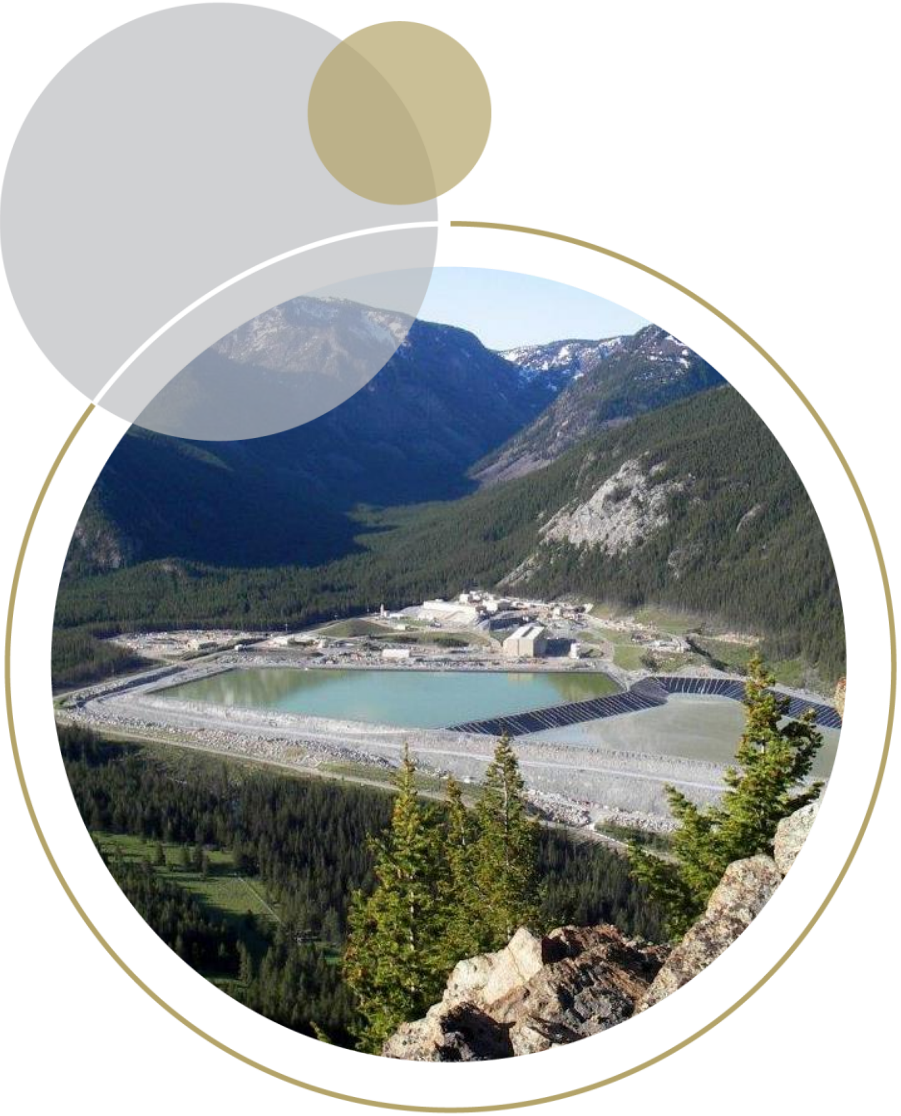

we are one
Sibanye Stillwater

US$500 million streaming agreement

Neal Froneman
Chief Executive Officer

16 July 2018

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Our vision and purpose dictate our actions

PURPOSE: Our mining improves lives

VISION:

SUPERIOR VALUE CREATION
FOR ALL OUR STAKEHOLDERS

Through the responsible mining and beneficiation of our mineral resources

Underpinned by our C.A.R.E.S. VALUES

Commitment

Accountability

Respect

Enabling

Safety

Consistent with our three-year strategic goals

Strengthen our position as a leading international precious metals mining company by:

- Deleveraging our balance sheet
- Maintaining our focus on operational excellence
- Improving our position on global industry cost curves
- Addressing our SA discount
- Pursuing value-accretive growth, based on a strengthened equity rating
- Consistent delivery on our market commitments

What is a stream?

