

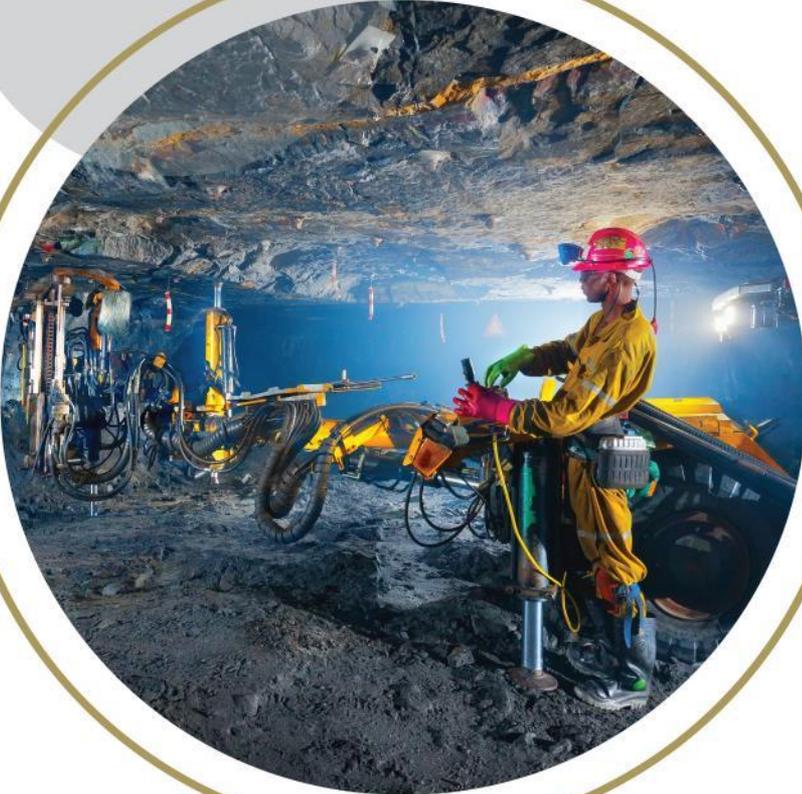


A unique,  
exciting,  
precious metals  
company

*CEO, Neal Froneman*

*Denver Gold Forum*

*24 September 2018*



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# A unique value proposition



**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**

# Our three-year strategic focus areas

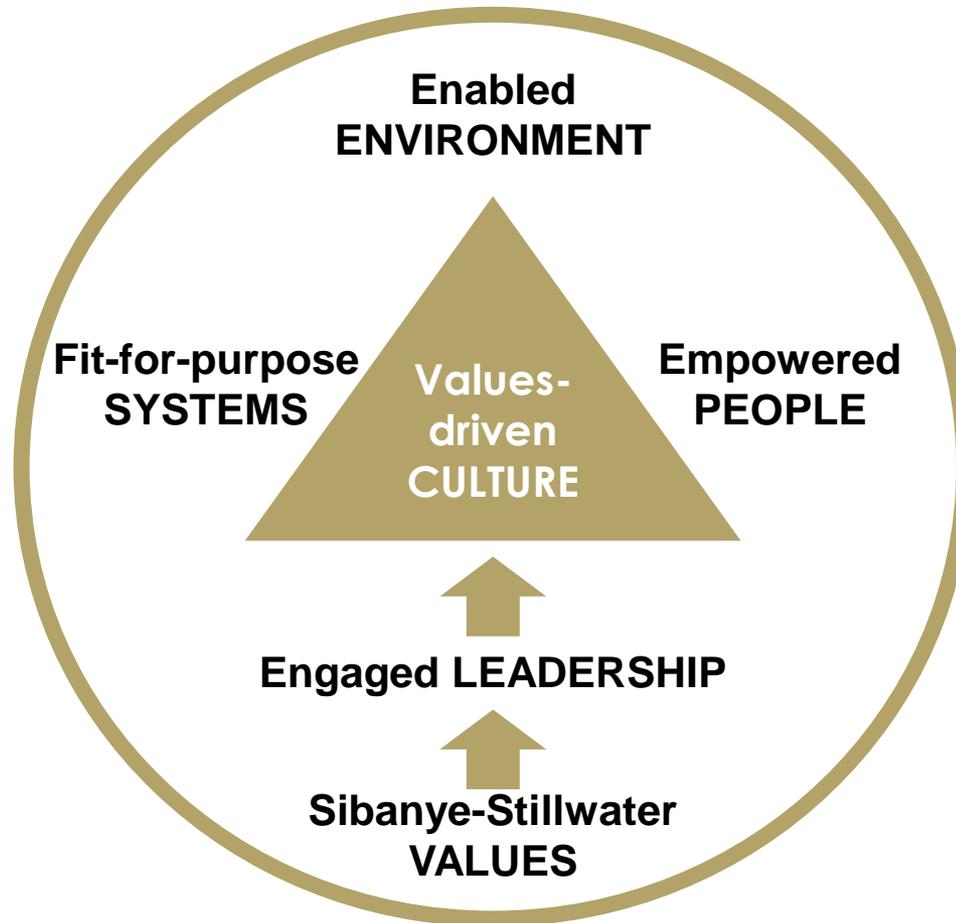
**Strengthen our position as a leading international precious metals mining company by:**





Safe production  
- *our first priority*

# Zero Harm strategic framework



Commitment



Accountability



Respect



Enabling



Safety

# Safe production and health focus areas

## Enabled Operational Environment

Equipment, layouts  
and environmental  
conditions  
conducive to safe  
productive rock  
breaking

Safe technology

## Empowered competent workforce

### Organisational transformation

- Leadership
- Values & Culture
- Training
- Employee's right to withdraw

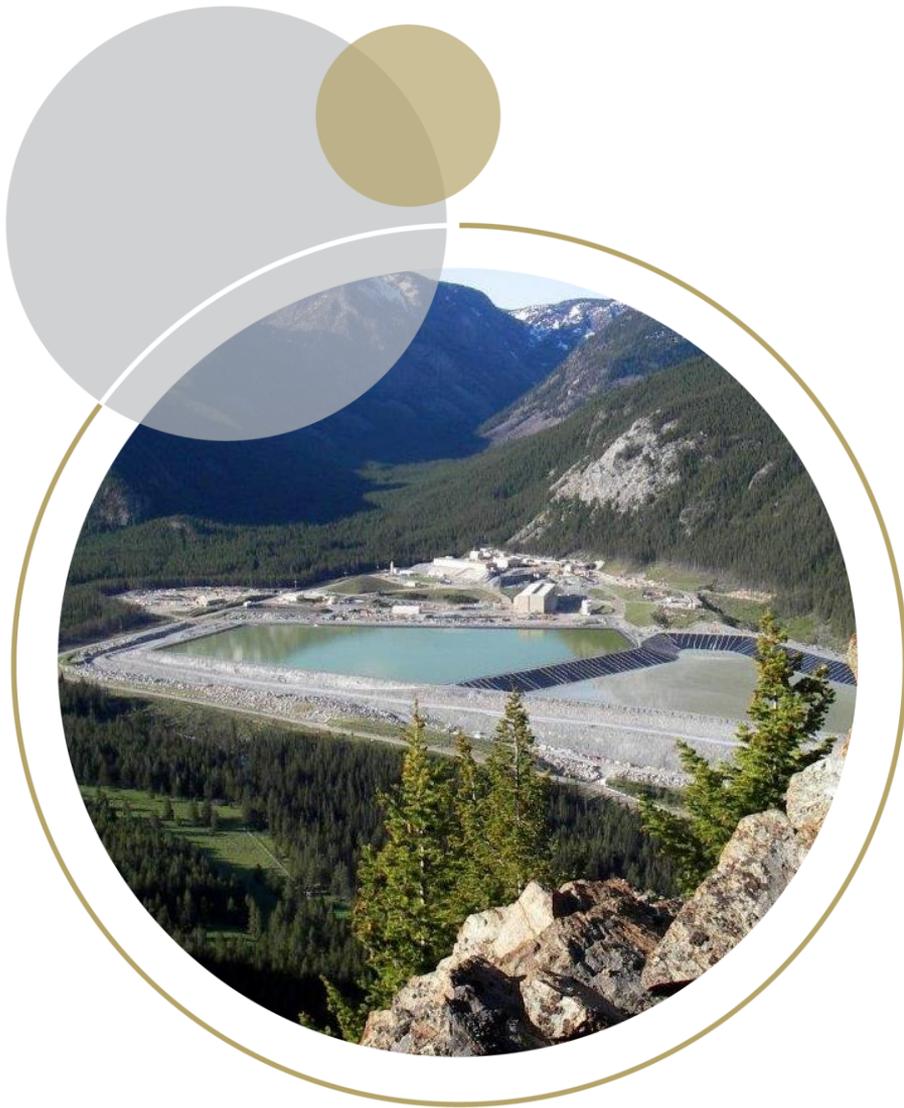
## World-class safe production systems

Accreditation to  
leading international  
health and safety  
management systems

