. The Company makes contributions into environmental rehabilitation obligation funds (refer to note 13) and holds guarantees to fund the estimated costs.

POST CLOSURE WATER MANAGEMENT LIABILITY

The Company has identified a risk of potential long-term Acid Mine Drainage (AMD) and other groundwater pollution issues which are also being experienced by peer mining groups. AMD relates to the acidification and contamination of naturally occurring water resources by pyrite-bearing ore contained in underground mines and in rock dumps, tailings dams and pits on the surface. The Company has not been able to reliably determine the financial impact that AMD and ground water pollution might have on the Company, nor the timing of possible out flow, however, the Company has adopted a proactive approach by initiating projects which include understanding the mining impacts on the catchments within which the Company operates, the Sibanye Amanzi (long-term water management strategy), the refinement of innovative treatment technologies and the development of regional mine closure models to predict water quality impacts. The Company operates a comprehensive water quality monitoring program, including bio-monitoring, as an early detection of potential AMD.

No adjustment for the effects that may result from AMD and other groundwater pollution issues, if any, have been made in the company financial statements other than in the environmental rehabilitation obligation.

23. OCCUPATIONAL HEALTHCARE OBLIGATION

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The Company recognises management's best estimates to settle any occupational healthcare claims against the Company's operations. The ultimate outcome of these matters remains uncertain, with a possible failure to reach a settlement or to obtain the requisite court approval for a potential settlement. The provision is consequently subject to adjustment in the future, depending on the progress of the Occupational Lung Disease Group (the Working Group) discussions, stakeholder engagements and the ongoing legal proceedings. Actual costs incurred in future periods could differ materially from the estimates.

Estimates that were used in the assessment include value of benefits, required contributions, timing of payments, tracing pattern, period discount rates, period inflation rates and a 60% take-up rate. These estimates were informed by a professional opinion.

ACCOUNTING POLICY

Provisions are recognised when the Company has a present obligation, legal or constructive resulting from past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The estimated costs of settlement claims are reviewed at least annually and adjusted as appropriate for changes in cash flow predictions or other circumstances.

Based on estimates to date, the net present value of expected settlement claims is recognised and provided for in full in the financial statements. The estimated cash flows are discounted using a risk-free rate with similar terms to the obligation to reflect the current market assessments of the time value of money.

Annual changes in the provision consist of finance costs relating to the change in the present value of the provision and changes in estimates.

As a result of the ongoing work of the Working Group, engagements with affected stakeholders since 31 March 2017 and the likely settlement at 30 June 2017 it became possible for Sibanye-Stillwater to reasonably estimate its share of the estimated cost in relation to the Working Group of a possible settlement of the class action claims and related costs. As a result, Sibanye-Stillwater provided an amount of R1,077.2 million for this obligation in the statement of financial position. The estimated costs were reviewed at 31 December 2017 and discounted using a risk-free rate. A change in estimate of R29.7 million was recognised in profit or loss.

Figures in million - SA rand	Notes	2017	2016	2015
Interest charge	5	**46.4**	-	-
Charge to profit or loss		**1,106.9**	-	-
Balance at end of the year		**1,153.3**	-	-
Reconciliation of the non-current and current portion of occupational healthcare obligation:		**1,153.3**	-	-
Current portion of occupational healthcare obligation		**(0.8)**	-	-
Non-current portion of occupational healthcare obligation		**1,152.5**	-	-

24. TRADE AND OTHER PAYABLES

ACCOUNTING POLICY

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Provision is made for employee entitlement benefits accumulated as a result of employees rendering services up to the reporting date. Liabilities arising in respect of wages and salaries, annual leave and other benefits due to be settled within twelve months of the reporting date are measured at rates which are expected to be paid when the liability is settled. Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

All other employee entitlement liabilities are measured at the present value of estimated payments to be made in respect of services rendered up to reporting date.

