OPERATING UPDATE

For the Quarter ended 30 September 2013

Sibanye GOLD
We are One

WESTONARIA 31 October 2013: Sibanye Gold Limited (JSE: SGL & NYSE: SBGL) is pleased to provide the Group's strategic and operating update for the nine months and quarter ended 30 September 2013. Full financial and operating results are provided on a six monthly basis.

SEPTEMBER 2013 QUARTER SALIENT FEATURES:

- Operating profit increased by 10% quarter-on-quarter to R1,995 million (US$201 million).
- Cash of R811 million (US$80 million) generated during the quarter, before loan repayments.
- Loans repaid of R750 million (US$75 million).
- Gold production increased by 9% quarter-on-quarter to 12,061kg (387,800oz).
- All-in cost reduced by 4% quarter-on-quarter to R339,847/kg (US$1,059/oz).
- Two year wage agreement reached with organised labour - limited production disruption.
- Excellent safety performance with all indices showing positive trends.
- Agreement to acquire Cooke underground and surface assets from Gold One announced on 21 August 2013.
- Maiden dividend of 37 cents (ZAR) per share declared on 12 September 2013.

United States Dollars						Key statistics		South African Rand				
Nine months to		Quarter						Quarter			Nine months to	
Sep 2012	Sep 2013	Sep 2012	Jun 2013	Sep 2013				Sep 2013	Jun 2013	Sep 2012	Sep 2013	Sep 2012
1,004.0	1,044.1	315.9	356.9	**387.8**	oz (000)	Gold produced	kg	**12,061**	11,101	9,826	32,474	31,228
9,836	10,046	3,043	3,430	**3,610**	000 tons	Ore milled	000 tons	**3,610**	3,430	3,043	10,046	9,836
105	95	117	94	**87**	US$/ton	Operating costs	R/ton	**868**	884	965	898	842
1,648	1,458	1,642	1,440	**1,325**	US$/oz	Revenue	R/kg	**425,081**	435,754	436,169	441,655	425,186
622.1	564.5	162.1	192.5	**201.3**	US$m	Operating profit	Rm	**1,994.6**	1,805.6	1,350.5	5,318.0	4,994.4
38	37	32	37	**39**	%	Operating margin	%	**39**	37	32	37	38
1,033	921	1,119	907	**817**	US$/oz	Total cash cost	R/kg	**262,142**	274,300	297,069	279,045	266,767
1,382	1,195	1,501	1,172	**1,059**	US$/oz	All-in cost	R/kg	**339,847**	354,518	398,580	361,966	356,717
16	18	9	19	**20**	%	All-in cost margin	%	**20**	19	9	18	16
8.03	9.42	8.26	9.41	**9.98**	R/US$	Average exchange rate						

Stock data		JSE Limited – (SGL)	
Number of shares in issue		Range – Sept Quarter	ZAR7.17 to ZAR13.66
– at end of September	734,879,031	Average Volume – Sept Quarter	3,604,973 shares/day
Free Float	100 per cent	NYSE – (SBGL)	
ADR Ratio	1:4	Range – Sept Quarter	US$2.81 to US$5.48
Bloomberg/Reuters	SGLSJ/SGLJ.J	Average Volume – Sept Quarter	796,056 shares/day

STATEMENT BY NEAL FRONEMAN, CHIEF EXECUTIVE OFFICER OF SIBANYE GOLD:

"The positive production and cost trends that were evident during the six months ended 30 June 2013 have continued during the September 2013 quarter, underpinning our view that we have arrested the negative trends that have characterised these operations over the last decade.

Total gold produced during the quarter under review increased by 9% compared with the June 2013 quarter and by 23% compared with the September 2012 quarter, to 12,061kg (387,800oz), the highest collective production from these operations since the December 2010 quarter. Costs were also meaningfully lower, with both Total cash cost and All-in cost declining 4% from the June 2013 quarter to R262,142/kg (US$817/oz) and R339,847/kg (US$1,059/oz) respectively. These improvements reflect the benefits of the new operating strategy and the initial cost benefits of the restructuring and re-organisation that has taken place this year, resulting in a leaner, more focused and efficient operating structure.

