

# MEDIA RELEASE

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## Sibanye on track to deliver a pronounced 2017

Salient features for the quarter ended 31 March 2017

- All safety indicators improved across the Group
- Annual production guidance remains on track for Gold and Platinum Divisions
- Costs well managed
- Gold Division strengthened by senior management appointments
- Platinum integration is progressing well – 12% real reduction in unit costs at Rustenburg since acquisition
- Stillwater acquisition creates a globally competitive precious metals company

**Westonaria, 4 May 2017:** Sibanye today reported an operating update for the March 2017 quarter.

Pleasingly, safety trends across the Group continued to improve, with all safety indicators significantly better for the March 2017 quarter than for the comparable quarter in 2016. The improved safety performance follows the implementation of a revised safety strategy in August 2016, which is being rolled out in both the Gold and Platinum Divisions.

The integration of South African platinum operations continues to progress well. The Sibanye operating model has been implemented across the Division and positive operating and financial performance momentum has already been noted. There has been a real 12% reduction in Rustenburg's unit operating costs since Sibanye took control of the operation on 1 November 2016.

The Platinum Division delivered attributable PGM production of 286,716oz (4E) for the March 2017 quarter in line with planned levels. The operating cost was R11,128/4Eoz resulting in an operating margin of 8% for the period and an operating profit of R243 million, excluding the equity accounted attributable operating profit of R119 million from Mimosas.

After taking into account the revenue contribution from base metals and chrome, Kroondal, Platinum Mile and Rustenburg delivered attributable operating profits of R77 million, R15 million and R122 million respectively during the quarter. This equated to a quarterly operating profit margin of 12%, 35% and 5% respectively for each operation.

Gold production for the March 2017 quarter of 10,266kg (330,100oz), was 9% lower than for the comparable quarter in 2016 mainly as a result of the cessation of mining operations at the Cooke 4 shaft in September 2016. Gold in inventory at the end of December 2016 of 129kg (4,147oz) was sold during the March 2017 quarter, resulting in sales of 10,395kg (334,200oz). All-in sustaining cost (AISC) increased by 9% from R454,282/kg to R493,862/kg mainly as a result of the decrease in gold produced.

**Directors:** Sello Moloko\* (Chairman) Neal Froneman (CEO) Charl Keyter (CFO) Chris Chadwick\* Robert Chan\* Timothy Cumming\*  
Barry Davison\* Rick Menell\* Nkosemntu Nika\* Keith Rayner\* Sue van der Merwe\* Jerry Vilakazi\* Jiyu Yuan\*  
Cain Farrel (Corporate Secretary) (\*Non-Executive)

Our Gold Division has been strengthened with the appointment of two senior managers, William Taylor as Chief Operating Officer for the Gold Division and Koos Barnard as an additional Vice President at the Driefontein Operations. Both these individuals have more than 30 years' of mining experience in both Gold and Platinum mining.

Annual production and cost guidance remains intact at both the Gold and Platinum Divisions.

The closing of the Stillwater acquisition is imminent. Located in Montana in the United States, Stillwater houses the highest grade PGM mines in the world and is the lowest cost PGM producer (on an All-in Sustaining Cost basis which includes sustaining capital expenditure requirements). The company is also the only PGM Company that, through the brownfields Blitz project, is able to substantially grow production at a low point in the commodity price cycle, financed entirely through internal cash flow. This combination and the fact that it is the only primary palladium producer in the world, strategically positions Sibanye as a global precious metals company with a unique mix of commodities.

Sibanye is now the third largest producer of palladium (and only primary producer of palladium) and the third largest producer of platinum in the world and also features in the top ten global gold companies. Sibanye also owns the most geographically diverse asset base in the PGM industry with its peers assets located predominantly in Southern Africa or in Russia.

"We are pleased with our improved safety performance at our operations and the positive momentum evident in the Platinum Division integration. We now look forward to integrating Stillwater, which we are certain will enhance Sibanye's portfolio and deliver sustainable value to all stakeholders. " added Froneman.

For more information on the operating update, please refer to <https://www.sibanyegold.co.za/investors/financial-reporting/operating-financial-updates/2017>.

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The securities have not been approved or disapproved by the US Securities and Exchange Commission, and state securities commission in the United States or any other US regulatory authority. Any representation to the contrary is a criminal offence in the United States.

## **FORWARD LOOKING STATEMENTS**

This document includes "forward-looking statements" within the meaning of the "safe harbour" provisions of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of words such as "target", "will", "would", "expect",

"anticipate", "plans", "potential", "can", "may" and other similar expressions that predict or indicate future events or trends or that are not statements of historical matters.

