THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

NOTHING IN THIS CIRCULAR CONSTITUTES OR FORMS PART OF ANY OFFER FOR SALE OR SOLICITATION OF ANY OFFER TO BUY OR SUBSCRIBE FOR ANY SECURITIES OF SIBANYE GOLD LIMITED, NOR SHALL IT OR ANY PART OF IT FORM THE BASIS OF OR BE RELIED ON IN CONNECTION WITH ANY CONTRACT OR COMMITMENT WHATSOEVER.

- The definitions and interpretations set out on pages 11 to 17 of this Circular apply, *mutatis mutandis*, to this whole Circular (unless specifically defined where used or the context indicates a contrary intention).
- If you are in any doubt as to what action you should take in relation to this Circular, please consult your CSDP, broker, banker, accountant, attorney or other professional adviser immediately.
- If you have disposed of all your Shares, this Circular with the proxy form should be handed to the purchaser of such Shares or to the CSDP, broker or other agent through whom such disposal was effected.
- Sibanye Shareholders are referred to pages 6 and 7 of this Circular, which set forth the detailed action required of them in respect of the matters dealt with in this Circular.

Sibanye
we are one

Sibanye Gold Limited

(Registration No. 2002/031431/06)
Share code: SGL ISIN ZAE000173951
("**Sibanye**" or the "**Company**")

CIRCULAR TO SIBANYE SHAREHOLDERS

Regarding:

- **the approval of the Transaction, as required by and in terms of the JSE Listings Requirements;**
- **the increase of Sibanye's authorised share capital from 2 000 000 000 Shares to 10 000 000 000 Shares;**
- **the amendment of Sibanye's MOI to reflect the aforesaid increase in Sibanye's authorised share capital;**
- **the authorisation to the Board to issue additional Shares with voting power in excess of 30% of the Shares currently in issue, pursuant to the implementation of the Proposed Rights Offer;**
- **placing the authorised but unissued Shares under the control of the Directors for the purpose of an issue of Shares to implement the Proposed Rights Offer;**
- **the waiver, in accordance with section 123(3) of the Companies Act by independent holders of more than 50% of the voting rights of all the issued Shares, of the benefit of receiving a mandatory offer from one or more of the underwriters of the Proposed Rights Offer;**
- **approval to increase the amount of authorised but unissued Shares for cash to be issued by the Board;**
- **placing the unissued Shares under the control of the Board for the purpose of the general authority to issue shares for cash;**

and incorporating:

- **revised listing particulars;**
- **a notice convening a General Meeting of Sibanye Shareholders; and**
- **a form of proxy (to be completed by Certificated Sibanye Shareholders and Dematerialised Sibanye Shareholders with "own-name" registration only).**

Financial Advisors to Sibanye

Corporate Advisor to Sibanye

Legal Advisors to Sibanye

South Africa

United States

Independent Reporting Accountants for Sibanye

Technical Advisor to Sibanye

Sponsor to Sibanye

Date of issue: 20 March 2017

This Circular is available in English only and copies thereof may be obtained during normal business hours from the registered offices of Sibanye and the Sponsor at the addresses set out in the "Corporate Information and Advisors" section of this Circular. This Circular will also be available on the Sibanye website (www.sibanyegold.co.za) as from the date of posting hereof until the date of the General Meeting.

DISCLAIMERS AND FORWARD LOOKING STATEMENTS

GENERAL

This Circular is for informational 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 US 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. The public offering of securities currently intended by Sibanye to be made in the United States will be made by means of a prospectus that may be obtained from Sibanye and that will contain detailed information about the company, its management and financial statements.