Minerals Council  
initiatives

ICMM principles

Global Safe  
Production Advisory  
Board



we are one  
**Sibanye  
Stillwater**

Track record  
of smart  
transactions

# Implementing a value accretive PGM strategy

## AQUARIUS



- First entry into the SA PGM sector – April 2016
- Lean, well run company
- Operational performance has increased to further record levels since acquisition

## RUSTENBURG



- Effective November 2016
- Smart transaction structure aligned with expectations of platinum market outlook
- Significant synergies with Aquarius and gold central services
- Realised synergies of ~R1bn in 14 months, well ahead of previous target of R800m over a 3-4 year period

## STILLWATER



- Tier one, US PGM producer acquired in May 2017
- High-grade, low-cost assets with Blitz, a world-class growth project
- Provides geographic, commodity and currency diversification
- 78% palladium content provides upside to robust palladium market

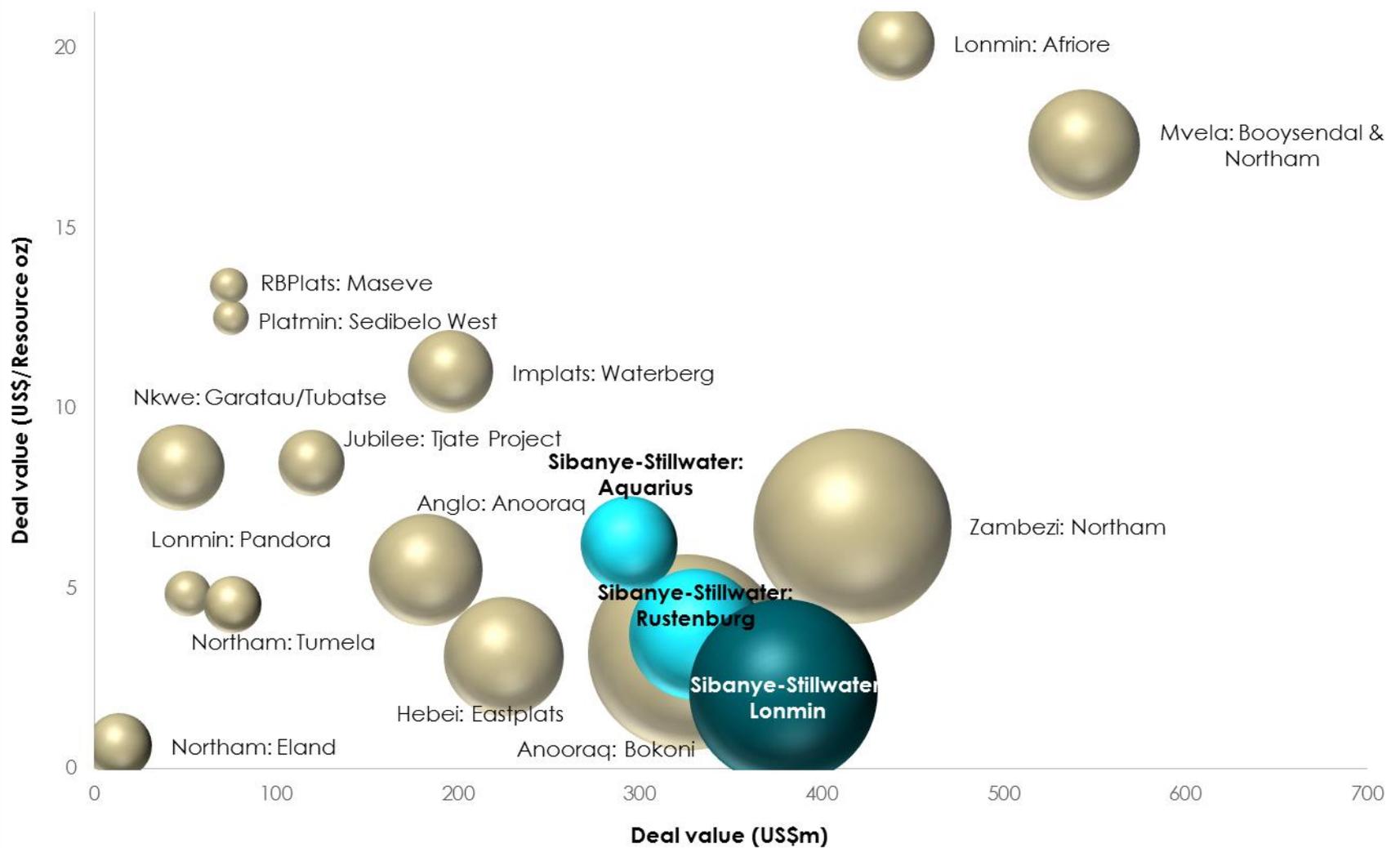
## LONMIN



- Attractive acquisition price at low point in platinum price cycle
- Significant potential synergies exist with our SA PGM assets
- Aligns with Sibanye-Stillwater's mine-to-market strategy in SA and adds commercially attractive smelting and refining
- Sizeable resources provide long-term optionality

# Large, low cost SA PGM acquisitions

Historic SA PGM transactions



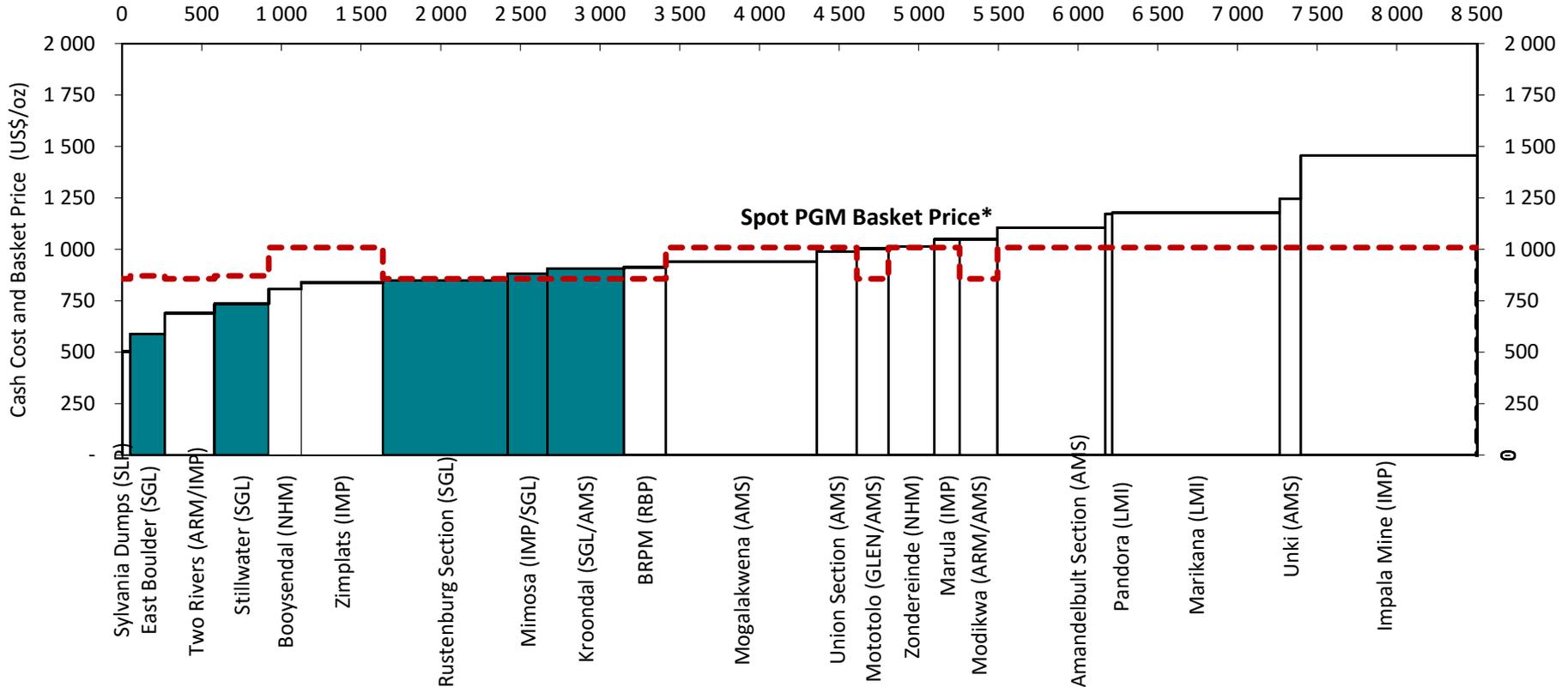
Source: Various companies' disclosures  
 Note: Bubble size represents PGM Resources

A sizeable resource base at a compelling price

# Moving down the PGM cost curve

**Global PGM Cash cost + Capex curve (CY18E)**

Cumulative Annual Production (4E Koz.)