- An agreement to deliver a percentage of future production in exchange for an upfront or advance payment
  - In addition, purchaser (streaming company) typically pays a discounted cash price (percentage of spot) on the delivery of the product
  - Sellers commitments are limited to product delivery (or metals credits with equivalent value)
  - Confined to a pre-agreed project or stream area, for a pre-agreed period or the life of mine
  - Initially the difference between the prevailing spot price and discounted cash price is applied to reduce the amount of the upfront cash advance payment post which the streaming company only pays the discounted cash price for the remaining life of the stream
- A unique risk sharing funding arrangement
  - Deliveries (and the contribution towards the Stream) are based on a % of production
    - No minimum deliveries/volumes
    - No minimum cash payments
    - No fixed repayment values
    - No cash settlement option
  - Long term funding
  - Low funding cost (depending on structure and terms)
- Directly linked to the performance of the operations and ruling commodity prices

Stream versus other funding options

	Stream	Debt	Equity
Non-dilutive form of funding	√	√	
Shared production and operating risk	√		√
Company retains full operating control	√		
Flexible transaction structure	√	√	
Lower finance costs	√	√	
No fixed repayments	√		√
No security over project assets	√		√
Value arbitrage	√		

- The stream complements Sibanye-Stillwater's capital structure, provides additional financial flexibility, strengthens the Group's balance sheet and reduces funding costs

An appropriate instrument to align our capital structure with our strategic objectives

Stream Transaction - key points

Streaming arrangement[4]	• Sibanye-Stillwater has entered into a streaming arrangement with Wheaton Precious Metals International (Wheaton International), a subsidiary of Wheaton Precious Metals™ Corp. Wheaton International will: – Advance a US$500 million upfront cash payment (Advance Amount) to Sibanye-Stillwater – for every ounce of metal delivered until the US$500m Advance Amount is repaid, pay Sibanye-Stillwater 18% of the spot price, thereafter 22% of the spot price[1] • Effective 1 July 2018 • Closure expected soon after announcement • Performance guarantees reside with entities holding the US PGM operations (East Boulder and Stillwater mining operations)
Sibanye-Stillwater commitments	• Production obligation from US PGM operations – Gold production – 100% of gold produced over the life of mine – Palladium production – 4.5% of production until 375 koz delivered and the palladium portion of the Advance Amount reducing to nil – 2.25% of production until a further 175 koz have been delivered and the Advance Amount reduced to nil – From 550 koz over remaining life of mine: 1.0% of palladium produced
Metal NPV contribution[1]	• At spot price[(2)]: 43% gold and 57% palladium

[1] Production payments may reduce if debt covenants exceed 3.5x Net debt:Adjusted EBITDA
[2] @7.5% weighted average cost of capital (WACC) (real)
[3] Spot prices at 30 June 2018 of US$1,253/oz (gold) and US$953/oz (palladium) over the life of Stillwater operations (in real terms)
[4] The stream includes a completion test on the development of the Blitz Project, including completion of underground development, critical surface infrastructure and expansion of the concentrator production output

Smartly structured stream which crystalizes significant value from gold by-product and limited palladium

Transaction rationale

Delivering against short term strategic goals

- US$500 million Advance Amount immediately addresses leverage
- Reduces Net debt: Adjusted EBITDA[1] by between 0.6x and 0.7x
- Does not dilute existing shareholders

Improved capital structure and reduced financing cost

- Lower cost finance compared to current and alternative capital market instruments
- There is no cash repayment of the Advance Amount
- The stream is a long term financial instrument, amortised over the life of the mine(vs 5-8 year bonds)

Crystalizes significant value from Stillwater

- Secures value from by-product gold production from the US PGM operations as well as the 31% increase in the palladium price and 8.5% increase in the gold price since announcement of the Stillwater transaction on 9 Dec 2016[2]
- Utilising by-product gold production, limits the amount of primary palladium production required to raise the Advance Amount

[1] For the purposes of calculating the Net Debt: Adjusted EBITDA ratio, Adjusted EBITDA is calculated over the immediately preceding 12 months. Net Debt excludes Burnstone cash and debt due to the non-recourse nature of the financing as explained in the 2017 Annual Financial Statements. Adjusted EBITDA as reported is an accounting calculation based on financial results from the date of acquisition and consolidation
[2] Spot prices at 30 June 2018 of US$1,253/oz (gold) and US$953/oz (palladium)