CERTAIN FORWARD LOOKING STATEMENTS

Certain statements included in this Circular (including the expected cash flow, production and cash cost information), as well as oral statements that may be made by Sibanye, or by officers, directors or employees acting on its behalf related to the subject matter hereof, constitute or are based on forward-looking statements. Forward-looking statements are not based on historical facts, and are generally preceded by, followed by or include the words "may", "will", "should", "expect", "envisage", "intend", "plan", "project", "estimate", "anticipate", "believe", "hope", "can", "is designed to" or similar phrases. In this Circular, for example, statements which relate to expected timings of the Transaction (including completion), potential Transaction benefits (including statements regarding growth, cost savings, benefits from and access to international financing and financial re-ratings), PGM pricing expectations, levels of output, supply and demand and/or, information relating to the Blitz Project are forward-looking statements. These forward-looking statements involve a number of known and unknown risks, uncertainties and other factors, many of which are difficult to predict and are generally beyond the control of Sibanye, that could cause Sibanye's actual results and outcomes to be materially different from historical results or from any future results expressed or implied by such forward-looking statements. Such risks, uncertainties and other factors include, among others, Sibanye's or Stillwater's ability to complete and/or implement the Transaction; the inability to complete and/or implement the Transaction due to failure to obtain approval of the shareholders of Sibanye or Stillwater or other conditions in the Merger Agreement; Sibanye's ability to successfully integrate the acquired assets with its existing operations; Sibanye's ability to achieve anticipated efficiencies and other cost savings in connection with the transaction; Sibanye's ability to implement its strategy and any changes thereto; Sibanye's future financial position, plans, strategies, objectives, capital expenditures, projected costs and anticipated cost savings and financing plans; changes in the market price of gold, PGM and/or uranium; fluctuations in exchange rates, currency devaluations, inflation and other macro-economic monetary policies; the occurrence of labour disruptions and industrial actions; 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 interpretation thereof which may be subject to dispute; power disruption, constraints and cost increases; the outcome and consequence of any potential or pending litigation or regulatory proceedings or environmental, health or safety issues; the occurrence of temporary stoppages of mines for safety incidents and unplanned maintenance; the occurrence of hazards associated with underground and surface mining; operating in new geographies and regulatory environments where Sibanye had no previous experience; changes in assumptions underlying Sibanye's estimation of its current mineral reserves; supply chain shortages and increases in the price of production inputs; economic, business, political and social conditions in South Africa, Zimbabwe, the United States and elsewhere; the ability of Sibanye to comply with requirements that it operates in a sustainable manner; failure of Sibanye's information technology and communications systems; the success of Sibanye's business strategy, exploration and development activities; the availability, terms and deployment of capital or credit; 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; the adequacy of Sibanye's insurance coverage; uncertainty regarding the title to Sibanye's properties; the dependency of Stillwater's US recycling business on relationships with third-party suppliers; the concentration of Stillwater's US PGM operations' sales arrangements; social unrest, sickness or natural or man-made disaster at informal settlements in the vicinity of Sibanye's African operations; the impact of HIV, tuberculosis and other contagious diseases; and Sibanye's intention to issue debt securities, which may not be available on commercially reasonable terms, or at all, which will be structurally senior to our Shares and which may limit our ability to respond to changes in market conditions or pursue business opportunities. For further information

about the risks, uncertainties and other factors that may cause the actual results and performance of Sibanye to differ from those noted in any forward-looking statements, please review Sibanye's latest Integrated Annual Report or Annual Report on Form 20-F filed with the SEC. New factors that could cause the business of Sibanye not to develop as expected may emerge from time to time, and it is not possible to predict all such factors. Sibanye undertakes no obligation and does not intend to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this Circular or to reflect any change in Sibanye's expectations with regard thereto, except as may be required by law.

INFORMATION REGARDING FINANCIAL ADVISORS

Citigroup Global Markets Limited and HSBC Bank plc, both of which are authorised by the PRA and regulated by the FCA and the PRA in the United Kingdom are acting exclusively for Sibanye and for no one else in connection with the matters described in this Circular and are not, and will not be responsible to anyone other than Sibanye for providing the protections afforded to their respective clients nor for providing advice in connection with the matters set out in this Circular.

CORPORATE INFORMATION AND ADVISORS

Sibanye Registered Address

Libanon Business Park
1 Hospital Street (off Cedar Avenue)
Libanon, Westonaria, 1780
South Africa
(Private Bag X5, Westonaria, 1780, South Africa)
+27 11 278 9600
Website: www.sibanyegold.co.za

Executive Directors

Neal Froneman *(Chief Executive Officer)*
Charl Keyter *(Chief Financial Officer)*

Independent Non-Executive Chairman

Sello Moloko

Non-Executive Directors

Christopher Chadwick
Timothy Cumming
Barry Davison
Richard Menell
Nkosemntu Nika
Keith Rayner
Jiyu Yuan
Susan van der Merwe
Jerry Vilakazi
Robert Chan

Company Secretary

Cain Farrel
Tel: +27 10 001 1122
Fax: +27 11 278 9863
E-mail: cain.farrel@sibanyegold.co.za
(Private Bag X5, Westonaria, 1780, South Africa)

Investor Enquiries

James Wellsted
Senior Vice President: Investor Relations
Sibanye Gold Limited
Tel: +27 83 453 4014
Fax: +27 11 278 9656
E-mail: james.wellsted@sibanyegold.co.za