Figures in million - SA rand	2017	2016	2015
Trade creditors	**248.8**	234.7	243.5
Accruals and other creditors	**682.3**	650.3	650.6
Payroll creditors	**664.0**	667.3	721.8
Leave pay accrual	**534.3**	516.3	445.7
Other	**107.9**	22.3	15.9
Total trade and other payables	**2,237.3**	2,090.9	2,077.5

25. CASH GENERATED BY OPERATIONS

Figures in million - SA rand	Notes	2017	2016	2015
(Loss)/profit for the year		**(3,554.5)**	(1,359.2)	1,760.6
Royalties	8.1	**311.6**	512.4	383.9
Mining and income tax	8.2	**(85.7)**	1,341.7	496.4
Interest income		**(479.4)**	(277.4)	(242.2)
Finance expense	5	**1,261.0**	586.7	396.8
(Loss)/profit before interest, royalties and tax		**(2,547.0)**	804.2	2,795.5
Non-cash and other adjusting items:				
Amortisation and depreciation	4	**3,240.8**	3,031.6	2,915.1
Share-based payments	6	**223.4**	240.8	247.4
(Gain)/loss on financial instruments		**(101.6)**	931.9	56.0
Gain on foreign exchange differences		**(111.9)**	(190.9)	(4.2)
Gain on disposal of property, plant and equipment		**(28.8)**	(80.7)	(49.0)
Impairments	7	**3,178.1**	4,700.2	-
Occupational healthcare obligation	23	**1,106.9**		
Other receivable recognised	14.1	**(10.7)**	(82.4)	-
Net gain/(loss) on recognition/(derecognition) of financial guarantee asset and liability	15	**(390.1)**	-	158.3
Other		**45.5**	1.3	-
Total cash generated by operations		**4,604.6**	9,356.0	6,119.1

26. CHANGE IN WORKING CAPITAL

Figures in million - SA rand	2017	2016	2015
Inventories	**26.7**	(48.3)	(25.5)
Trade, related and other receivables	**(359.7)**	(312.5)	(1,320.3)
Trade, related and other payables	**1,387.0**	952.6	221.7
Total change in working capital	**1,054.0**	591.8	(1,124.1)

27. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES, AND RISK MANAGEMENT

ACCOUNTING POLICY

Financial instruments recognised in the statement of financial position include cash and cash equivalents, trade and other receivables, borrowings, derivative financial instrument and trade and other payables.

The Company initially recognises loans and receivables on the date these originate. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument. The Company derecognises a financial asset when the contractual rights to the cash flows in a transaction in which substantially all the risks and rewards of the ownership of the financial asset are transferred. The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired. Any interest in such transferred financial asset that is created or retained by the Company is recognised as a separate asset or liability. The particular recognition and measurement methods adopted are disclosed in the individual policy statements associated with each item.

A financial asset not classified at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and those event(s) had an impact on the estimated future cash flows of that asset, that can be estimated reliably. Impairment losses are recognised through profit or loss.

On derecognition of a financial asset or liability, the difference between the carrying amount of the asset or liability and the sum of the consideration received and cumulative gains recognised in equity is recognised in profit or loss.

Refer to the relevant notes for the accounting policies of the following financial assets and financial liabilities:

- Environmental rehabilitation obligation funds
- Other receivable
- Trade and other receivables
- Cash and cash equivalents
- Borrowings
- Derivative financial instrument
- Trade and other payables

27.1 ACCOUNTING CLASSIFICATIONS AND MEASUREMENT OF FAIR VALUES

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

- **Trade and other receivables/payables, and cash and cash equivalents**

  The carrying amounts approximate fair values due to the short maturity of these instruments.

- **Investments and environmental rehabilitation obligation funds**

  The fair value of publicly traded instruments is based on quoted market values. The environmental rehabilitation obligation funds are stated at fair value based on the nature of the funds' investments.

- **Borrowings**

  The fair value of borrowings approximates its carrying amounts as the impact of credit risk is included in the measurement of carrying amounts.

- **Financial instruments**

  The fair value of financial instruments is estimated based on ruling market prices, volatilities and interest rates. All derivatives are carried on the statement of financial position at fair value.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments:

- **Level 1:** unadjusted quoted prices in active markets for identical asset or liabilities;
- **Level 2:** inputs other than quoted prices in level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

NOTES TO THE COMPANY FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2017

The following tables set out the Company's significant financial instruments measured at fair value by level within the fair value hierarchy:

	Carrying value				Fair Value			
Figures in million - SA rand	**Fair value through profit or loss**	**Loans and other receivables**	**Other financial liabilities**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
31 December 2017								
Financial assets								
Measured at fair value:								
- Environmental rehabilitation obligation funds[1]	**2,012.4**	**-**	**-**	**2,012.4**	**2,012.4**	**-**	**-**	**2,012.4**
Not measured at fair value:								**-**
- Other receivable	**-**	**105.6**	**-**	**105.6**				**-**
Financial liabilities								**-**
Not measured at fair value:								**-**
- Borrowings			**(10,615.0)**	**(10,615.0)**				**-**
Measured at fair value:								**-**
- Derivative financial instrument[2]	**(1,093.5)**	**-**	**-**	**(1,093.5)**		**(1,093.5)**		**(1,093.5)**
31 December 2016								
Financial assets								
Measured at fair value:								
- Environmental rehabilitation obligation funds[1]	2,178.2	-	-	2,178.2	2,178.2	-	-	2,178.2
Not measured at fair value:								
- Other receivable	-	82.4	-	82.4				
Financial liabilities								
Not measured at fair value:								
- Borrowings	-	-	(7,218.5)	(7,218.5)				

[1] Environmental rehabilitation obligation funds comprises interest-bearing short-term investments valued using quoted market prices.

[2] The derivative financial instrument is recognised at fair value and valued using option pricing methodologies based on observable quoted inputs.

27.2 RISK MANAGEMENT ACTIVITIES

In the normal course of its operations, the Company is exposed to market risks, including commodity price, foreign currency, interest rate, liquidity and credit risk associated with underlying assets, liabilities and anticipated transactions. In order to manage these risks, the Company has developed a comprehensive risk management process to facilitate control and monitoring of these risks.

CONTROLLING AND MANAGING RISK IN THE COMPANY

Sibanye-Stillwater has policies in areas such as counterparty exposure, hedging practices and prudential limits which have been approved by Sibanye-Stillwater's Board of Directors (the Board). Management of financial risk is centralised at Sibanye-Stillwater's treasury department (Treasury), which acts as the interface between Sibanye-Stillwater's Operations and counterparty banks. Treasury manages financial risk in accordance with the policies and procedures established by the Board and executive committee.

The Board has approved dealing limits for money market, foreign exchange and commodity transactions, which Treasury is required to adhere to. Among other restrictions, these limits describe which instruments may be traded and demarcate open position limits for each category as well as indicating counterparty credit-related limits. The dealing exposure and limits are checked and controlled each day and reported to the CFO.

The objective of Treasury is to manage all financial risks arising from the Company's business activities in order to protect profit and cash flows. Treasury activities of Sibanye-Stillwater is guided by the Treasury Policy, the Treasury Framework as well as domestic and international financial market regulations. Treasury activities are currently performed within the Treasury Framework with appropriate resolutions from the Board, which are reviewed and approved annually by the Audit Committee.

The financial risk management objectives of the Company are defined as follows:

- **Liquidity risk management:** the objective is to ensure that the Company is able to meet its short-term commitments through the effective and efficient management of cash and usage of credit facilities.
- **Currency risk management:** the objective is to maximise the Company's profits by minimising currency fluctuations.
- **Funding risk management:** the objective is to meet funding requirements timeously and at competitive rates by adopting reliable liquidity management procedures.
- **Investment risk management:** the objective is to achieve optimal returns on surplus funds.
- **Interest rate risk management:** the objective is to identify opportunities to prudently manage interest rate exposures.
- **Counterparty exposure:** the objective is to only deal with approved counterparts that are of a sound financial standing and who have an official credit rating. The Company is limited to a maximum investment of 2.5% of the financial institutions' equity, which is dependent on the institutions' credit rating. The credit rating used is Fitch Ratings' short-term credit rating for financial institutions.
- **Commodity price risk management:** commodity risk management takes place within limits and with counterparts as approved in the treasury framework.

CREDIT RISK

Credit risk represents risk that an entity will suffer a financial loss due to the other party of a financial instrument not discharging its obligation.

The Company has reduced its exposure to credit risk by dealing with a number of counterparties. The Company approves these counterparties according to its risk management policy and ensures that they are of good credit quality.

The carrying value of the financial assets represents the combined maximum credit risk exposure of the Company.

Trade receivables are reviewed on a regular basis and an allowance for impairment is raised when they are not considered recoverable. Trade receivables comprise banking institutions purchasing commodities. These receivables are currently in a sound financial position and no impairment has been recognised.

Receivables that are past due but not impaired total R7.6 million (2016: R7.4 million and 2015: R3.2 million). At 31 December 2017, receivables of R5.7 million (2016: R2.3 million and 2015: R1.5 million) are considered impaired and are provided for.

Concentration of credit risk on cash and cash equivalents and non-current assets is considered minimal due to the abovementioned investment risk management and counterparty exposure risk management policies.