 Sibanye-Stillwater's PGM operations/JVs

Source: Nedbank research

\*Prices at end June 2018: Platinum: US\$950/oz; Palladium: US\$950/oz; Rhodium: US\$2,250/oz and Exchange rate of R/US\$13.70

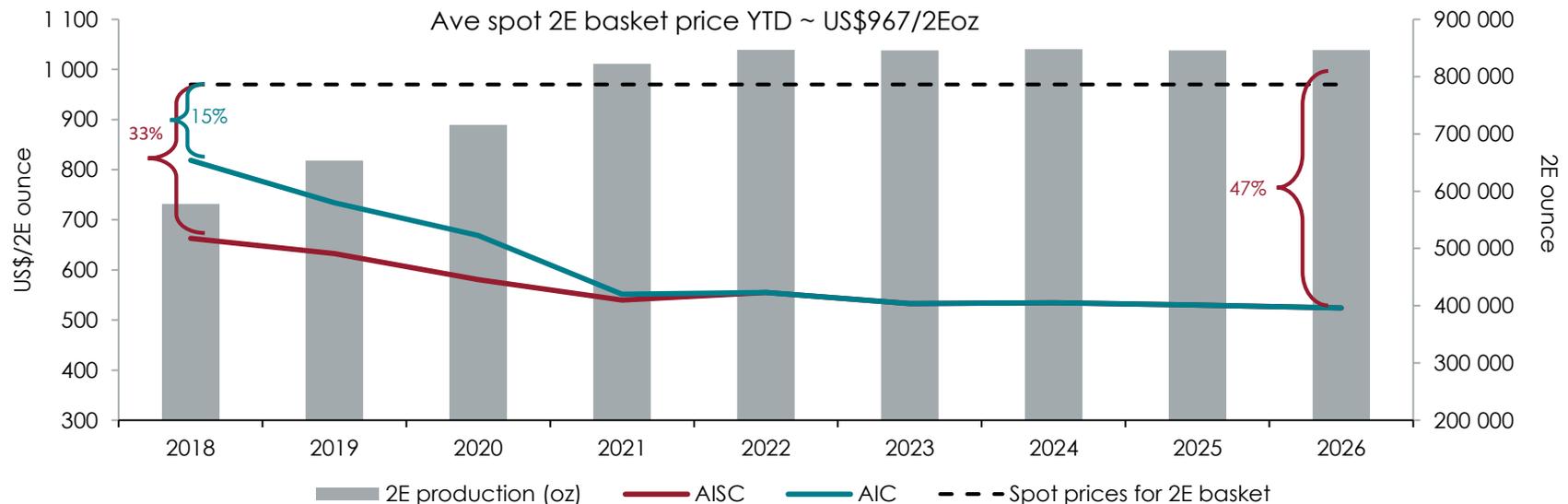
**World class, low cost US PGM mines with the SA PGM operations well placed on the cost curve**

# Stillwater – a world-class, well-timed acquisition



- November 2017 CPR calculated an NPV of US\$2.7 billion vs acquisition price of US\$2.2 billion
  - CPR assumed palladium price of US\$704/oz and platinum price of US\$1,047/oz
  - current basket price of approximately US\$970/2Eoz is 23% higher than CPR assumptions
- Cash flow expected to increase significantly from 2021 as Blitz production builds up and growth capital declines
  - AISC and AIC converge to approximately US\$530/2Eoz

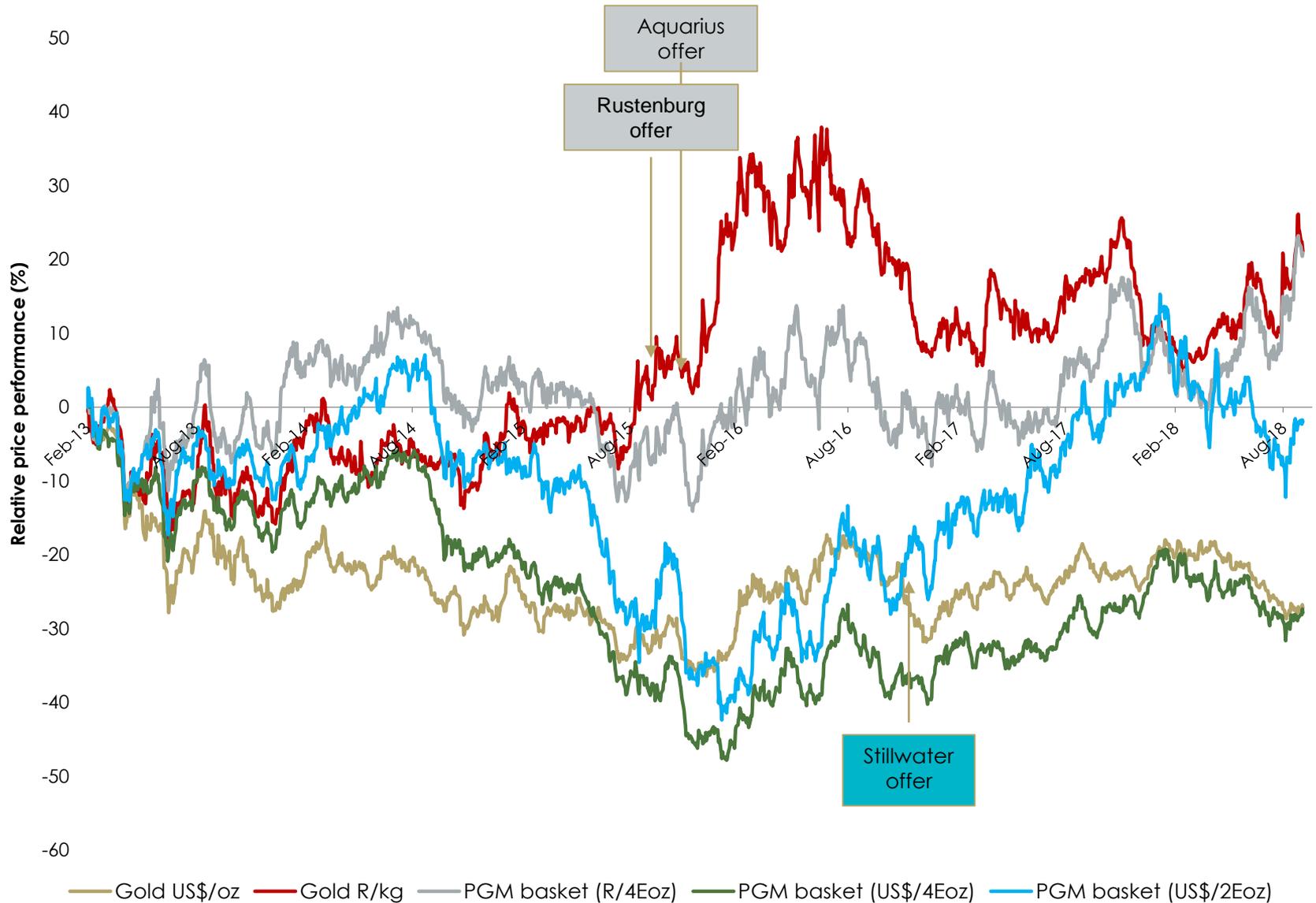
**US PGM operations – expected production and cost profiles**



