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Trading as Sibanye-Stillwater
Reg. 2002/031431/06
Incorporated in the Republic of South Africa
Share code: SGL
ISIN – ZAE000173951
Issuer code: SGL
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MEDIA RELEASE

Sibanye-Stillwater well positioned after operational challenges in 2018

- New safe production record of 6.5 million fatality free shifts achieved by the Group
- Another consistent operational result from the SA and US PGM operations delivering towards the upper end of production and lower end of cost guidance
- Low capital investment, high return Fill the Mill project at the East Boulder mine to add further 5% to annual production from US PGM operations by 2022
- Production from SA Gold operations negatively impacted by operational disruptions
- Adjusted EBITDA of R8,369 million (US$632 million) only 8% lower despite the prolonged AMCU strike
- Progress made on deleveraging with Net Debt to adjusted EBITDA of 2.5x
- Significant value creation expected to flow through from PGM strategy and increases in the PGM basket
- Group well positioned to benefit further from prevailing robust PGM and gold price environment
- Acquisition of SFA Oxford to facilitate future strategic development in high tech metals

Johannesburg, 21 February 2019: Sibanye-Stillwater (Tickers JSE: SGL and NYSE: SBGL) has emerged strategically and operationally well positioned to benefit from the significantly improved fundamental outlook for precious metals from a challenging year in 2018. The Group is poised to benefit from the sharp increase in precious metals prices in the first two months of 2019, in particular palladium and rhodium, which are well supported by robust fundamentals.

Safe production

A notable and welcome highlight in the second half of 2018, has been the significant improvement in the safety performance across the Group. The Group achieved six and a half million (6.5 million) fatality free shifts on 14 February 2019, with the Southern African (SA) PGM operations achieving four million fatality free shifts on 20 February 2019and the SA gold operations achieving three million fatality free shifts on 31 January 2019, which has been maintained since mid-August 2018, and has continued into February 2019. This performance has restored and improved on Sibanye-Stillwater's historical, industry leading safety record, but we are conscious that we operate in a dynamic environment, which can change rapidly, as we experienced in H1 2018, and as such, requires continual vigilance, review and innovation to ensure ongoing improvement towards our ultimate goal of zero harm in the workplace. Nonetheless, the reduction in injury rates since August 2018 gives us confidence that the safety improvement programmes that we have implemented are proving effective, and we remain focused on maintaining our position as the benchmark safety performer in both the SA gold and PGM mining industries.

In this regard, a number of safe production initiatives have advanced considerably, with short term, high-impact interventions vigorously implemented across the operations, and notable progress made with our medium to long term safe production initiatives. These include the constitution of our Global Safe Production Advisory Panel, comprised of five leading safety experts from around the world, to assist in adopting a more forward looking position that anticipates the emergence of new leading safety practices, and investing in the identification and development of new safe production technologies through the DigiMine Partnership with the University of Witwatersrand, complemented by a global academic network of leading mine safety experts. The "Zero Harm Strategic Framework", which was developed through multi-stakeholder collaboration during three Safety Summits convened by Sibanye-Stillwater, will also guide our long term sustainable safety improvements in 2019 and beyond
Neal Froneman, CEO of Sibanye Stillwater said: "Despite the numerous challenges we faced during the year, it was extremely pleasing to note the manner in which the Sibanye-Stillwater team pulled together to proactively address these challenges. I firmly believe that the Group has ultimately emerged stronger, and better positioned to continue delivering superior value to all stakeholders."

Operational and financial performance

The PGM operations in both Southern Africa and the United States (US), maintained steady operating performances, with revenues benefiting significantly from higher palladium and rhodium prices in 2018. The benefits of the Group's well timed diversification into the PGM sector as well as the geographical diversification resulting from the acquisition of Stillwater, are clearly evident in the financial results, with the solid operating and financial performance of the PGM operations compensating for the operational challenges experienced at the SA gold operations.
The Group's dominant source of earnings is now our US PGM operations, which accounted for approximately 50% of Group adjusted EBITDA in 2018, with the adjusted EBITDA margin for the US underground PGM operations, increasing from 43% in 2017 to 46% in 2018, primarily due to the surging dollar palladium price and strong operational performance. The contribution from the SA PGM operations has also increased substantially, due the improved rand PGM basket price and solid, sustained operational performance, In 2018 the SA PGM operations contributed 34% of Group adjusted EBITDA, up from 17% in 2017, with the adjusted EBITDA margin increasing year-on-year from 12% to 19%. Despite a flat average rand gold price received year-on-year, the impact of the safety incidents and other unanticipated operational disruptions as well as the strike, caused production from the core SA gold operations to decrease by 2,345kg (75,390oz), resulting in adjusted EBITDA from the SA gold operations declining by 75% to R1,363 million. The SA gold operations contributed only 16% of Group adjusted EBITDA in 2018, compared with 58% in 2017, with the adjusted EBITDA margin declining from 23% in 2017, to 7% in 2018.

Value accretive growth

The Fill the Mill (FTM) project, a low capital investment, high return, growth project at the US PGM operations was recently approved by the Board. The FTM is forecast to deliver approximately 40,000oz of annual 2E PGM production from late 2020, over a 10 year period, through an incremental expansion of mining and certain support facilities at the East Boulder Mine and Columbus Metallurgical Complex. The incremental cost of the project approximates US$29 million (capital expenditure of US$19 million and additional operating costs of US$10 million), with the project yielding an NPV of more than US$100 million (an IRR of approximately 88%) at consensus prices. Critically, the additional production from the FTM is expected to reduce operating costs at the East Boulder mine by approximately 5% over the project's 10-year life.