LIQUIDITY RISK

In the ordinary course of business, the Company receives cash proceeds from its operations and is required to fund working capital and capital expenditure requirements. The cash is managed to ensure surplus funds are invested to maximise returns whilst ensuring that capital is safeguarded to the maximum extent possible by investing only with top financial institutions.

Uncommitted borrowing facilities are maintained with several banking counterparties to meet the Company's normal and contingency funding requirements.

The following are contractually due, undiscounted cash flows resulting from maturities of financial liabilities including interest payments:

Figures in million - SA rand	**Total**	**Within one year**	**Between one and five years**	**After five years**
31 December 2017				
Trade and other payables	**1,703.0**	**1,703.0**	**-**	**-**
Borrowings				
- Capital	**11,819.9**	**5,615.2**	**642.7**	**5,562.0**
- Interest	**598.6**	**104.3**	**417.4**	**76.9**
Total	**14,121.5**	**7,422.5**	**1,060.1**	**5,638.9**
31 December 2016				
Trade and other payables	1,574.6	1,574.6	-	-
Borrowings[1]				
- Capital	7,218.5	749.5	6,469.0	-
- Interest	-	-	-	-
Total	8,793.1	2,324.1	6,469.0	-

[1] Borrowings - JIBAR and LIBOR at 31 December 2017 adjusted by specific facility agreement of 2.75% and 4.00%, respectively.

WORKING CAPITAL AND GOING CONCERN ASSESMENT

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

For the year ended 31 December 2017, the company incurred a loss of R3,554.5 million (2016: R1,359.2 million). As at 31 December 2017, the Company's current liabilities exceeded its current assets by R2,008.7 million (2016: [R898.5 million) and during the year then ended the Company generated cash from operating activities of R3,445.6 million (2016: R4,931.8 million).

Gold is sold in US dollars, and while the majority of the Company's gold costs are denominated in rand, the Company's results and financial condition may be impacted if there is a material change in the value of the rand.

Subsequent to year end, the average rand/US dollar exchange rate strengthened to R11.68/US$ from the average exchange rate of R13.31/US$ for the year ended 31 December 2017. Management has performed various sensitivities relating to the rand/US dollar exchange rate and the impact on the rand commodity prices. Should a strong rand/US dollar exchange rate persist without a corresponding gain in commodity prices, the Company could consider increasing operational flexibility by adjusting mine plans, reducing capital expenditure and/or selling assets. The Company may also, if necessary, consider options to increase funding flexibility which may include, among others, streaming facilities, prepayment facilities, facility restructuring or, in the event that other options are not deemed preferable or achievable by the Board, an equity capital raise.

The Company currently has committed undrawn debt facilities of R3,653 million at 31 December 2017. In order to maintain adequate liquidity, the refinancing and upsizing of the US$350 million RCF, maturing on 23 August 2018, to US$600 million, has been initiated. The facility has been fully syndicated with a group of eight international banks having provided commitment letters. The facility documentation is expected to be executed by the end of March 2018. The terms and conditions largely mirror the current US$350 million RCF which is US$92 million drawn as at 31 December 2017. On successful completion an additional US$250 million (approximately R3,000 million) of committed unutilised financing would be available.

Sibanye-Stillwater's leverage ratio (or net debt to adjusted EBITDA (earnings before interest, taxes, depreciation and amortisation)) at 31 December 2017 is 2.01. Using the committed unutilised debt facilities could impact on the leverage ratio if used to fund operating losses. As indicated above, management have significant operational and financing flexibility and will continue to manage the operations and capital structure to ensure compliance with debt covenants. The borrowing facilities, permit a leverage ratio of 3.5:1 through to 31 December 2018, and 2.5:1, thereafter, calculated on a quarterly basis. Consistent with its long-term strategy, Sibanye-Stillwater plans to deleverage over time to its targeted leverage ratio of no greater than 1.0:1.

The directors believe that the cash generated by its operations, cash on hand, the committed unutilised debt facilities as well as the additional funding possibilities will enable the company to continue to meet its obligations as they fall due. The company financial statements for the year ended 31 December 2017, therefore, have been prepared on a going concern basis.

MARKET RISK

The Company is exposed to market risks, including foreign currency, commodity price and interest rate risk associated with underlying assets, liabilities and anticipated transactions. Following periodic evaluation of these exposures, the Company may enter into derivative financial instruments to manage some of these exposures (refer to sensitivity analysis further in this note).