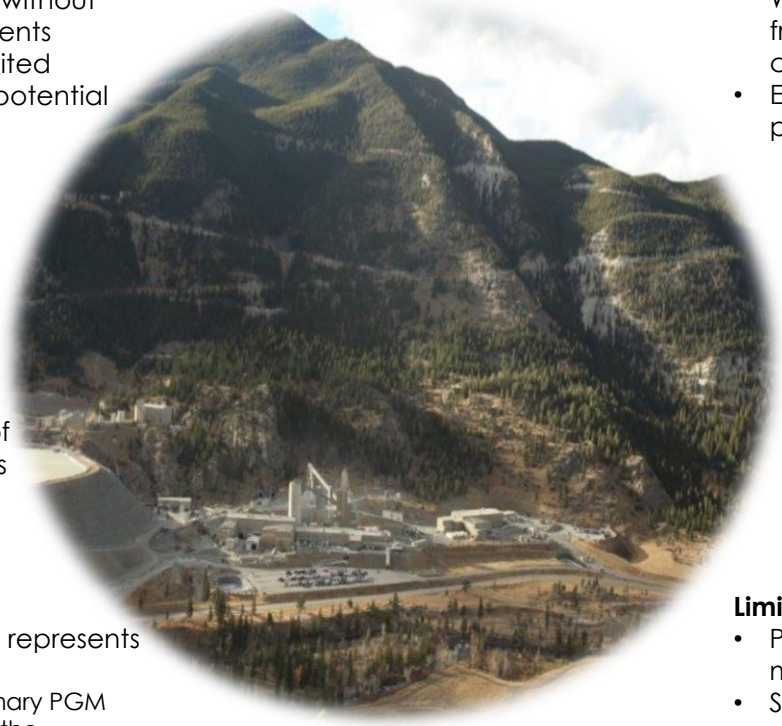
Wheaton International shares in price and performance risk without fixed or minimum repayment terms

Benefits of the stream

Further optimises capital structure
- Immediately strengthens the Group's balance sheet
- Reduces net leverage
- Diversifies sources of funding

Obligations under the stream are limited
- Delivery of a percentage of actual production, without fixed repayment terms, minimum deliveries or without any cash payment requirements
- A funding instrument with limited obligations which minimises potential for default

Reducing obligation ensures greater exposure to spot palladium over time
- Obligation to deliver palladium to Wheaton International steps down from 4.5% to 2.25% to 1.0%, as certain milestones are reached.
- Ensures greater exposure to spot prices over the long term



Stream is a long-term funding instrument
- Linked to the operational performance of the US PGM operations
- Linked to the performance of underlying commodity prices

The stream has been structured at a competitive cost
Lower cost than current funding and lower than the current options available in international capital markets

Crystalizes significant value
- Gold by-product production represents c.43% of the stream value*
  - reducing the amount of primary PGM production required to raise the Advance Amount
- Palladium represents the remaining 57% of the stream value
- Platinum production is excluded from the streaming agreement

Limited cost variability
- Price and volume increases do not materially impact on the stream cost
- Stream requires a simultaneous increase of >27% in US$ palladium and gold prices for the implied cost to approximate current cost of term debt

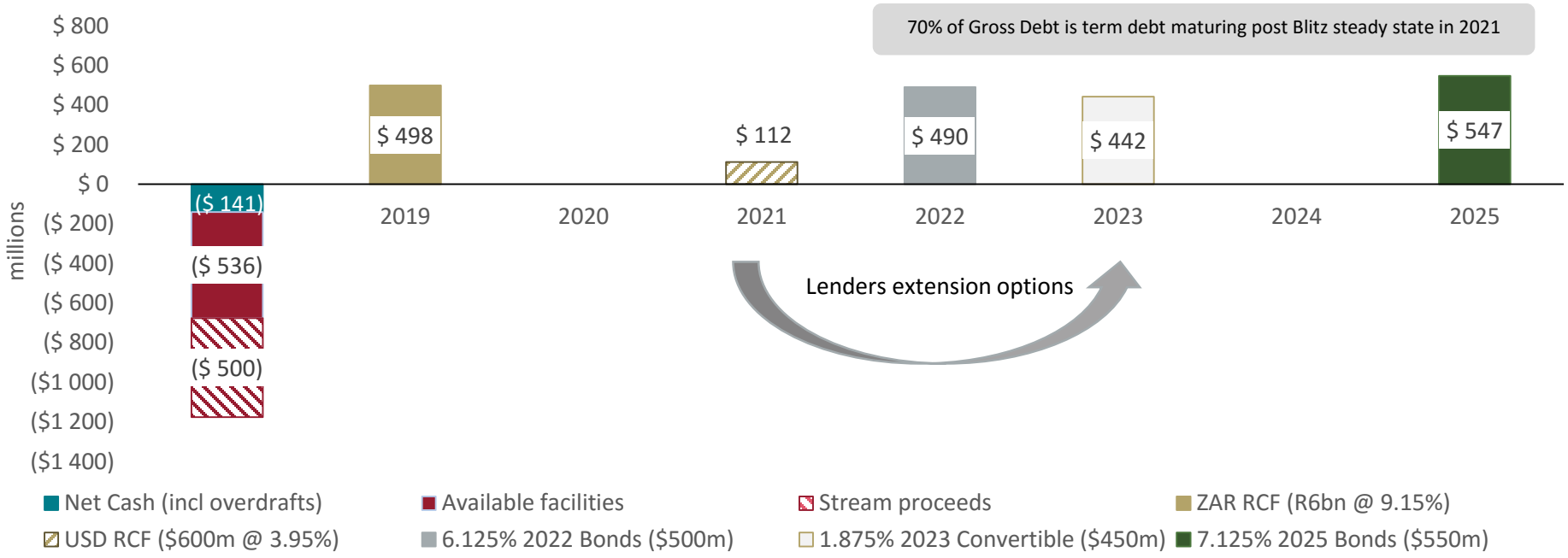
** Assumes spot prices at 30 June 2018 of US$1,253/oz (gold) and US$953/oz (palladium), discounted at a WACC of 7.5% (real)*