These forward-looking statements, including, among others, those relating to Sibanye's future business prospects, revenues and income, expected timings of the Stillwater transaction (including completion) (the Transaction), potential Transaction benefits (including statements regarding growth and cost savings) or information related to the Blitz Project, wherever they may occur in this document and the exhibits to this document, are necessarily estimates reflecting the best judgment of the senior management and directors of Sibanye, and involve a number of known and unknown risks and uncertainties that could cause actual results, performance or achievements of the Sibanye Group to differ materially from those suggested by the forward-looking statements. As a consequence, these forward-looking statements should be considered in light of various important factors, including those set forth in this document. Important factors that could cause the actual results to differ materially from estimates or projections contained in the forward-looking statements include, without limitation, economic, business, political and social conditions in South Africa, Zimbabwe and elsewhere; changes in assumptions underlying Sibanye's estimation of its current Mineral Reserves and Resources; the ability to achieve anticipated efficiencies and other cost savings in connection with past and future acquisitions, as well as at existing operations; the ability of Sibanye to successfully integrate acquired businesses and operations (whether in the gold mining business or otherwise) into its existing businesses; Sibanye's or Stillwater's ability to complete the Transaction; the inability to complete the Transaction due to failure complete any conditions; Sibanye's ability to achieve anticipated efficiencies and other cost savings in connection with the Transaction; the success of Sibanye's business strategy and changes thereto, exploration and development activities; the ability of Sibanye to comply with requirements that it operate in a sustainable manner; changes in the market price of gold, platinum group metals (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; Sibanye's ability to hire and retain senior management or sufficient technically skilled employees, as well as its ability to achieve sufficient representation of historically disadvantaged South Africans in its management positions; failure of Sibanye's information technology and communications systems; the adequacy of Sibanye's insurance coverage; any social unrest, sickness or natural or man-made disaster at informal settlements in the vicinity of some of Sibanye's operations; and the impact of HIV, tuberculosis and other contagious diseases. Further details of potential risks and uncertainties affecting Sibanye are described in Sibanye's filings with the JSE and the SEC, including in Sibanye's Integrated Annual Report 2016 and Annual Report on Form 20-F, for the fiscal year ended 31 December 2016. These forward-looking statements speak only as of the date of this document.

The Sibanye Group undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events, except as required by law.

## **ADDITIONAL INFORMATION AND WHERE TO FIND IT**

This document does not constitute the solicitation of any vote, proxy or approval. In connection with the Transaction, Sibanye has posted to its shareholders a JSE Limited (JSE) Category 1 circular and Stillwater has filed with the Securities and Exchange Commission (the SEC) relevant materials, including a proxy statement. The JSE Category 1 circular and other relevant documents have been sent or otherwise disseminated to Sibanye's shareholders and contain important information about the Transaction and related matters. SHAREHOLDERS OF SIBANYE ARE ADVISED TO READ THE JSE CATEGORY 1 CIRCULAR AND OTHER RELEVANT DOCUMENTS, BECAUSE THEY CONTAIN IMPORTANT INFORMATION ABOUT THE TRANSACTION. The proxy statement and other relevant documents have been sent or otherwise disseminated to Stillwater's shareholders and contain important information about the Transaction and related matters. SHAREHOLDERS OF STILLWATER ARE ADVISED TO READ THE PROXY STATEMENT THAT HAS BEEN FILED AND OTHER RELEVANT DOCUMENTS FILED WITH THE SEC, BECAUSE THEY CONTAIN IMPORTANT INFORMATION ABOUT THE TRANSACTION. Sibanye shareholders may obtain free copies of the JSE Category 1 circular by going to Sibanye's website at [www.sibanyegold.co.za](http://www.sibanyegold.co.za). The proxy statement and other relevant documents may also be obtained, free of charge, on the SEC's website (<http://www.sec.gov>). Stillwater shareholders may obtain free copies of the proxy statement from Stillwater by going to Stillwater's website at <http://stillwatermining.com/>.

## **PARTICIPANTS IN THE SOLICITATION**

Sibanye, Stillwater and their respective directors and officers may be deemed participants in the solicitation of proxies of Sibanye's and Stillwater's respective shareholders in connection with the Transaction. Sibanye's shareholders and other interested persons may obtain, without charge, more detailed information regarding the directors and officers of Sibanye in Sibanye's Annual Report on Form 20-F, for the fiscal year ended 31 December 2016, which was filed with the SEC on 7 April 2017. Stillwater's shareholders and other interested persons may obtain, without charge, more detailed information regarding the directors and officers of Stillwater in Stillwater's Annual Report on Form 10-K for the fiscal year ended 31 December 2016, which was filed with the SEC on 16 February 2017. Additional information regarding the interests of participants in the solicitation of proxies in connection with the Transaction is included in the proxy statement that Stillwater has filed with the SEC.

## **NO OFFER OR SOLICITATION**

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