SENSITIVITY ANALYSIS

The sensitivity analysis shows the effects of reasonable possible changes of relevant risk variables on profit or loss or shareholders' equity. The Company is exposed to commodity price, currency and interest rate risks. The effects are determined by relating the reasonable possible change in the risk variable to the balance of financial instruments at period end date.

The amounts generated from the sensitivity analyses are forward-looking estimates of market risks assuming certain adverse or favourable market conditions occur. Actual results in the future may differ materially from those projected results and therefore should not be considered a projection of likely future events and gains/losses.

Foreign currency sensitivity

General and policy

In the ordinary course of business, the Company enters into transactions, such as gold sales, denominated in foreign currencies, primarily US dollar. Although this exposes the Company to transaction and translation exposure from fluctuations in foreign currency exchange rates, the Company does not generally hedge this exposure, although it could be considered for significant expenditures based in foreign currency or those items which have long lead times to produce or deliver. Also, the Company on occasion undertakes currency hedging to take advantage of favourable short-term fluctuations in exchange rates when management believes exchange rates are at unsustainably high levels.

Currency risk only exists on account of financial instruments being denominated in a currency that is not the functional currency and being of a monetary nature. This includes but is not limited to the US$350 million RCF (refer note 21.2)and the US$450 million Convertible Bond (refer to note 21.3).

Foreign currency economic hedging experience

As at 31 December 2017, 2016 and 2015 there were no material foreign currency contract positions. As of 23 March 2018, there were no material foreign currency positions.

During May 2017, the Company entered into a forward exchange contract to acquire US$779.1 million at R13.23/US$ on 15 June 2017 with the proceeds of the rights offer (refer to note 22) to partially repay the Stillwater Bridge Facility (refer to note 24.7). The exchange rate on 15 June 2017 was R12.89/US$ and the Company recognised a loss on financial instruments of R283.2 million. During 2016 and 2015, no forward cover was taken out to cover various commitments of Sibanye-Stillwater's operations.

Foreign currency sensitivity analysis

Sibanye-Stillwater's operations are all located in South Africa and its revenues are equally sensitive to changes in the US dollar gold price and the rand/US dollar exchange rate (the exchange rate). Depreciation of the rand against the US dollar results in Sibanye-Stillwater's revenues and operating margin increasing. Conversely, should the rand appreciate against the US dollar, revenues and operating margins would decrease. The impact on profitability of any change in the exchange rate can be substantial. Furthermore, the exchange rates obtained when converting US dollars to rand are set by foreign exchange markets over which Sibanye-Stillwater has no control. The relationship between currencies and commodities, which includes the gold price, is complex and changes in exchange rates can influence commodity prices and vice versa.

A sensitivity analysis of the mark-to-market valuation has not been performed as there were no material foreign currency contracts as of 23 March 2018.

Commodity price sensitivity

The market price of gold has a significant effect on the results of operations of the Company and the ability of the Company to pay dividends and undertake capital expenditures. The gold price has historically fluctuated widely and is affected by numerous industry factors over which the Company does not have any control. The aggregate effect of these factors on the gold price, all of which are beyond the control of the Company, is impossible for the Company to predict.

Commodity price hedging policy

As a general rule, the Company does not enter into forward sales, derivatives or other hedging arrangements to establish a price in advance for future gold production. Commodity hedging could, however, be considered in future under one or more of the following circumstances: to protect cash flows at times of significant capital expenditure; financing projects or to safeguard the viability of higher cost operations.

To the extent that it enters into commodity hedging arrangements, the Company seeks to use different counterparty banks consisting of local and international banks to spread risk. None of the counterparties is affiliated with, or related to parties of the Company.

Commodity price hedging experience

During December 2017, Sibanye-Stillwater entered into the following sale of gold forward agreements to:

- sell forward 17,843 ounces of Cooke's gold effective from 1 December 2017 to 24 December 2017 at an average price of R19,700/oz.; and
- sell forward 115,740 ounces of Driefontein, Kloof and Beatrix's gold effective from 1 January 2018 to 28 December 2018 at an average price of R17,530/oz.

Commodity price contract position

As of 31 December 2017, 2016 and 2015, Sibanye-Stillwater had no outstanding commodity price contracts.

Interest rate sensitivity

General

The Company's income and operating cash flows are dependent of changes in market interest rates. The Company's interest rate risk arises from long-term borrowings.

As at 31 December 2017, the Company's total borrowings amounted to R10,615.0 million (2016: R7,218.5 million and 2015: R1,961.6 million). The Company generally does not undertake any specific action to cover its exposure to interest rate risk, although it may do so in specific circumstances. Refer to note 21 for all the borrowings and the relevant interest rates per facility.