Unit operating costs of R868/ton (US$87/ton) were 2% lower compared with the June 2013 quarter and 10% lower compared with the September 2012 quarter, reflecting the increased focus on quality mining. Importantly, average underground unit costs were again lower than in the June 2013 quarter at R1,612/ton (US$162/ton), and 14% lower than in the September 2012 quarter, despite the impact of above inflation wage and electricity cost increases and other seasonal cost pressures.

The average dollar gold price received declined by a further 8% to US$1,325/oz, compared with the June 2013 quarter. This was offset by a 6% depreciation of the rand to R9.98/US$, resulting in a 2% lower average rand gold price received of R425,081/kg. Higher production and lower production costs resulted in operating profit increasing by 10% to R1,995 million (US$201 million) compared with R1,806 million (US$192 million) in the June 2013 quarter. The operating margin increased from 37% in the June 2013 quarter to 39% in the September 2013 quarter, with the All-in cost margin increasing from 19% to 20%.

Some R811 million (US$80 million) cash was generated during the quarter, bolstering the R2,091 million (US$206 million) balance at 30 June 2013. Following the conclusion of the two year wage agreement with organised labour on 10 September 2013, the board declared a R272 million (US $27 million) interim dividend to shareholders. The 7% dividend yield (annualised) on declaration date, firmly positioned Sibanye Gold as the highest dividend yield company in the sector globally, despite the dividend being limited to 25% of normalised earnings by debt covenants. At current debt levels and under the debt covenants, the Group will be able to pay a dividend of up to 35% of 2013 normalised earnings.
The robust cash position at the end of the June quarter allowed a further R750 million (US$75 million) reduction in the Bridge Loan Facility in August 2013. A further R750 million (US$76 million) repayment has subsequently been made in October 2013, reducing gross debt to R2,500 million (US $255 million)

and net debt to R800 million (US$82 million). Gross debt has now been reduced by 40% from R4,200 million (US$493 million) at the beginning of the year. While the current level of debt is not demanding, we believe it prudent, given the uncertain global economic environment and volatile gold price, to reduce risks.

With regard to the current labour relations climate; after a protracted build-up to the biennial wage negotiations, the outcome of the wage negotiation process was relatively positive for all parties, with the unions securing above inflation wage increases for their members and the industry settling at a level well below the double digit increases that were demanded by organised labour.

The Life of Mine (LOM) review of Sibanye Gold's operations is well advanced, with the annual planning cycle currently underway. We expect to present a detailed operating outlook for 2014, together with new LOM plans and a revised Mineral Reserves and Mineral Resources Statement in the first quarter of 2014.

On 21 August 2013, the proposed acquisition of the Cooke operations from Gold One for a consideration equivalent to 17% of the issued share capital of Sibanye Gold was announced (details are available at www.sibanyegold.co.za). The transaction is subject to the fulfilment of various conditions precedent and is likely to be concluded in early 2014.

The acquisition consideration was based on the fair value of the existing Cooke underground and surface operations relative to Sibanye Gold's operations and is earnings and cash positive for Sibanye Gold. In addition to adding approximately 260,000oz of gold and 57,000lbs of uranium per annum to Sibanye Gold's production, the acquisition will result in the consolidation of significant surface tailings resources in the West Rand (the West Rand Tailings Retreatment Project or WRTRP) under the control of Sibanye Gold. A pre-feasibility study on the WRTRP was completed in July 2013 and is currently being reviewed.

Gold production for the December quarter is forecast at approximately 11,750kg (378,000oz) at a total cash cost of R265,000/kg (US$840/oz) and an All-in cost of R355,000/kg (US$1,125/oz). Production for 2013 is therefore estimated at approximately 44,200kg (1.42 million oz), at an All-in cost of approximately R360,000/kg (US$1,175/oz) as compared with previous forecasts of 42,000kg (1.35 million oz), at an All-in cost of R375,000/kg respectively."