Appropriately structured financing at a competitive cost

Deleveraging options

- US$500 million will be applied to reduce debt
  - allocation between long and short term debt still under consideration
- Net debt: Adjusted Ebitda reduced by 0.6 - 0.7x
  - covenant steps down from 3.5x to 2.5x at end 2018
- No dilution to shareholders
- Further information on current leverage will be disclosed in H1 2018 results, on 23 August 2018

Debt maturity ladder (Capital repayment profile) as at 31 March 2018* adjusted for the Stream

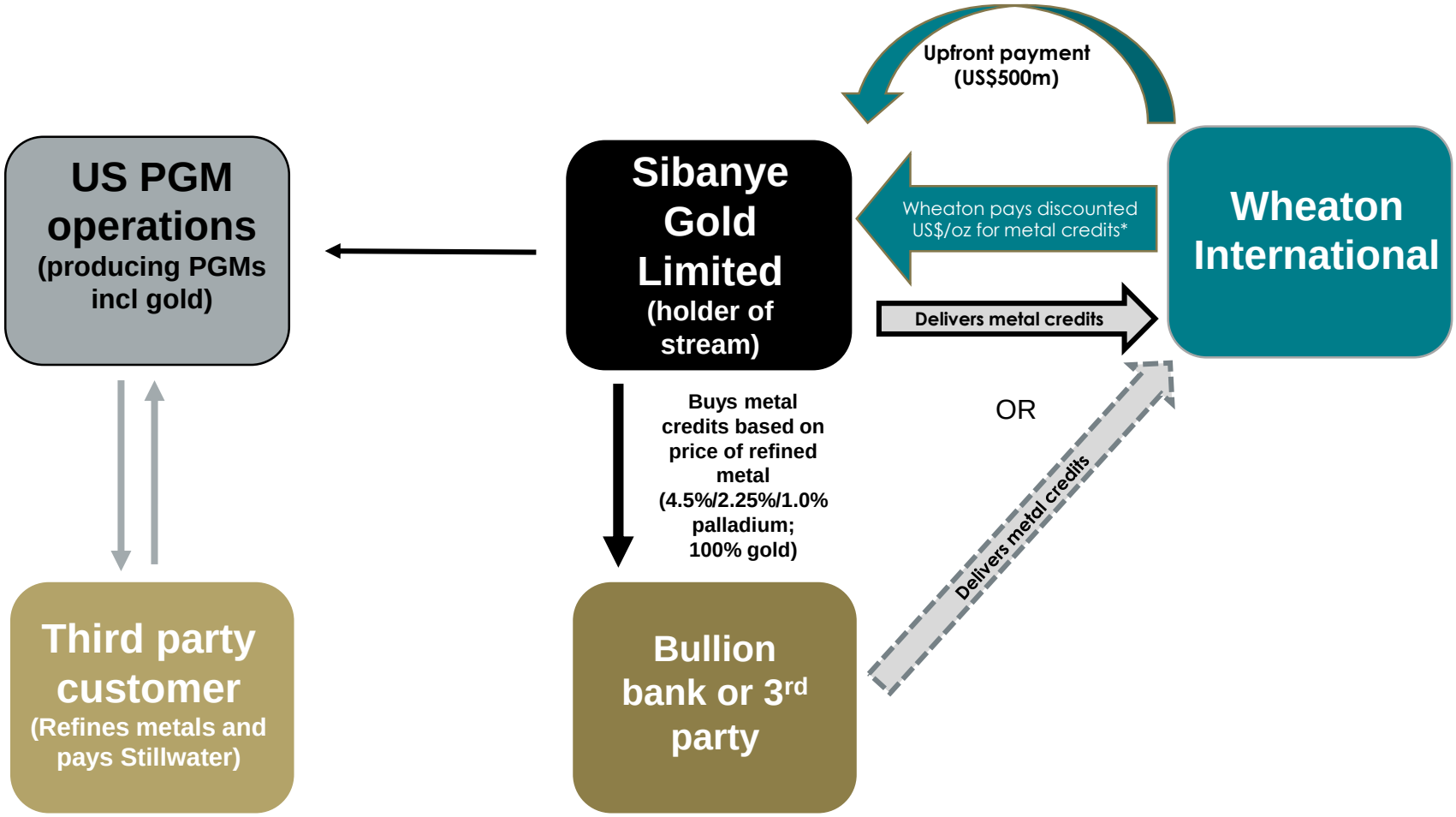


Exchange rate of US$11.84 used in conversion of ZAR to US$

A well structured debt profile with negligible liquidity risk

Stream process and payments

- The stream transaction is being done at Sibanye Gold Limited level
- No changes to Stillwater operational reporting (production or unit costs)



*Wheaton will pay 18% of spot metal prices until the Advance Amount has been reduced to nil, thereafter payments increase to 22% of spot

Sibanye-Stillwater will receive the upfront payment as well as ongoing payments on delivery of production

Stream parameters

US PGM operations																	
Production forecast [1]		**Spot[2]**	**2018[3]**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**
Palladium production	koz		423	509	557	640	659	658	660	658	658	662	663	660	660	660	660
Gold production	koz		10	12	13	14	15	15	15	15	15	15	15	15	15	15	15
Streamed palladium	koz		9.5	22.9	25.1	28.8	29.6	29.6	29.7	29.6	29.6	29.8	29.8	29.7	29.7	29.7	14.9
Streamed gold	koz		5.1	11.7	12.7	14.3	14.7	14.7	14.7	14.7	14.7	14.8	14.8	14.7	14.7	14.7	14.7
Total streamed production	koz	4.3%	14.6	34.6	37.8	43.1	44.3	44.3	44.4	44.3	44.3	44.5	44.6	44.4	44.4	44.4	29.6
Value of streamed palladium	US$m		7.4	17.9	19.6	22.5	23.2	23.1	23.2	23.1	23.2	23.3	23.3	23.2	23.2	23.2	11.6
Value of streamed gold	US$m		5.2	12.1	13.0	14.7	15.1	15.1	15.1	15.1	15.1	15.2	15.2	15.1	15.1	15.1	15.1
Value streamed production	US$m	**3.9%**	**12.7**	**29.9**	**32.6**	**37.2**	**38.3**	**38.2**	**38.3**	**38.2**	**38.2**	**38.4**	**38.5**	**38.3**	**38.4**	**38.3**	**26.7**