The portion of Sibanye-Stillwater's interest-bearing borrowings at period end that is exposed to interest rate fluctuations is R10,615.0 million (2016: R7,218.5 million and 2015: R1,961.6million). This debt is normally rolled for periods between one and three months and is therefore exposed to the rate changes in this period.

At 31 December 2017, of the total borrowings, R5,615.2 million (2016: R5,849.5 million and 2015: R1,961.6 million is exposed to changes in the JIBAR rate and R642.7 million (2016: R1,369.0 and 2015: Rnil) is exposed to changes in the LIBOR rate. The relevant interest rates for each facility are described in note 21.

The table below summarises the effect of a change in finance expense on the Company's profit or loss had JIBAR and LIBOR differed as indicated. The analysis is based on the assumption that the applicable interest rate increased/decreased with all other variables held constant. All financial instruments with fixed interest rates that are carried at amortised cost are not subject to the interest rate sensitivity analysis.

Interest rate sensitivity analysis

	Change in interest expenses for a change in interest rate[1]					
Figures in million - SA rand	**-1.5%**	**-1.0%**	**-0.5%**	**0.5%**	**1.0%**	**1.5%**
31 December 2017						
- JIBAR	**77.0**	**51.4**	**25.7**	**(25.7)**	**(51.4)**	**(77.0)**
- LIBOR[1]	**9.6**	**6.4**	**3.2**	**(3.2)**	**(6.4)**	**(9.6)**
Change in finance expense	**86.7**	**57.8**	**28.9**	**(28.9)**	**(57.8)**	**(86.7)**
31 December 2016						
- JIBAR	45.6	30.4	15.2	(15.2)	(30.4)	(45.6)
- LIBOR[2]	-	-	-	(13.6)	(27.2)	(40.8)
Change in finance expense	45.6	30.4	15.2	(28.8)	(57.6)	(86.4)

[1] *Interest* rate sensitivity analysis is performed on the borrowings balance at 31 December.

[2] *No interest rate sensitivity analysis has been performed for a reduction in LIBOR due to LIBOR being less than 1%, a decrease in LIBOR would have no impact on the Company's profit or loss nterest* rate sensitivity analysis is performed on the borrowings balance at 31 December.

28. COMMITMENTS

Figures in million - SA rand	Notes	2017	2016	2015
Capital expenditure				
Authorised		**2,135.4**	2,166.4	2,153.5
Kloof		**1,200.8**	1,256.0	1,307.7
Driefontein		**724.5**	780.4	725.5
Beatrix		**210.1**	130.0	120.3
Contracted for		**206.9**	262.5	262.5
Other guarantees		**266.7**	55.5	55.5

Commitments will be funded from internal sources and to the extent necessary from borrowings. This expenditure primarily relates to hostel upgrades, mining activities and infrastructure.

29. RELATED-PARTY TRANSACTIONS

Sibanye-Stillwater entered into related-party transactions with key management, its associates and its subsidiaries during the year as detailed below. The transactions with these related parties are generally conducted with terms comparable to transactions with third parties, however in certain circumstances such as related-party loans, the transactions were not at arm's length.

RAND REFINERY

Rand Refinery, in which Sibanye-Stillwater holds a 33.1% interest, has an agreement with the Company whereby it refines all the Company's gold production. No dividends were received during the years ended 31 December 2017, 2016 and 2015. For the year ending 31 December 2017, the Company paid refining fees to Rand Refinery and received interest.

KEY MANAGEMENT REMUNERATION

The executive directors and prescribed officers were paid the following remuneration during the year:

Figures in thousands - SA rand	Salary	Cash bonus accrued for the period ended 31 Dec 2017 paid in 2018	Shares proceeds and Dividends payments	Pension scheme total contributions	Expense allowance	For the period ended 31 Dec 2017	For the period ended 31 Dec 2016
Executive directors							
Neal Froneman	10,265	15,158	25,956	1,103	174	**52,656**	104,727
Charl Keyter	5,518	7,775	9,354	758	35	**23,440**	26,299
Prescribed officers							
Chris Bateman[1]	4,506	2,615	-	148	-	**7,269**	-
Hartley Dikgale	3,886	2,176	5,448	258	-	**11,768**	10,849
Dawie Mostert	3,683	2,577	5,289	495	-	**12,044**	11,711
Themba Nkosi	3,535	2,372	686	276	-	**6,869**	2,951
Wayne Robinson	4,381	2,328	2,211	348	-	**9,268**	6,180
Richard Stewart	3,808	4,925	2,141	414	-	**11,288**	5,331
Robert van Niekerk	4,547	4,492	7,896	489	-	**17,424**	21,725
John Wallington[2]	1,772	1,309	459	313	-	**3,853**	4,948
Total	45,901	45,727	59,440	4,602	209	**155,879**	194,721