31 October 2013

Neal Froneman

Chief Executive Officer

OPERATIONAL REVIEW FOR THE QUARTER ENDED 30 SEPTEMBER 2013

Compared with the quarter ended 30 June 2013

Safety

Improving trends in all safety indices continued during the September quarter, with the Lost Day Injury Frequency Rate* (LDIFR) improving by 22%, from 7.00 in the June quarter to 5.44 this quarter, which is a significant achievement given the depths at which we operate. Furthermore, the Serious Injury** Frequency Rate improved by 8%, from 3.75 to 3.45. These ongoing improvements are an indication that the current approach in the integrated health and safety strategy is proving effective. Ongoing application and monitoring of the key safety components are expected to bring about further safety improvements.

Regrettably, the fatality free run at Kloof's underground operations, which has been maintained since September 2011 ended in July 2013, with three separate fatalities. The Driefontein and Beatrix operations experienced no fatalities during the quarter. Year to date the Fatality Injury Frequency Rate for Sibanye Gold has continued to improve, declining by 35% to 0.11 per million man hours worked from 0.17 during the same period last year.

* All rates are expressed per 1 million man hours worked
** Serious Injury, reportable to the Department of Mineral Resources, where 14 or more days are lost due to an injury.

Operating performance

Production continued to increase during the quarter under review, despite the wage related strikes which affected Kloof for two days and Beatrix for three days. This positive production trend was accompanied by further cost reductions, a positive reflection of the general state of our business and underpinning our view that we have arrested the negative trends that have characterised these operations over the last decade. Further improvements are expected to continue into 2014.

Group gold production increased by 9% from 11,101kg (356,900oz) in the June quarter to 12,061kg (387,800oz) in the September quarter and the All-in cost was 4% lower at R339,847/kg (US$1,059/oz).

Gold production at Driefontein increased by 18% to 5,298kg (170,300oz) from 4,494kg (144,500oz) due to the increased focus on quality mining, which resulted in the underground yield increasing 21% to 7.4g/t, compared with 6.1g/t in the June 2013 quarter.

Gold production at Kloof was adversely affected by the safety stoppages following the three fatal accidents during the September 2013 quarter, with gold production declining by 6% to 4,044kg (130,000oz) compared with the June 2013 quarter.

The operational problems at Beatrix in the previous quarters were resolved and gold production increased by 18% to 2,719kg (87,400oz) from 2,306kg (74,200oz). This achievement was despite the three days of wage related strike action. It is our expectation that this performance from Beatrix is sustainable.

Organisational Effectiveness

Implementation of interventions which were identified and reported on during the review in the first six months of the year continue.

In the longer term, there remains significant potential for further improvements, by way of:

- A detailed analysis of access and travel times in order to increase time at the face;
- Alternate shift cycles, stoping crew optimisation and a bonus review to improve effectiveness;
- Assessing the potential to safely mine high-grade remnant and support pillars, which have been excluded from the reserves since 2008; and
- Assessing the potential of secondary reefs and "white areas" which were not mined in the past due to their relatively low grades or geological complexity.

The 2014 planning cycle and revised life of mine plans for the operations will be finalized and presented to the market in the first quarter of 2014.

Review of operations

Quarter ended 30 September 2013 compared with quarter ended 30 June 2013

Driefontein

		Sept' 2013	June 2013
Ore milled	- 000 tons	1,423	1,365
Gold produced	- kg	5,298	4,494
	- 000'oz	170.3	144.5
Yield - underground	- g/t	7.4	6.1
- combined	- g/t	3.7	3.3
Total cash cost	- R/kg	244,772	282,621
	- US$/oz	763	934
NCE	- R/kg	292,299	333,467
	- US$/oz	911	1,102
All-in cost	- R/kg	311,099	345,683
	- US$/oz	970	1,143
All-in cost margin	- %	27	21

Gold production increased by 18% to 5,298kg (170,300oz) for the quarter ended 30 September 2013 from 4,494kg (144,500oz) for the quarter ended 30 June 2013. This increase was as a result of increased underground and surface volumes and a higher underground yield due to an increased focus on quality mining.