Source: Stillwater CPR 2017

Note: Production and costs are in line with the published CPR for the Stillwater operations (available on <https://www.sibanyestillwater.com/investors/documents-circulars>)  
The Stillwater operations have a PGM 2E prill split of 3.4 palladium: 1 platinum ounce

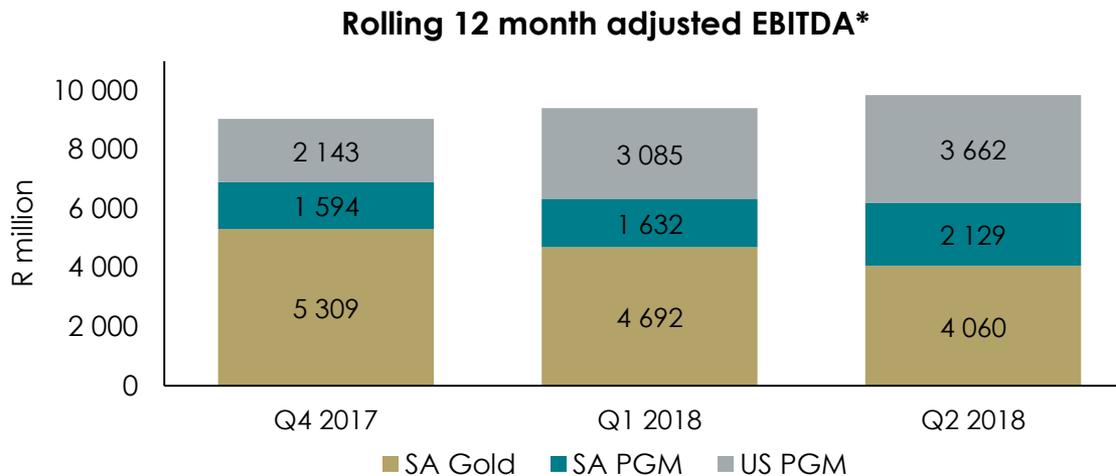
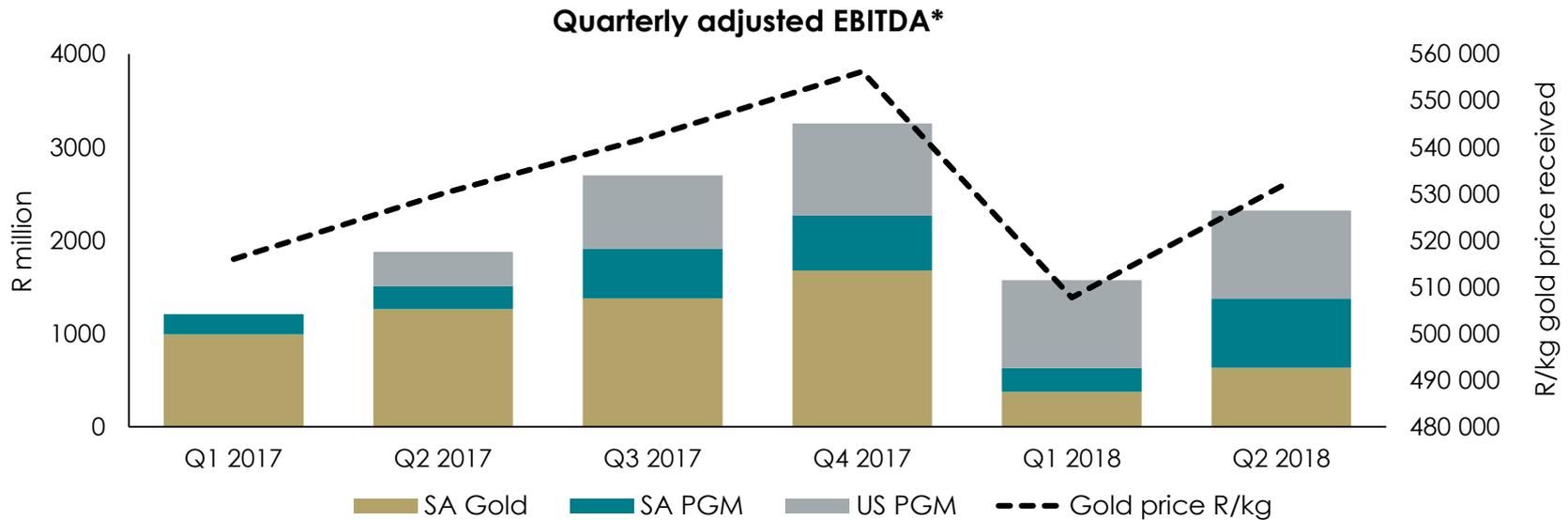
# Key revenue drivers



Source: IRESS

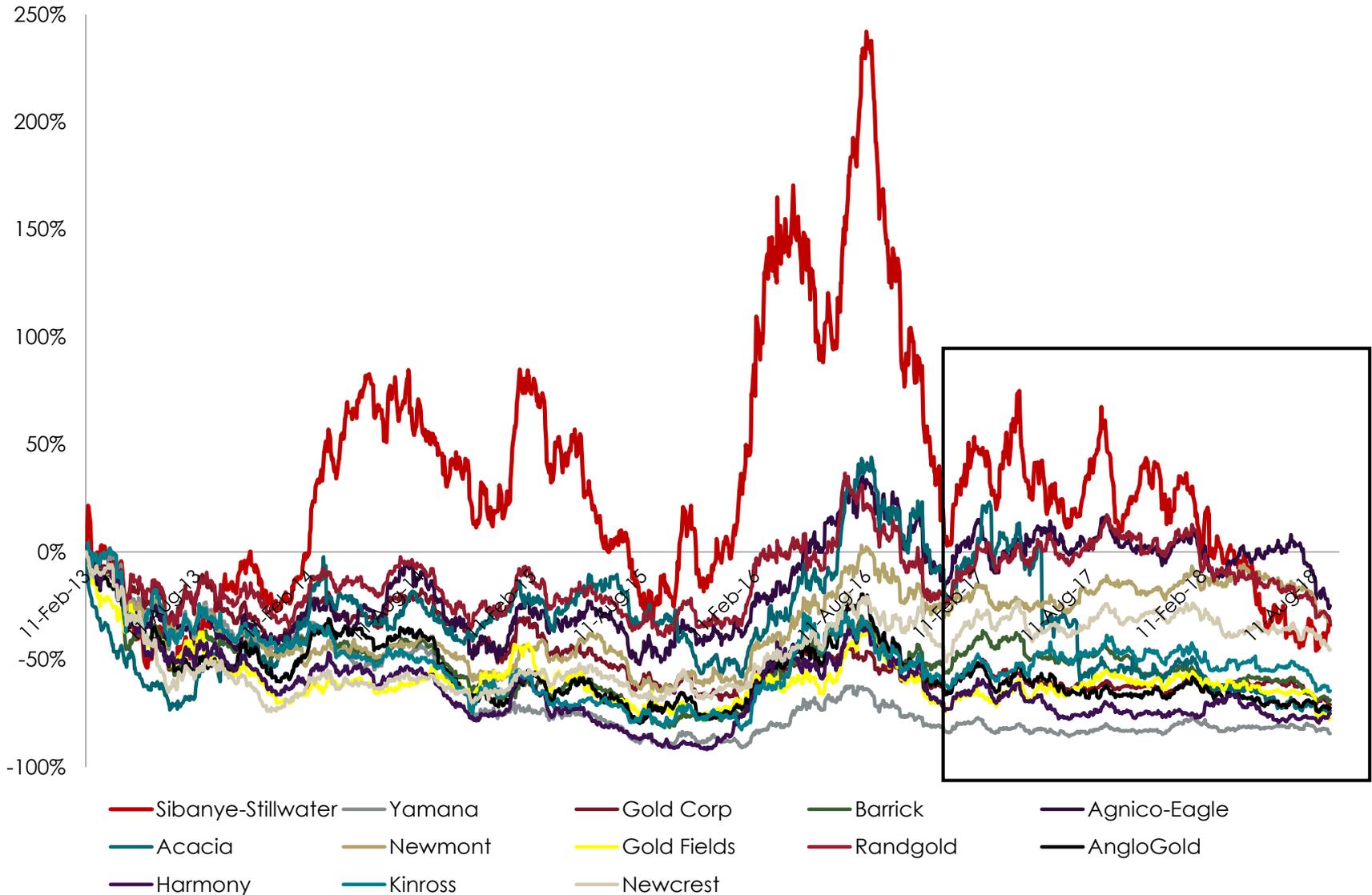
**Rand depreciation currently benefiting SA producers**