[1] *Appointed as a prescribed officer on 1 July 2017. Total remuneration of US$0.54 million was converted at the average exchange rate of R13.41/US$ for the six months ended 31 December 2017.*

[2] *Resigned as prescribed officer 30 June 2017.*

The non-executive directors were paid the following fees during the year:

Figures in thousands - SA rand	Directors fees'	Committee fees	Expense allowance	2017	2016
Chris Chadwick[1]	345	97	-	**442**	1,099
Robert Chan[2]	718	203	277	**1,198**	1,369
Tim Cumming	908	459	61	**1,428**	1,337
Barry Davison	908	587	60	**1,555**	1,411
Savannah Danson[3]	544	201	-	**745**	-
Rick Menell	908	681	21	**1,610**	1,602
Sello Moloko	1,717	-	8	**1,725**	1,621
Nkosemntu Nika	874	411	-	**1,285**	1,260
Keith Rayner	908	637	-	**1,545**	1,530
Sue van der Merwe	908	315	-	**1,223**	1,139
Jerry Vilakazi	897	327	-	**1,224**	1,169
Jiyu Yuan[2]	718	101	-	**819**	978
Total	10,353	4,019	427	**14,799**	14,515

[1] *Resigned 23 May 2017*
[2] *Resigned on 18 September 2017*
[3] *Appointed on 23 May 2017*

The directors' and prescribed officers' share ownership at 31 December 2017 was:

	Number of shares		%	
	2017	**2016**	**2017**	**2016**
Executive directors				
Neal Froneman[1]	3,342,087	804,402	**0.15**	0.09
Charl Keyter[2]	1,212,745	469,954	**0.06**	0.05
Non-executive directors				
Tim Cumming[3]	102	100	**0.00**	0.00
Barry Davison[3]	1,507,414	500,000	**0.07**	0.05
Rick Menell[3]	104,448	44,800	**0.00**	0.00
Sello Moloko[3]	107,245	46,000	**0.00**	0.00
Keith Rayner[3]	66,339	45,000	**0.00**	0.00
Sue van der Merwe[3]	988	424	**0.00**	0.00
Total share ownership by directors	6,341,368	1,910,680		
Prescribed officers				
Chris Bateman[4]	-	-	**-**	-
Hartley Dikgale[5]	292,785	175,215	**0.01**	0.02
Themba Nkosi[3]	18,370	367	**0.00**	0.00
Wayne Robinson[6]	346	-	**0.00**	-
Richard Stewart[7]	102,971	12,854	**0.00**	0.00
Robert van Niekerk[8]	176,266	-	**0.01**	-
Total	6,932,106	2,099,116		

[1] *Share ownership at the date of this report is 4,125,184 ordinary shares.*
[2] *Share ownership at the date of this report is 1,385,352 ordinary shares.*
[3] *Share ownership at the date of this report is unchanged.*
[4] *Share ownership at the date of this report is 12,722 ADRs.*
[5] *Share ownership at the date of this report is 367,168 ordinary shares.*
[6] *Share ownership at the date of this report is 101,997 ordinary shares.*
[7] *Share ownership at the date of this report is 187,412 ordinary shares.*
[8] *Share ownership at the date of this report is 302,251 ordinary shares.*

None of the directors' immediate famalies and associates held ant direct shareholding in the company's issued share capital.