South African Share Registrar and Receiving Agent

Computershare Investor Services
(Proprietary) Limited
(Registration number 2004/003647/07)
Rosebank Towers
15 Biermann Avenue
Rosebank
Johannesburg, 2196
South Africa
(PO Box 61051, Marshalltown, 2107, South Africa)
Tel: +27 11 370 5000
Fax: +27 11 688 5248

ADS Depositary

The Bank of New York Mellon
PO Box 358516
Pittsburgh, PA 15252-5816
USA
US toll-free telephone: +1 888 269 2377
Tel: +1 201 680 6825
E-mail: shrrelations@bnymellon.com
Tatyana Vesselovskaya
Relationship Manager
BNY Mellon
Depositary Receipts
Direct Line: +1 212 815 2867
Mobile: +1 203 609 5159
Fax: +1 212 571 3050
Email: tatyana.vesselovskaya@bnymellon.com

Transfer Secretaries South Africa

Computershare Investor Services
(Proprietary) Limited
(Registration number 2004/003647/07)
Rosebank Towers
15 Biermann Avenue
Rosebank
Johannesburg, 2196
South Africa
(PO Box 61051, Marshalltown, 2107, South Africa)
Tel: +27 11 370 5000
Fax: +27 11 688 5248

Transfer Secretaries United Kingdom

Capita Registrars Limited
(Trading as Capita Asset Services)
(Registration number 02605568)
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU
United Kingdom
Tel: 0871 664 0300

Calls cost 12p per minute plus your phone company's access charge. If you are outside the UK, please call +44 371 664 0300. Calls outside the UK will be charged at the applicable international rate.
The helpline is open between 09:00 and 17:30, Monday to Friday excluding public holidays in England and Wales.

E-mail: ssd@capita.co.uk

Financial Advisor to Sibanye

Citigroup Global Markets Limited
(England and Wales registration number: 1763297)
Citigroup Centre
Canada Square, Canary Wharf
London E14 5LB
United Kingdom

Financial Advisor to Sibanye

HSBC Bank plc
(Registered in England – Number 14259)
8 Canada Square
London E14 5HQ
United Kingdom

Corporate Advisor to Sibanye

Qinisele Resources Proprietary Limited
(Registration number 1997/022049/07)
13th Floor, The Forum
No 2 Maude Street
Sandton, 2196
South Africa

JSE Sponsor to Sibanye

J.P. Morgan Equities South Africa (Proprietary) Limited
(Registration number 1995/011815/07)
1 Fricker Road
Illovo
Johannesburg, 2196
South Africa
(Private Bag X9936, Sandton, 2196, South Africa)

Legal Advisors to the Company as to United States law

Linklaters LLP
(Registration number 06326345)
One Silk Street
London EC2Y 8HQ
United Kingdom

Legal Advisors to the Company as to South African law

Edward Nathan Sonnenbergs Incorporated
(Registration number 2006/018200/21)
1 North Wharf Square
Cape Town, 8001
South Africa

Auditors and Independent Reporting Accountant to the Company

KPMG Inc.
KPMG Crescent
85 Empire Road
Parktown, 2193
Johannesburg
South Africa

Technical Advisor to Sibanye

Mineral Corporation Consultancy Proprietary Limited
(Registration number 1995/000999/07)
65 Homestead Avenue
Bryanston
Sandton, 2191
South Africa

Office of the United Kingdom Secretaries

St James's Corporate Services Limited
Suite 31, Second Floor
107 Cheapside
London EC2V 6DN
United Kingdom
Tel: +44 20 7796 8644
Fax: +44 20 7796 8645

Stillwater

26 West Dry Creek Circle
Suite 400
Littleton, Colorado, 80120
United States
A Delaware Corporation
(CUSIP Number 86074Q)
Share Code: SWC
Date of incorporation: 2 December 1992

Independent Registered Public Accounting Firm to Stillwater

KPMG LLP
Suite 1002
175 N. 27th Street
Billings, Montana, 59101
USA

Independent Reporting Accountant to Stillwater

KPMG Inc.
KPMG Crescent
85 Empire Road
Parktown, 2193
Johannesburg
South Africa

ACTION REQUIRED BY SIBANYE SHAREHOLDERS

The definitions and interpretations commencing on page 11 of this Circular apply, *mutatis mutandis*, to this section (unless specifically defined where used or the context indicates a contrary intention).

Sibanye Shareholders are requested to take note of the following information regarding the actions required by them in connection with this Circular.