AMCU strike

The emerging recovery in the operational performance of the SA gold operations in H2 2018 was interrupted by the strike called by the Association of Mineworkers and Construction Union (AMCU) on 21

November 2018. While ostensibly related to wages, we believe that this irresponsible action was undertaken to promote an alternative, more parochial agenda.
Response plans have been put in place to maintain peace and stability in order to ensure the safety of our employees as far as possible, and mitigate financial losses by optimising production through the concentration of underground mining activity to specific operating areas, and reducing fixed costs by switching off services and utilities across areas where production activity has been suspended. Whilst these strike plans have been implemented across the operations, the strike action continues to impact on our operations to varying extents.
The AMCU strike action has continued into 2019, despite the other unions having secured a majority membership. Continued legal and procedural challenges have been raised by AMCU since then, which have maintained the protected status of the strike. We continue to pursue all avenues to bring this destructive strike action to an end and ensure the wellbeing of our employees.

Section 189 consultation
Irrespective of the strike action, certain business units at the SA gold operations have experienced ongoing losses, and restructuring has become imperative to establish a sustainably profitable operating footprint. This led to the Company giving notice on 14 February 2019, in terms of Section 189A of the Labour Relations Act (Section 189), that it would be commencing formal consultations with employees and other stakeholders regarding possible restructuring of specific business units at its SA gold operations.

Strategic deleveraging update
Proactive steps to address our balance sheet leverage were taken during the year, with the US$500 million stream financing which was secured in July, successfully applied towards reducing our long term debt and financial leverage. Further progress on our deleveraging strategy has been delayed by the sharp decline in adjusted EBITDA from our SA gold operations in 2018, with the Group's Net debt:adjusted EBITDA (Net debt:adjusted EBITDA) ratio of 2.5x at the end of 2018, only marginally improved on the position at the end of 2017. Having secured an extension of the 3.5x Net debt:adjusted EBITDA ceiling until the end of 2019 and a covenant holiday for Q1 2019, we have sufficient headroom on our lender covenants and our liquidity remains adequate. Ongoing strength in spot precious metals prices in 2019 is expected to support our deleveraging efforts in the coming year.

The proposed Lonmin Transaction
Despite delays to the expected conclusion of the proposed Lonmin acquisition, following an appeal by AMCU against the ruling made by the South African Competition Tribunal in November 2018 to approve the acquisition, subject to certain specific conditions imposed on Sibanye-Stillwater, we remain committed to the acquisition and expect the conclusion of the Lonmin Acquisition during H1 2019.

Organisational structure
The increased size and complexity of the SA PGM operations once the Lonmin acquisition has been completed, and the critical importance of restoring the SA Gold operations to profitability, will require a more intense medium term management focus. Our organisational structure has therefore been refreshed, with dedicated senior management teams appointed at the SA gold and SA PGM operations to optimise operational performance, and centralised Group functions to provide services and ensure a sharper focus on driving strategic priorities. The US PGM operations leadership team remains unchanged. The leadership teams will provide dedicated leadership geared to the specific priorities of each operating segment and will actively drive critical strategic portfolios at Group level.

Acquisition of SFA (Oxford)
Sibanye-Stillwater's entry into the PGM sector was underpinned by extensive market research on PGM market fundamentals, which identified an opportunity at a favourable phase in the commodity cycle. This fundamental knowledge base has supported the Group's continued growth in the PGM markets,

and provided an informed view of automobile markets, specifically positioning the Group to understand and project future power train scenarios as related to internal combustion engines, hybrid electric, battery electric and fuel cell powered vehicles.
The continued understanding of both automobile market forces and analysis of likely advances in battery and power train technologies will provide Sibanye-Stillwater with an opportunity to continue to leverage this knowledge base in order to position Sibanye-Stillwater to play an ongoing, significant role in delivery of metals necessary for future power train requirements to the market.
To support the implementation of this strategic positioning, Sibanye-Stillwater has agreed to acquire SFA (Oxford) (pending certain conditions), an established analytical consulting company that is a globally recognised authority on PGMs and has for several years provided in-depth market intelligence on battery materials and precious metals for industrial, automotive, and smart city technologies.
The acquisition of SFA (Oxford), provides Sibanye-Stillwater with an opportunity to fast track the development of internal competencies relating to research and analysis of battery and other power train related metals through direct access to a high quality research and analytical team. Sibanye-Stillwater will immediately benefit from the substantial intellectual property the SFA (Oxford) team has developed in power train related metals markets. Furthermore, Sibanye-Stillwater will be able to leverage the extensive networks developed by SFA (Oxford) to expand strategic alliances and explore commercial marketing opportunities.

Neal Froneman, CEO of Sibanye Stillwater commenting on the results, said: "Overall, 2018 was a mixed year during which we experienced an anomalous number of disruptive events concentrated at our South African gold operations. Despite the challenges, we have concluded the year in a strong position to pursue our strategic trajectory of creating superior value for all stakeholders. More specifically we look forward to the value creation flowing into our market valuation in a constructive global climate for precious metals. Whilst our immediate focus remains on optimising our operations and deleveraging our balance sheet, the acquisition of SFA (Oxford) is strategically important for us. The research capacity and experience provided by SFA (Oxford) will fast track our understanding of the metals required for future power train developments and enable us to position ourselves in future for our next phase of growth"

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