

Sibanye



Rights Offer guide for shareholders

May – June 2017

Prospectus; No Offer or Solicitation

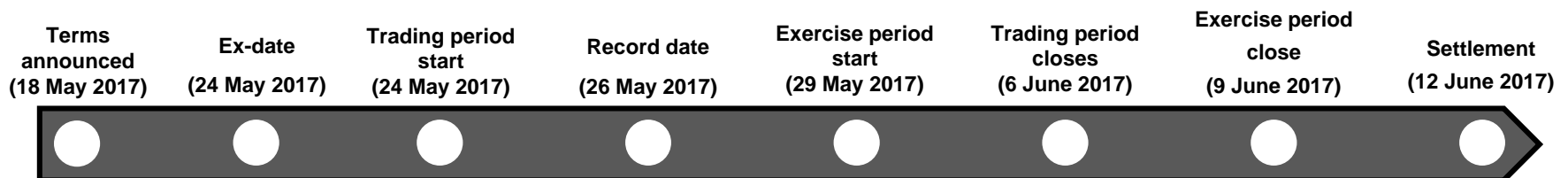
Sibanye has filed a registration statement (including a prospectus) and may file a prospectus supplement with the Securities and Exchange Commission ("SEC") in respect of the Rights Offer. Before you invest, you should read the prospectus in that registration statement, the prospectus supplement and other documents Sibanye will file and has filed with the SEC for more complete information about Sibanye and the Rights Offer. You may get these documents, when available, for free by visiting EDGAR on the SEC web site at www.sec.gov or by visiting Sibanye's website at www.sibanyegold.co.za. Alternatively, Sibanye, any underwriter or any dealer participating in the Rights Offer will arrange to send you the registration statement, prospectus and prospectus supplement, when available, if you request it by calling toll-free (800) 322-2885 or by e-mailing rightsoffer@mackenziepartners.com. This announcement is for information purposes only and does not constitute an offer to sell, or a solicitation of offers to purchase or subscribe for, securities in the United States or any other jurisdiction. Any securities referred to herein that are being offered outside of the United States have not been, and will not be, registered under the U.S. Securities Act of 1933 and may not be offered, exercised or sold in the United States absent registration or an applicable exemption from registration requirements.

American Depositary Receipt (ADR) holders

This guide is applicable to holders of the ordinary shares listed on the JSE Limited. ADR holders should refer to the prospectus supplement which will be released on 18 May 2017.

- In a rights issue, shareholders are given a number of “Nil paid rights” for each share in Sibanye they own
- For each nil paid right the shareholder receives they have one of 4 possible options:
 1. “Exercise” the nil paid right – additional money will need to be invested (pay the “subscription price”)
 2. “Sell” the nil paid right – as the right has a value, the shareholder can expect some income
 3. Fully subscribe and apply for excess Rights Offer Shares not taken up by other shareholders
 4. Renounce their rights to a renounee – i.e. transfer their rights and their value to another person
- If a shareholder does not take any action, they will not be entitled to any payment or compensation

- There are several important dates for shareholders – for which full details will be provided in the shareholder circular to be published:
 - “Terms announced” – this is the date when the full terms of the rights issue will be announced
 - “Ex-date” – this is the date at which the shares trade without the nil paid right attached
 - “Record date” – shares held by the shareholder at this date are eligible to receive the nil paid right
 - “Exercise period” – shareholders can “exercise” their nil paid rights to subscribe for new shares in this period only
 - “Trading period” – shareholders can sell and buy “Letters of Allocation” in this period only
 - “Letters of Allocation” – these represent the nil paid rights, are dematerialised and are the actual items traded



- In order to undertake any of the actions – shareholders should complete a “Form of Instruction” which will be provided in the shareholder circular

Further shareholder considerations

- The number of rights to be exercised is up to each individual shareholder but the following will apply:
 - Not taking up all of the rights allocated to a shareholder will mean they are diluted (i.e. the shareholding percentage of Sibanye which they hold will be reduced)
 - Selling rights may generate income for the shareholder, although the amount received depends on the value obtained by the Transfer Secretaries

Action	Description
Exercise all rights	<ul style="list-style-type: none"> • Exercise rights by paying the subscription price for all the additional shares to which they are entitled • Percentage holding of the newly-enlarged issued capital is maintained
Sell all rights	<ul style="list-style-type: none"> • Realise value of the rights by selling them through the Transfer Secretaries • Shareholder will be diluted, but may receive some funds from the sale of the rights
Tail swallow	<ul style="list-style-type: none"> • Sell some rights through the Transfer Secretaries and receive some funds • Use these funds to exercise the shareholder's remaining rights • Limited dilution for shareholder, no additional investment required • The % of total rights exercised in this scenario is theoretically the same as the discount to TERP
Renounce rights	<ul style="list-style-type: none"> • Renounce rights to another investor (renouncee) • Shareholder will receive no payment under the rights issue and will be diluted • Renouncee will be able to take up the rights by paying the subscription price
Do nothing	<ul style="list-style-type: none"> • The rights will lapse • Shareholder will be diluted and will receive no payment under the rights issue

Illustrative pricing mechanics of the rights offering

- Theoretical Ex-Rights Price ("TERP") is the price at which the shares should theoretically trade, post announcement
- E.g. if a Company with a share price of $[x]$ announces a $[a]$ (new shares) for $[b]$ (existing shares) rights issue at $[y]$, then the TERP would be $[z]$
- The "discount" of the rights issue will be referenced against both the market price and TERP, although the TERP is the more accurate measure

$$TERP = \frac{([a] * [y]) + ([b] * [x])}{[a] + [b]} = [z]$$