1. If you are in any doubt as to what action to take, please consult your broker, CSDP, banker, legal advisor, accountant, or other professional advisor immediately.
2. If you have disposed of all your Shares, please forward this Circular to the person to whom you disposed of such Shares or to the broker, CSDP, banker or other agent through whom you disposed of such Shares.
3. **General Meeting**

   A General Meeting of Sibanye Shareholders has been convened in terms of the Notice of General Meeting attached hereto for purposes of considering and, if deemed fit, passing, with or without modification, the resolutions set out in the Notice of General Meeting. The General Meeting will be held at **Sibanye Gold Academy, Rietkloof 349, Glenharvie, 1786, South Africa at 09:00 (South African time) on Tuesday, 25 April 2017.**

4. **Dematerialised Sibanye Shareholders without "own-name" registration**

   If you have Dematerialised your Shares without "own-name" registration, then the following actions are relevant to you in connection with the General Meeting:

   Voting at the General Meeting

   - If you have not been contacted by your CSDP or broker, it would be advisable for you to contact your CSDP or broker and furnish them with your voting instructions.
   - If your CSDP or broker does not obtain voting instructions from you, they will vote in accordance with the instructions contained in the agreement concluded between you and your CSDP or broker.
   - You must **NOT** complete the attached form of proxy.

   Attendance and representation at the General Meeting

   In accordance with the mandate between you and your CSDP or broker, you must advise your CSDP or broker if you wish to attend the General Meeting in person, or if you wish to send a proxy to represent you at the General Meeting. Your CSDP or broker will issue the necessary letter of representation to you or your proxy to attend the General Meeting.

5. **Dematerialised Sibanye Shareholders with "own-name" registration and Certificated Sibanye Shareholders**

   If you have not Dematerialised your Shares or have Dematerialised your Shares with "own-name" registration, then the following is relevant to you in connection with the General Meeting:

   Voting, attendance and representation at the General Meeting

   - You may attend, speak and vote at the General Meeting in person.
   - Alternatively, you may appoint one or more proxies to represent you at the General Meeting by completing the attached form of proxy in accordance with the instructions it contains. A proxy need not be a Sibanye Shareholder. It is requested that the form of proxy be lodged with or posted to the Transfer Secretaries to be received by no later than **09:00 (South African time) on Friday, 21 April 2017**. If you do not lodge or post the form of proxy to reach the Transfer Secretaries by the relevant time, you will nevertheless be entitled to have the form of proxy lodged immediately prior to the General Meeting with the chairman of the General Meeting.

Sibanye does not accept responsibility and will not be held liable, under any applicable law or regulation, for any action of, or omission by, the CSDP or broker of a Dematerialised Sibanye Shareholder, including, without limitation, any failure on the part of the CSDP or broker of any beneficial owner to notify such beneficial owner of the General Meeting or of the matters set forth in this Circular.

6. Identification of Sibanye Shareholders

Sibanye Shareholders are entitled to attend, speak and vote at the General Meeting. In terms of section 63(1) of the Companies Act, before any person may attend or participate in the General Meeting, that person must present reasonably satisfactory identification and the person presiding at the General Meeting must be reasonably satisfied that the right of the person to participate and vote at the General Meeting, either as a Sibanye Shareholder, or as a proxy for a Sibanye Shareholder, has been reasonably verified. Acceptable forms of identification include valid identity document, driver's licence or passport.

7. Participation in the General Meeting via electronic means

In compliance with the provisions of the Companies Act and the MOI, Sibanye intends to offer Sibanye Shareholders (or a representative or proxy for a Sibanye Shareholder) reasonable access through electronic facilities to participate in the General Meeting by means of conference call facilities. Shareholders will be able to listen to the proceedings of the General Meeting and raise questions and are invited to indicate their intention to make use of the facility by making application in writing (including details as to how the Sibanye Shareholder or representative can be contacted) to the Company Secretary at the address set out on page 3 of this Circular to be received by the Company Secretary at least 10 Business Days prior to the date of the General Meeting namely before **09:00 (South African time) on Friday, 7 April 2017.**

The Company Secretary will, by way of email, provide by no later than **09:00 (South African time) on Friday, 21 April 2017** the relevant details of the conference call to enable interested Sibanye Shareholders to participate in the General Meeting. Voting will not be possible *via* the electronic facility and Sibanye Shareholders wishing to vote their Shares at the General Meeting will need to be represented at such meeting either in person, by proxy or by letter of representation, as provided for in the Notice of General Meeting.