Underground ore milled increased by 1% to 659,000 tons from 656,000 tons and the underground yield increased to 7.4g/t from 6.1g/t. Surface throughput increased by 8% to 764,000 tons from 709,000 tons, offset by the surface yield which decreased to 0.5g/t from 0.7g/t resulting in 17% lower surface production of 416kg (13,375oz).

Operating cost increased marginally to R1,276 million (US$128m) from R1,267 million (US$135m). This increase was due to the annual wage increases effective from 1 July 2013, higher electricity costs due to the higher winter tariff for two winter months in the current quarter and inflation and production related increases in stores costs. These increases were offset by labour reductions and a reduction in property rates and taxes. Total cash cost decreased to R244,772/kg (US$763/oz) from R282,621/kg (US$934/oz) for the quarter ended 30 June 2013. As a result operating profit increased to R975 million (US$99m) from R695 million (US$74m).

Main development increased by 5% to 4,684 metres from 4,475 metres and on-reef development decreased by 26%, as planned, to 1,016 metres from 1,379 metres. The average development value decreased to 1,394cm.g/t from 1,459cm.g/t.

Capital expenditure increased by 18% to R273 million (US$28m) from R232 million (US$25m), due to an increase in ore reserve development and previously deferred technical projects.

All-in cost decreased by 10% to R311,099/kg (US$970/oz) from R345,683/kg (US$1,143/oz) as a result of the increase in production, partly offset by higher operating costs and capital expenditure. The All-in cost margin improved to 27% from 21% quarter on quarter.

Kloof

		Sept' 2013	June 2013
Ore milled	- 000 tons	**1,104**	1,008
Gold produced	- kg	**4,044**	4,301
	- 000'oz	**130.0**	138.2
Yield - underground	- g/t	**7.6**	7.9
- combined	- g/t	**3.7**	4.3
Total cash cost	- R/kg	**268,027**	244,176
	- US$/oz	**835**	807
NCE	- R/kg	**348,393**	319,740
	- US$/oz	**1,086**	1,057
All-in cost	- R/kg	**362,834**	334,457
	- US$/oz	**1,131**	1,106
All in cost margin	- %	**15**	23

Gold production decreased by 6% to 4,044kg (130,000oz) in the quarter ended 30 September from 4,301kg (138,200oz) in the quarter ended 30 June 2013. This decrease was primarily due to Section 54 safety stoppages following fatalities during the quarter.

Underground ore milled decreased by 3% to 485,000 tons from 501,000 tons and the yield decreased to 7.6g/t from 7.9g/t. Surface tonnage increased to 619,000 tons from 507,000 tons, due to increased plant availability, offset by the yield, which decreased from 0.7g/t to just below 0.6g/t.

Operating costs increased by 5% to R1,080 million (US$108m) from R1,028 million (US$109m). This increase was due to increased mill throughput, salaries, stores and electricity costs, partly offset by lower corporate service costs. Total cash cost increased to R268,027/kg (US$835/oz) from R244,176/kg (US$807/oz). Operating profit decreased by 25% to R637 million (US$63m) from R846 million (US$91m) due to the increase in costs and lower production.

Main development decreased by 10% to 4,539 metres from 5,061 metres and on-reef development increased by 3% to 915 metres from 892 metres. The average development value increased to 2,025 cm.g/t from 1,839 cm.g/t quarter on quarter.

Capital expenditure decreased by 5% to R329 million (US$33m) from R347 million (US$37m) due to the decrease in ore reserve development and reduced expenditure on the 4 shaft recapitalization project.

All-in cost increased by 8% to R362,834/kg (US$1,131/oz) from R334,457/kg (US$1,106/oz) as a result of the lower production and increased costs partially offset by lower capital expenditure. The All-in cost margin decreased to 15% from 23% quarter-on-quarter.