# Strategic evolution yielding benefits



\*The Sibanye-Stillwater Group reports adjusted earnings before interest, taxes, depreciation and amortisation (EBITDA) based on the formula included in the facility agreements for compliance with the debt covenant formula. For a reconciliation of profit/loss before royalties and tax to adjusted EBITDA, see note 9.2 of the condensed consolidated interim financial statements for the six months ended 30 June 2018

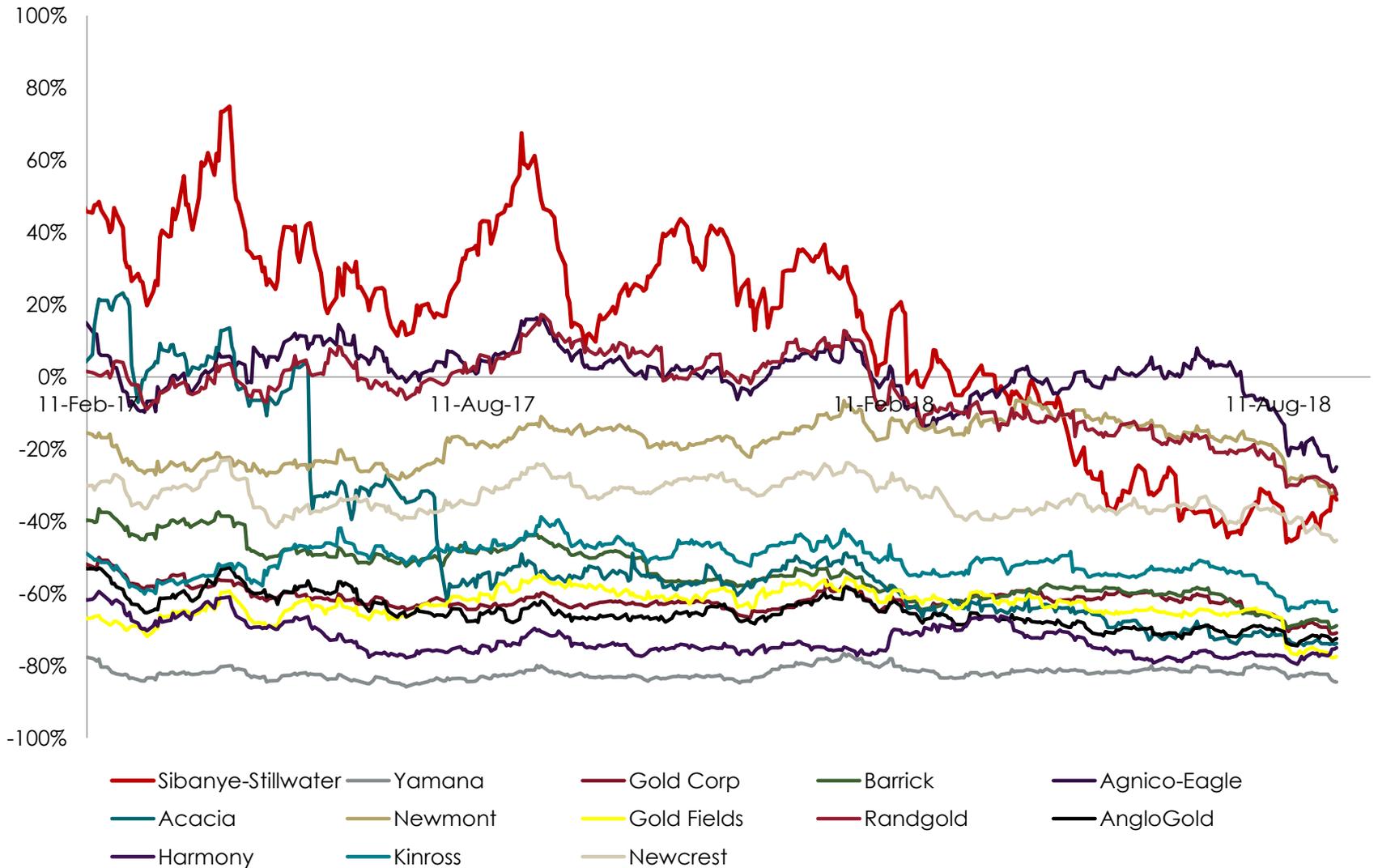
# Relative share price performance



Source: IRESS

Outperforming global gold peers until H1 2018

# Relative share price performance



Source: IRESS

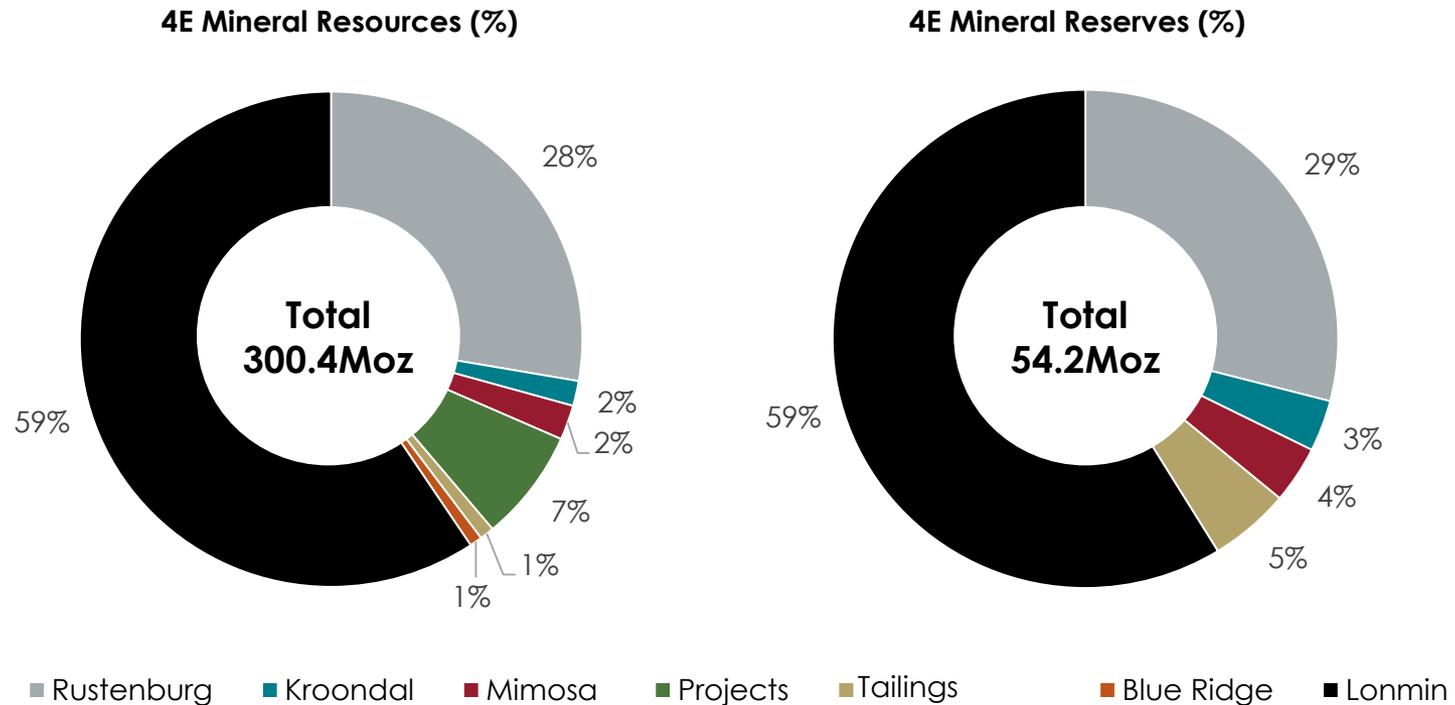
**Notable recent underperformance due to concern about debt and safety incidents**