The Company reserves the right not to provide for electronic participation at the General Meeting in the event that it is not practical to do so, for whatever reason, including an insufficient number of Sibanye Shareholders (or their representatives or proxies) choosing to make use of the facility. Sibanye will provide the facilities at no cost to the user, however, any third-party costs relating to the use or access of the facilities will be for the user's account.

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IMPORTANT DATES AND TIMES

The definitions and interpretations commencing on page 11 of this Circular apply *mutatis mutandis* to this section (unless specifically defined where used or the context indicates a contrary intention).

Last Practicable Date	Friday, 3 March 2017
The record dates for purposes of receiving the Notice of General Meeting (being the date on which a Sibanye Shareholder must be recorded in the Register in order to receive the Notice of General Meeting)	Friday, 10 March 2017
Circular posted to Sibanye Shareholders on	Monday, 20 March 2017
Last day and time to give notice to participate in the General Meeting electronically by 09:00 on	Friday, 7 April 2017
Last day to trade in order to be eligible to participate and vote at the General Meeting	Monday, 10 April 2017
Record date to determine Sibanye Shareholders eligible to participate in and vote at the General Meeting	Thursday, 13 April 2017
Last day and time to lodge forms of proxy with the Transfer Secretaries, by 09:00 on	Friday, 21 April 2017
General Meeting of Sibanye Shareholders at 09:00 on	Tuesday, 25 April 2017
Results of General Meeting released on SENS	Tuesday, 25 April 2017
Results of General Meeting published in the South African press	Wednesday, 26 April 2017

Notes:

(1) All dates and times are South African dates and times.

(2) The dates and times may be changed by Sibanye. Any change will be published on SENS and in the South African press.

(3) If the General Meeting is adjourned or postponed, forms of proxy submitted for the initial general meeting will remain valid in respect of any adjournment or postponement of the General Meeting.

In this Circular and the documents attached hereto, unless the context indicates otherwise:

- the words in the first column shall have the meanings assigned to them in the second column; the singular includes the plural and *vice versa*; an expression which denotes one gender includes the other gender; a natural person includes a juristic person and *vice versa* and cognate expressions shall bear corresponding meanings;
- and all dates and times referred to are South African times and dates, unless otherwise stated.

"**1.75% Convertible Debentures**"	means the 1.75% senior unsecured convertible debentures due October 2028 issued by Stillwater in March 2008;
"**1.875% Convertible Debentures**"	means the 1.875% senior unsecured convertible debentures due March 2032 issued by Stillwater in October 2012;
"**2E PGM**"	means platinum and palladium;
"**4E PGM**"	means platinum, palladium, rhodium and gold;
"**Acquisition Bridge Facilities Agreement**"	means the US$2.65 billion acquisition bridge facilities agreement entered into in connection with the Transaction by (among others) Sibanye, HSBC Bank plc and Citibank N.A., London Branch on 9 December 2016, comprising three facilities, which has subsequently been syndicated;
"**Acquisitions**"	means, collectively, the Transaction, Sibanye's acquisition of the Rustenburg Operations and the Aquarius Acquisition;
"**Act**" or "**Companies Act**"	means the South African Companies Act, 2008;
"**ADR**"	means American depository receipt being a certificate evidencing a specific number of ADSs;
"**ADSs**"	means American depository shares, each of which represents four Sibanye Shares;
"**Aflease**"	means Gold One Africa Limited (Registration No. 1984/006179/06), a company duly registered and incorporated under the laws of South Africa and previously known as Aflease Gold Limited;
"**AGM**"	an annual general meeting of the Sibanye Shareholders, convened and held in accordance with the Companies Act and the MOI;
"**Anglo American Platinum**"	means Anglo American Platinum Limited (Registration No. 1946/022452/06, a public company duly incorporated and registered under the laws of South Africa);
"**Anglo American**"	means Anglo American plc (Registration No. 3564138), a public company duly registered and incorporated under the laws of England and Wales;
"**Aquarius**"	means Aquarius Platinum Limited (Registration No. 26290), an exempted company formerly duly incorporated and registered under the laws of Bermuda;
"**Aquarius Acquisition**"	means Sibanye's acquisition of Aquarius in accordance with the provisions of the Aquarius Amalgamation Agreement;
"**Aquarius Amalgamation**"	means the amalgamation of Aquarius and Sibanye Bidco;
"**Aquarius Amalgamation Agreement**"	means the amalgamation agreement concluded between Sibanye, Sibanye Bidco and Aquarius on 23 March 2016;