Potential interest savings on debt retired[4]	US$m		15.2	27.0	27.0	27.0	27.0	27.0	27.0	27.0	27.0	27.0	27.0	27.0	27.0	27.0	27.0
Net cash impact	US$m		**2.5**	**(2.9)**	**(5.6)**	**(10.2)**	**(11.3)**	**(11.2)**	**(11.3)**	**(11.2)**	**(11.2)**	**(11.4)**	**(11.5)**	**(11.3)**	**(11.4)**	**(11.3)**	**0.3**

1. Production forecasts are in accordance with the Competent Persons Report (CPR) for Stillwater, which extends up to 2041, although stream continues for the life of the mine. The CPR was published in November 2017 and is available on https://www.sibanyestillwater.com/investors/documents-circulars. Note that ounces produced in the table refer to payable metal ounces. Table does not include the receipt of the US$500m Advance Amount
2. Spot rates as at 30 June 2018: Palladium price of US$953/oz and gold price of US$1,253/oz
3. Forecast production numbers for 2018 reflect the full year while streamed production and values reflect 6 months from 1 July 2018 to end December 2018
4. The calculation is an estimate of the average costs of the debt to be settled and is based on a hypothetical application of debt of $150m at 4.5% and $350m at 6.75%

Stream immediately reduces leverage without significantly impacting annual cash flow

Conclusion

- ✓ US$500m raised upfront via stream arrangement
- ✓ Accelerated deleveraging consistent with near term goals
- ✓ Cost effective relative to current debt and available capital market alternatives
- ✓ Avoids equity dilution of shareholders
- ✓ Crystalizes significant value from the Stillwater acquisition
- ✓ Step-down mechanism reduces life of mine delivery obligation of palladium
- ✓ Financing cost variability to higher commodity prices limited
- ✓ Partnering to advance safe technology initiatives
- ✓ Ongoing access to Wheaton's technical expertise

Smart financing structure, consistent with goals - delivering value and ensuring balance sheet flexibility

we are one
Sibanye Stillwater

Q&A

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