More PGM value  
unlock to come  
- *Lonmin acquisition*

# Proforma resources and reserves (incl. Lonmin)

- Lonmin acquisition will add sizeable PGM Resources with potential upside from advanced brownfield projects and greenfield project pipeline



Source: Company information

\*Price assumptions in Lonmin's declaration of Mineral Resources and Mineral Reserves as at 31 September 2017 were: platinum – \$1,546/oz; palladium – \$1,015/oz; rhodium – \$1,521/oz; gold – \$1,215/oz at an exchange rate of R13.91/US\$

Sibanye-Stillwater's price assumptions as at 31 December 2017 were:

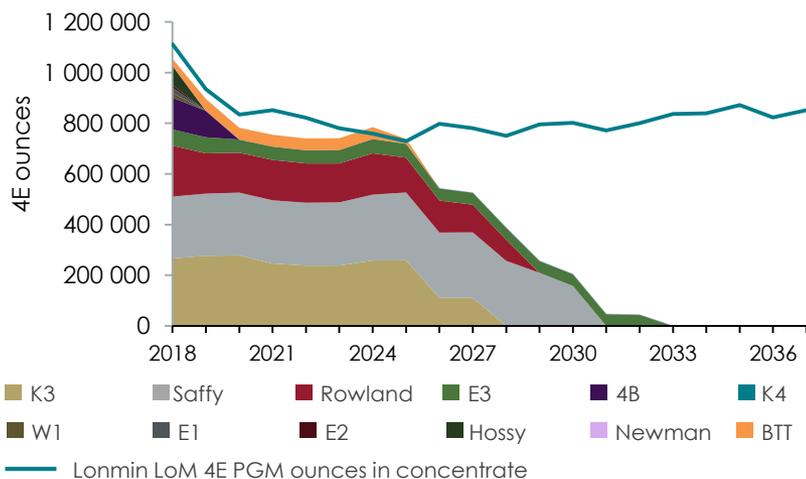
platinum – \$1,092/oz; palladium – \$704/oz; rhodium – \$901/oz; gold – \$1,218/oz at an exchange rate of R13.05/US\$

**Lonmin reserves will be subject to an economic valuation aligned to our policy post acquisition**

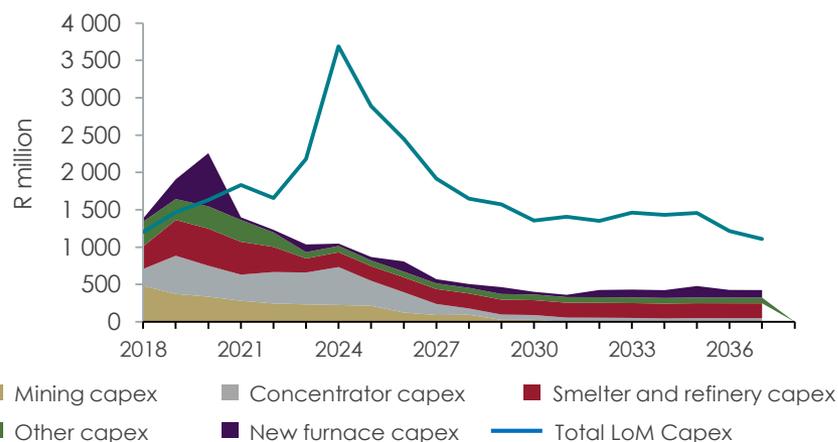
# Revised Lonmin operational plan<sup>1</sup>

- Lonmin's mining plan revised after detailed due diligence
- Planning for current economic and market conditions
  - 'lower for longer' plan
- Conservative plan not contingent upon project capital expenditure thereby ensuring affordability
- Generation one shafts to be put on care and maintenance as per Lonmin plan
- Flexibility to delay project capital investment
  - optionality to significantly extend operating life in a higher PGM price environment

**Revised plan - adjusted 4E PGM ounces in concentrate**



**Revised capital by category compared to Lonmin plan (real terms)**



<sup>1</sup> Source: Lonmin's company information and due diligence performed by Sibanye-Stillwater

# Material synergies with Lonmin operations

Pre-tax synergies of approx. R1.5bn annually by 2021<sup>1</sup>

## Quantified synergies<sup>2</sup>

- Overhead costs (R730m annually by 2021)
  - corporate office rationalisation (closing London office and delisting)
  - regional shared services
  - operational (mining) services
  - once-off R80m cost required to achieve these synergies
- Processing synergies
  - differential cost benefits of R780m by 2021 and an average of approximately R550 annually from 2021
  - Capex of approximately R1bn required for purchase of a new furnace

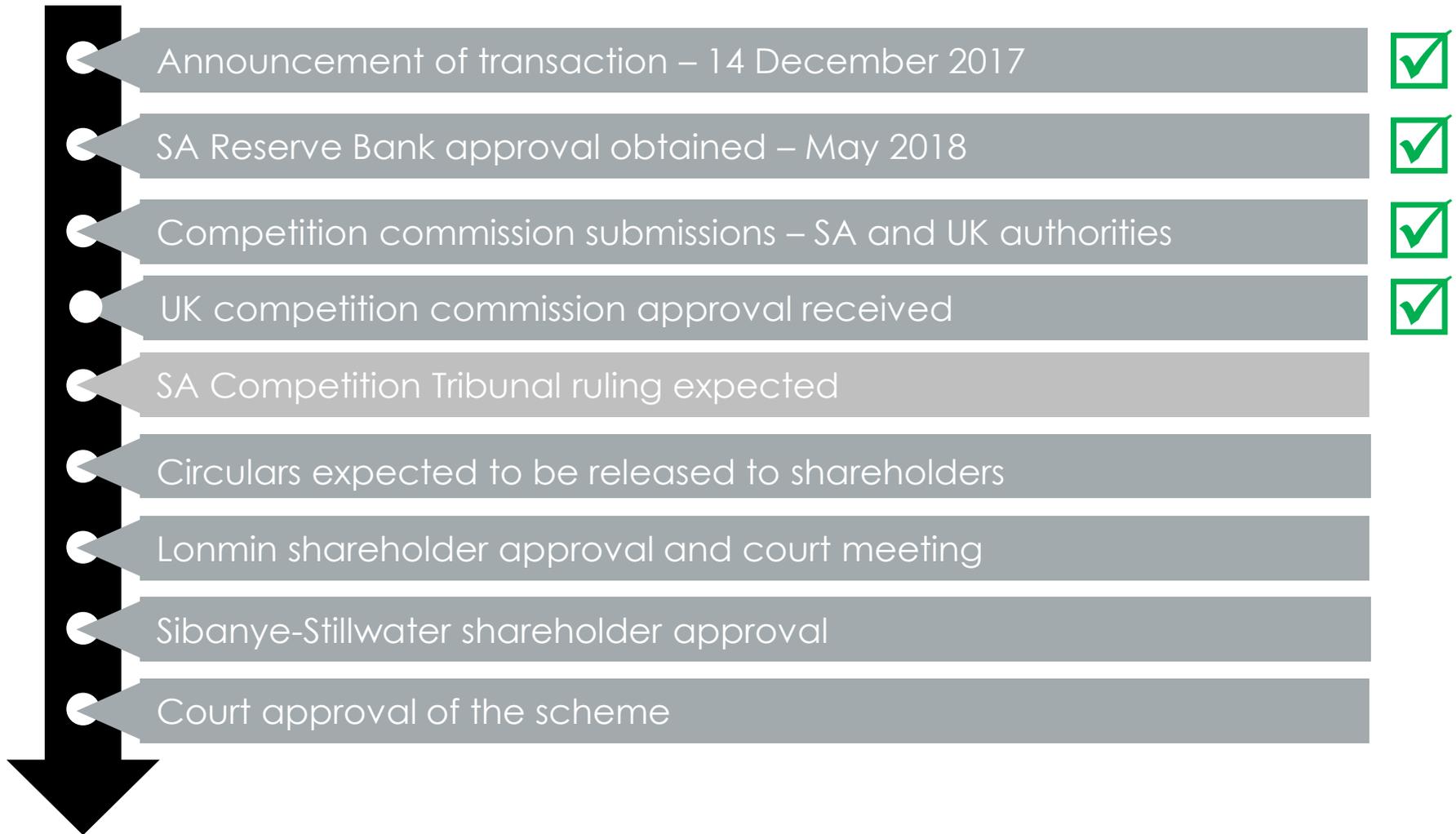
## Incremental synergy potential<sup>3</sup>