Beatrix

			Sept' 2013	June 2013
Ore milled		- 000 tons	**1,083**	1,057
Gold produced		- kg	**2,719**	2,306
		- 000'oz	**87.4**	74.2
Yield	- underground	- g/t	**4.0**	3.9
	- combined	- g/t	**2.5**	2.2
Total cash cost		- R/kg	**287,238**	314,267
		- US$/oz	**895**	1,039
NCE		- R/kg	**321,809**	388,899
		- US$/oz	**1,003**	1,285
All-in cost		- R/kg	**337,624**	396,271
		- US$/oz	**1,052**	1,310
All-in cost margin		- %	**21**	9

Gold production increased by 18% to 2,719kg (87,400oz) for the quarter ended 30 September 2013, from 2,306kg (74,200oz) for the quarter ended 30 June 2013. This increase was mainly due to increased volumes mined and processed from the Beatrix North Section, together with slightly higher yields from the surface and underground operations, specifically at the Beatrix West Section. Further improvements from the restructuring exercise are expected in the December 2013 quarter.

In the fire affected area at the Beatrix West Section, fresh air flushing has taken place and environmental conditions have returned to legal and acceptable levels, allowing for full reconnaissance and investigations. The 19/20 South 8 raise line in which the fire occurred is totally inaccessible due to large falls of ground. The raise lines adjacent to the fire line namely, 19/20 South 6 and South 4, have been accessed and mining operations in these areas have re-commenced.

Underground tons milled increased to 641,000 tons from 554,000 tons, while surface material milled decreased as planned to 442,000 tons from 503,000 tons. The underground yield increased to 4.0g/t from an average of 3.9g/t in the June quarter and the surface yield increased to 0.4g/t from 0.3g/t.

Operating costs increased by 5% to R776 million (US$78m) from R737 million (US$78m) due to the annual wage increase and higher winter electricity tariffs. However, due to the increased production, total cash cost decreased by 9% quarter on quarter to R287,238/kg (US$895/oz) from R314,267/kg (US$1,039/oz). Operating profit increased to R382 million (US$39m) from R265 million (US$28m).

Main development decreased by 9% to 4,390 metres from 4,837 metres and on-reef development by 19% to 1,038 metres from 1,275 metres as a result of reduced development following the Section 189 at the Beatrix West Section and reduced raise availability at the Beatrix North Section. The weighted average value of the main reef development decreased to 713cm.g/t from 1,178cm.g/t as a result of lower values recorded at all the mining units.

Capital expenditure decreased by 38% to R99 million (US$10m) from R160 million (US$17m), with the majority of this decrease due to the cessation of ore reserve development at the Beatrix West Section in order to return this section to profitability.

All-in cost decreased by 15% to R337,624/kg (US$1,052/oz) from R396,271/kg (US$1,310/oz) and the All-in cost margin increased to 21% from 9% in the June quarter.

Development results

Development values represent the estimated value across the development for the period, no allowance has been made for any adjustments which may be necessary when estimating ore reserves.

Driefontein		June 2013 quarter			September 2013 quarter			Nine months Year to date 2013		
	Reef	Carbon Leader	Main	VCR	Carbon Leader	Main	VCR	Carbon Leader	Main	VCR
Advanced	(m)	2,747	920	808	**2,689**	**1,007**	**988**	8,249	2,681	2,445
Advanced on reef	(m)	760	266	353	**489**	**170**	**357**	1,914	736	944
Sampled	(m)	609	246	270	**504**	**237**	**357**	1,407	585	593
Channel width	(cm)	60	52	64	**93**	**53**	**53**	79	51	58
Average value	(g/t)	24.1	17.3	33.2	**19.3**	**17.0**	**28.7**	18.9	16.9	30.3
	(cm.g/t)	1,447	901	2,117	**1,804**	**910**	**1,513**	1,483	870	1,761