NOTES TO THE COMPANY FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2017

OTHER RELATED-PARTY TRANSACTIONS AND BALANCES

The table below details the transactions and balances between the Company and its related-parties:

Figures in million - SA rand	Notes	2017	2016	2015
Interest income from Rand Refinery		**1.5**	40.2	37.3
Interest income from Stillwater		**225.9**	-	-
Guarantee fees paid by Stillwater		**82.0**	-	-
Guarantee fees to by Stillwater		**(16.1)**	-	-
Expenditure		**(863.2)**	(925.5)	(657.6)
Refining fees paid to Rand Refinery		**(32.5)**	(44.4)	(30.8)
Training fees paid to Sibanye Gold Academy		**(137.1)**	(197.6)	(251.5)
Security fees paid to Sibanye Gold Protection Services		**(299.3)**	(294.7)	(253.9)
Administration fees paid to Sibanye Gold Shared Services		**(99.6)**	(114.2)	(121.4)
Medical fees paid to St Helena Hospital		**(294.7)**	(274.6)	-
Loan receivable from associate		**9.9**	79.3	37.2
Rand Refinery		**-**	403.9	363.7
Impairment of loan receivable from Rand Refinery		**-**	(329.5)	(329.5)
Living Gold Proprietary Limited		**9.9**	4.9	3.0
Loan receivable from subsidiaries		**9,942.4**	2,171.1	5,298.6
Ezulwini[1]		**-**	-	-
Newshelf 1114[1]		**-**	-	2,774.5
Rand Uranium[1]		**-**	1,147.6	2,291.6
St Helena Hospital		**22.0**	22.0	22.0
Stillwater		**8,483.9**	-	-
Wits Gold		**1,423.3**	988.3	198.3
Other subsidiaries		**13.2**	13.2	12.2
Trade receivables from related parties		**3,012.0**	2,353.1	1,926.4
Rand Uranium		**7.5**	27.5	6.5
Sibanye Gold Protection Services		**0.9**	64.8	0.3
Sibanye Gold Academy		**0.3**	70.3	0.6
Sibanye Gold Shared Services		**2,480.6**	1,999.1	1,914.6
SRPM		**38.7**	145.4	-
Stillwater		**470.0**	-	-
Other subsidiaries		**14.0**	46.0	4.5
Trade payables to related parties		**(2,768.2)**	(1,530.3)	(591.1)
Sibanye Gold Academy		**(13.0)**	(39.5)	(15.1)
Sibanye Gold Shared Services		**(2,653.9)**	(1,442.7)	(571.3)
Other subsidiaries		**(101.3)**	(48.1)	(4.7)
Loan payable to Subsidiaries		**(455.5)**	(393.1)	(754.1)
Ezulwini		**-**	(373.1)	(396.2)
Sibanye Gold Protection Services		**(20.0)**	(20.0)	(20.0)
Sibanye Gold Shared Services		**-**	-	(329.0)
Sibanye Platinum Bermuda		**(35.5)**	-	-
SRPM		**(400.0)**	-	-
Other subsidiaries		**-**	-	(8.9)

[1] The loan receivable from Newshelf 1114,Rand Uranium and Ezulwini were fully impaired during the year, refer to note 7.

30. EVENTS AFTER THE REPORTING DATE

There were no events that could have a material impact on the financial results of the Company after 31 December 2017, other than those disclosed below.

DRDGOLD TRANSACTION

On 22 November 2017, Sibanye-Stillwater announced the DRDGOLD Transaction. Sibanye-Stillwater has received approval for the DRDGOLD Transaction from the South African competition authorities in accordance with the Competition Act. The implementation of the DRGDOLD Transaction is still subject to the approval of the DRDGOLD Transaction and passing of the required resolutions by DRDGOLD shareholders.

LONMIN ACQUISITION

On 14 December 2017, Sibanye-Stillwater announced that it had reached agreement with Lonmin Plc (Lonmin) on the terms of a recommended all-share offer to acquire the entire issued and to be issued ordinary share capital of Lonmin (the Lonmin Acquisition). It is proposed that the Lonmin Acquisition will be effected by means of a scheme of arrangement between Lonmin and the Lonmin Shareholders under Part 26 of the UK Companies Act. Under the terms of the Lonmin Acquisition, each Lonmin Shareholder will be entitled to receive: 0.967 new Sibanye-Stillwater shares for each Lonmin share. The Lonmin Acquisition is subject to the fulfilment of conditions precedent and is expected to complete during the second half of 2018.

ADMINISTRATIVE AND CORPORATE INFORMATION

SIBANYE GOLD LIMITED
TRADING AS SIBANYE-STILLWATER
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Issuer code: SGL
ISIN: ZAE E000173951

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NYSE: SBGL

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Neal Froneman (CEO)
Charl Keyter (CFO)
Savannah Danson[1]
Timothy Cumming[1]
Barry Davison[1]
Rick Menell[1]
Nkosemntu Nika[1]
Keith Rayner[1]
Susan van der Merwe[1]
Jerry Vilakazi[1]

[1] Independent non-executive

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