- Ability to mine through existing mine boundaries
- Optimal use of surface infrastructure
- Optimising mining mix
- Prioritisation of projects and new growth capital
- Capital reorganisation in line with new consolidated regional plan

### Notes

1. For further information in relation to expected synergies, please refer to page 17 and pages 58 to 60 of the offer announcement, dated 14 December 2017, available at <https://sibanyestillwater.com/investors/transactions/lonmin/documents>
2. For overhead synergies, total savings anticipated when fully implemented in FY21; varies per toll agreement production throughput for processing synergies with average calculated between 2021 and 2032
3. Synergies which are unquantifiable at this point in time

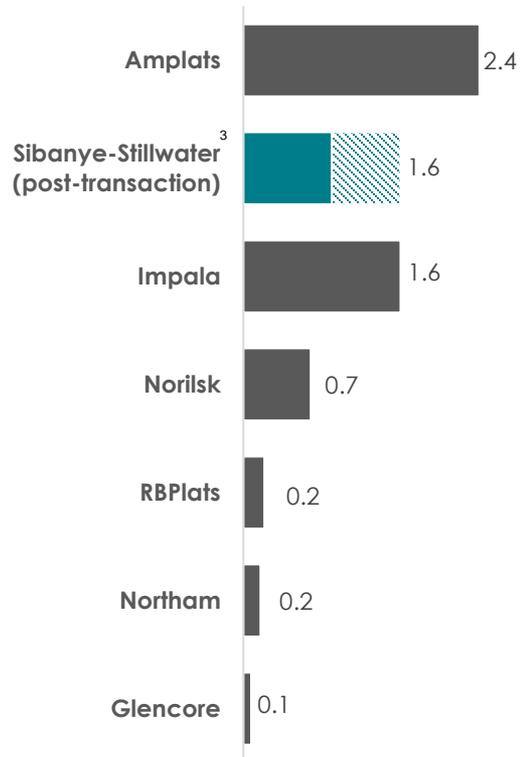
# Indicative milestones to closing Lonmin deal



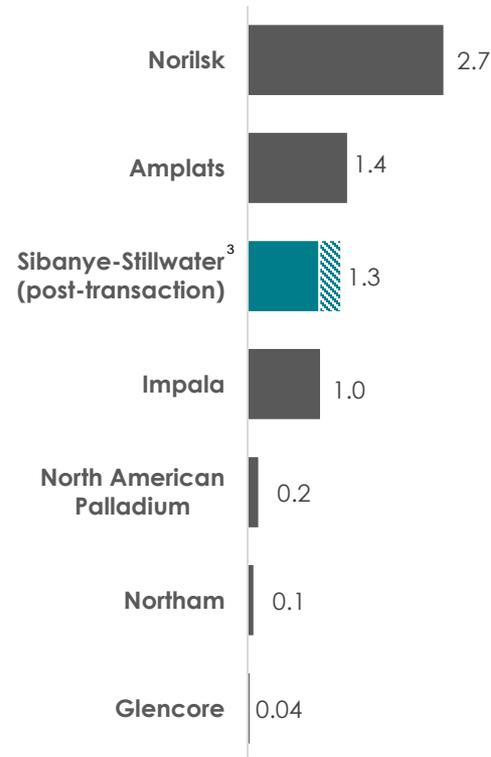
# Becoming a leading precious metals company

## Sibanye-Stillwater global PGM ranking

### 2017/18A platinum production (Moz)

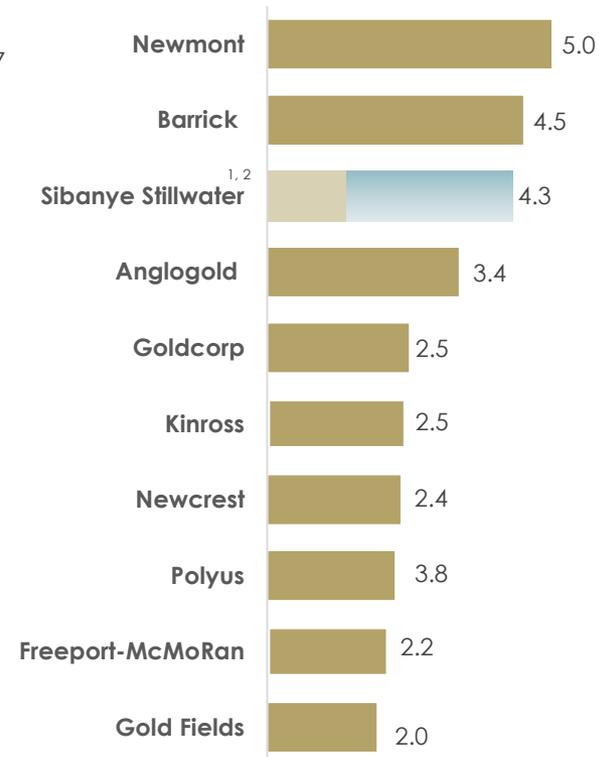


### 2017/18A palladium production (Moz)



## Sibanye-Stillwater global gold ranking

### 2017/18A gold and gold equivalents production (Moz)



 Lonmin's contribution to Sibanye-Stillwater  
 Sibanye – Stillwater gold production  
 Sibanye – Stillwater gold equivalents

Source: Company filings, Wood Mackenzie

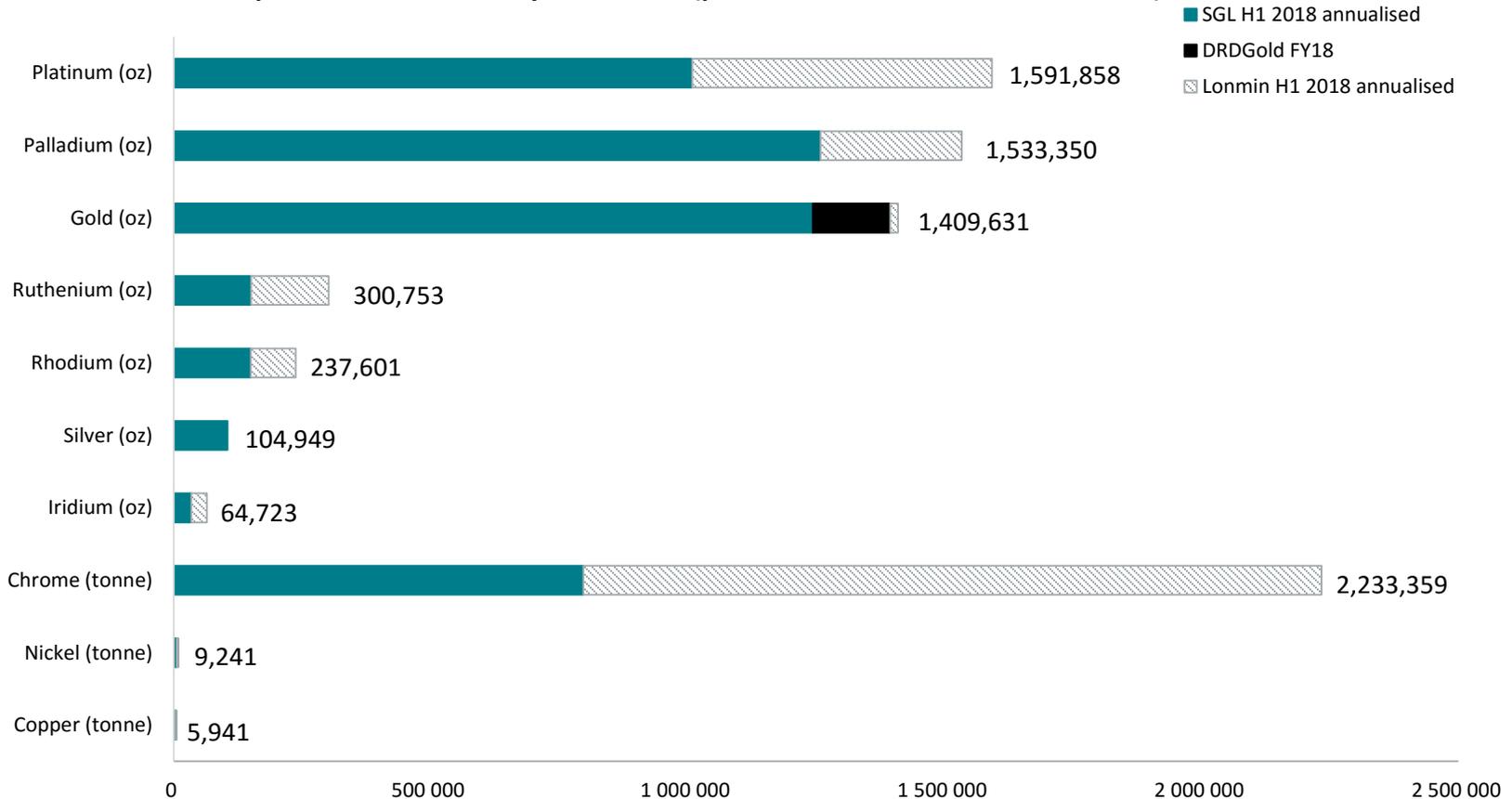
Notes:

1. Sibanye –Stillwater gold equivalents included completed on a 4E PGM basis
2. Gold equivalent ounces calculated as PGM basket price in the period (USD1,007/oz) / average gold price (USD1,286/oz) in the period multiplied by PGM production (4E) and using the Sibanye – Stillwater H1 2018 prill split
3. Sibanye – Stillwater annualised production estimates

# A substantial diversified metals company

- Expected to be the largest producer of Ruthenium and Iridium post Lonmin transaction
- One of the largest chrome producers post Lonmin

**Metals produced - total Sibanye-Stillwater (proforma incl Lonmin and DRDGOLD)\***



\*Annualised production using H1 2018 figures, DRDGold production for FY 2018 actuals

Sources include company filings, Sibanye-Stillwater information, external research reports, Lonmin and DRDGOLD public reports

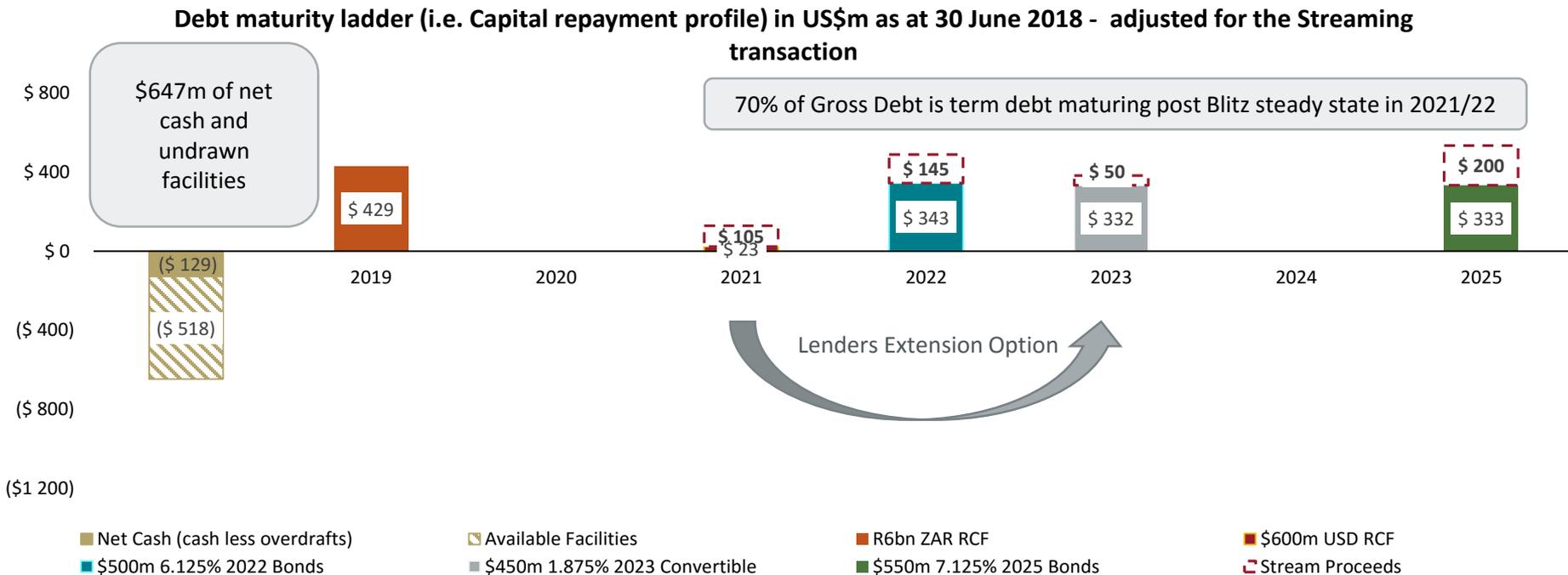
# DRDGOLD partnership concluded

- From 1 August 2018 DRDGOLD will be fully consolidated into Sibanye-Stillwater's operational and financial results – positive EBITDA impact
  - Selected surface assets from the West Rand Tailings Retreatment project (WRTRP) vended into DRDGOLD
  - Sibanye-Stillwater now owns 38.05% in DRDGOLD – immediate value created
  - ensures extraction of value from under-utilised surface infrastructure and TSFs, while retaining upside to the WRTRP and future growth in DRDGOLD
  - Sibanye-Stillwater has an option to subscribe for additional DRDGOLD shares at a 10% discount to the 30 day VWAP within 24 months to increase its shareholding to 50.1%



# Debt maturity profile

- US\$500 million streaming proceeds received on 25 July 2018
- Pro-forma reduction of Net debt:adjusted EBITDA at 30 June 2018 from 2.55x to ~1.85x, well below current covenant of 3.5x and step down to 2.5x at end 2018
- US\$400 million buyback of corporate and convertible bonds launched
  - Reduces future liabilities and realises about US\$26million net value
  - ~US\$25 million per annum reduction in financing expenses



Source: Company information

**Ample liquidity with low risk repayment profile**

# Delivering on our strategy

Strategic goal	Rating	Comments
Deleveraging our balance sheet	4	Accelerated deleveraging through stream – reduced financial risk; more deleveraging to come
Maintaining our focus on operational excellence	3	PGM operations continued to deliver strong results. SA gold operations significantly affected by safety incidents
Improving our position on global industry cost curves	3	SA PGM operations have moved down the cost curve since acquisition. Gold unit costs impacted due to safety incidents.
Consistent delivery on our market commitments	3	Delivery on deleveraging by implementing the stream, delivery on YTD guidance for SA PGM and US region, while gold guidance was updated in July due to safety stoppages
Addressing our SA discount	1	No change, SA discount still applied
Pursuing value-accretive growth, based on a strengthened equity rating	1	Focussing on deleveraging - no new specific external growth being pursued

<b>Keys</b>	<b>1 not achieved; 5 excelled</b>
	Group overall improvement
	Some operations performed well
	Group/all operations still working towards goal

	Production	All-in sustaining costs	Total capital
<b>SA Gold operation (excl DRDGOLD<sup>2</sup>)</b>	36,500 - 37,500 kg (1.17 - 1.21Moz)	R515,000 - 530,000/kg (US\$ 1,227 - 1,263/oz) <sup>1</sup>	R3,000 million (US\$230 million) <sup>1</sup>
<b>SA PGM operations</b>	1.1 – 1.15 Moz (4E PGMs)	R10,750 - 11,250/4Eoz (US\$825 - 860/4Eoz) <sup>1</sup>	R1,200 million (US\$92 million) <sup>1</sup>
<b>US PGM operations</b>	580 – 610 koz (2E PGMs mine production)	US\$640 - 680/oz	~US\$222 million

Source: Company forecasts

\* As announced on 2 July 2018

<sup>1</sup> Estimates are converted at an exchange rate of R13.05/US\$

<sup>2</sup> DRDGOLD will be consolidated into the Sibanye-Stillwater group from August to December 2018 which is expected to increase gold production and is likely to decrease costs



## Contacts

James Wellsted/ Henrika Ninham

[ir@sibanyestillwater.com](mailto:ir@sibanyestillwater.com)

Tel: +27(0)83 453 4014/ +27(0)72 448 5910

**Website: [sibanyestillwater.com](http://sibanyestillwater.com)**



## Appendix