Kloof		June 2013 quarter				September 2013 quarter				Nine months Year to date 2013			
	Reef	Kloof	Main	Libanon	VCR	Kloof	Main	Libanon	VCR	Kloof	Main	Libanon	VCR
Advanced	(m)	268	938	17	3,838	**342**	**1,041**	**0**	**3,156**	779	2,844	24	10,675
Advanced on reef	(m)	140	117	17	618	**108**	**183**	**0**	**624**	315	504	24	1,805
Sampled	(m)	142	150	6	390	**113**	**165**	**0**	**448**	300	540	9	1,177
Channel width	(cm)	174	142	90	98	**216**	**141**	**0**	**116**	184	126	95	111
Average value --	(g/t)	3.1	10.3	9.4	25.3	**5.2**	**10.1**	**0**	**22.3**	4.0	9.2	8.5	22.7
--	(cm.g/t)	544	1,467	845	2,465	**1,114**	**1,400**	**0**	**2,593**	730	1,167	806	2,514

Beatrix		June 2013 quarter		September 2013 quarter		Nine months Year to date 2013	
	Reef	Beatrix	Kalkoenkrans	Beatrix	Kalkoenkrans	Beatrix	Kalkoenkrans
Advanced	(m)	4,269	568	**4,149**	**241**	11,681	1,539
Advanced on reef	(m)	1,126	149	**1,004**	**34**	2,565	358
Sampled	(m)	1,197	183	**1,095**	**30**	2,817	339
Channel width	(cm)	156	88	**116**	**0**	141	74
Average value	(g/t)	7.8	10.6	**6.3**	**0**	7.3	11.3
	(cm.g/t)	1,215	937	**732**	**0**	1,025	840

ADMINISTRATION AND CORPORATE INFORMATION

Investor Enquiries
James Wellsted
Head of Corporate Affairs
Sibanye Gold Limited
+27 83 453 4014
+27 11 278 9656
james.wellsted@sibanyegold.co.za

Corporate Secretary
Cain Farrel
Tel: +27 10 001 1122
Fax: +27 11 278 9863
cain.farrel@sibanyegold.co.za

Registered Office
Libanon Business Park
1 Hospital Street,
(Off Cedar Ave),
Libanon, Westonaria,
1780
South Africa

Private Bag X5
Westonaria,
1780
South Africa

Tel: +27 11 278 9600
Fax: +27 11 278 9863

Sibanye Gold Limited
Incorporated in the Republic of South Africa
Registration number 2002/031431/06
Share code: SGL
Issuer code: SGL
ISIN – ZAE E000173951

Listings
JSE : SGL
NYSE : SBGL

Website
www.sibanyegold.co.za

Directors:
Sello Moloko* (Chairman)
Neal Froneman (CEO)
Charl Keyter (CFO)
Timothy Cumming*
Barry Davison*
Rick Menell*
Nkosemntu Nika*
Keith Rayner*
Zola Skweyiya*
Susan van der Merwe*
Jerry Vilakazi*
Cain Farrel (Company Secretary)
*Independent Non-Executive

JSE Sponsor
J.P. Morgan Equities South Africa Proprietary Limited
(Registration number 1995/011815/07)
1 Fricker Road, Illovo
Johannesburg 2196
South Africa
(Private Bag X9936, Sandton, 2196, South Africa)

Office of the United Kingdom Secretaries
London
St James's Corporate Services Limited
Suit 31, Second Floor
107 Cheapside
London
EC2V 6DN
United Kingdom
Tel: +44 20 7796 8644
Fax: +44 20 7796 8645

American Depository Receipts Transfer Agent
Bank of New York Mellon
BNY Mellon Shareowner Services
P O Box 358516
Pittsburgh, PA15252-8516
US toll-free telephone:
+1 888 269 2377
Tel: +1 201 680 6825
e-mail: shrrelations@bnymellon.com

Transfer Secretaries
South Africa
Computershare Investor Services (Proprietary) Limited Ground Floor
70 Marshall Street
Johannesburg, 2001
P O Box 61051
Marshalltown, 2107
Tel: +27 11 370 5000
Fax: +27 11 688 5248

Transfer Secretaries
United Kingdom
Capita Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU
England
Tel: 0871 664 0300 [calls cost 10p a minute plus network extras, lines are open 8.30am – 5pm Mon-Fri] or [from overseas] +44 20 8639 3399
Fax: +44 20 8658 3430
e-mail: ssd@capitaregistrars.com

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