"**Aquarius Amalgamation Consideration**"	means the consideration of US$0.195 payable in cash by Sibanye Bidco for each Aquarius share held by a participant in the Aquarius Amalgamation;
"**Aquarius Implementation Agreement**"	means the implementation agreement concluded between Sibanye, Sibanye Bidco and Aquarius on or about 6 October 2015;
"**Baiyin**"	means Baiyin Non Ferrous Group Company Limited (Registration No. 620400000000010), a public company duly registered and incorporated under the laws of the People's Republic of China;
"**Blitz Project**"	means Stillwater's underground Blitz PGM project adjacent to the east of the existing Stillwater Mine designed to explore, define and extract the PGM resource along the far eastern extent of the J-M Reef;
"**BNYM**"	means the Bank of New York Mellon, a New York banking corporation, which acts as depository for Sibanye's ADR programme;
"**Board**" or "**Directors**"	means the Board of Directors of Sibanye as constituted from time to time, which at the date of this Circular is as set out in the Corporate Information and Advisors section of this Circular; and "Director" shall mean any one of the Directors of Sibanye, as the context may require;
"**Burnstone Debt**"	means the debt facilities provided to SGEO as part of the transaction in which Sibanye acquired Wits Gold;
"**Business Day**"	means a day other than (i) a Saturday or Sunday, or (ii) a gazetted public holiday in South Africa;
"**CEO**"	means chief executive officer;
"**Certificated Share**"	means a Sibanye Share represented by a Share certificate or other physical document of title, which has not been surrendered for Dematerialisation in terms of the requirements of Strate and which may no longer be traded on the JSE;
"**Certificated Sibanye Shareholder**"	means a Sibanye Shareholder who holds Certificated Shares;
"**CFIUS**"	means the Committee on Foreign Investment in the United States;
"**CFO**"	means chief financial officer;
"**Chamber of Mines**"	means the Chamber of Mines of South Africa;
"**Circular**"	means this circular dated 20 March 2017, including the Notice of General Meeting and the form of proxy attached hereto;
"**Citibank**"	means Citibank, N.A., London Branch;
"**Company Secretary**"	means the Company Secretary of Sibanye from time to time, who as at the date of this Circular is as set out in the Corporate Information and Advisors section of this Circular;
"**CSDP**"	means a person authorised by a licensed central securities depository to perform custody and administration services or settlement services or both in terms of the central securities depository rules published in terms of the Financial Markets Act, and includes an external participant, where appropriate, as contemplated in the Financial Markets Act;
"**Delaware**"	means the State of Delaware, United States;

"**Dematerialised**" and "**Dematerialisation**"	means the process whereby physical share certificates are replaced with electronic records evidencing ownership of shares for the purpose of Strate, as contemplated in the Financial Markets Act;
"**Dematerialised Shares**"	means Sibanye Shares that have been Dematerialised in accordance with the rules of Strate, evidencing ownership of shareholding in electronic format, which Shares may be traded on the JSE;
"**Dematerialised Sibanye Shareholder**"	means a Sibanye Shareholder who holds Dematerialised Shares;
"**DGCL**"	means the General Corporation Law of the State of Delaware;
"**EBITDA**"	means earnings before interest, taxes, depreciation and amortisation, defined as net operating profit before depreciation and amortisation;
"**Electronic Notice**"	means written notice by Sibanye Shareholders to the Company at Libanon Business Park, 1 Hospital Street (Off Cedar Avenue), Libanon, Westonaria, 1780, South Africa, (marked for the attention of the Company Secretary) by no later than 09:00 on Friday, 7 April 2017 stating that they wish to participate in the General Meeting via electronic communication;
"**ENSafrica**"	means Edward Nathan Sonnenbergs Inc., more fully described in the Corporate Information and Advisors section of this Circular;
"**EPS**"	means earnings per share;
"**Exchange Act**"	means the US Securities Exchange Act of 1934;
"**FCA**"	means the UK Financial Conduct Authority;
"**Financial Markets Act**"	means the South African Financial Markets Act of 2012;
"**General Meeting**"	means the General Meeting convened in terms of the attached Notice of General Meeting to be held, at Sibanye Gold Academy, Rietkloof 349, Glenharvie, 1786, South Africa at 09:00 on Tuesday, 25 April 2017, in order for Sibanye Shareholders to vote on the Special Resolutions and the Ordinary Resolutions set out in the attached Notice of General Meeting;
"**Gold Fields**"	means Gold Fields Limited (Registration No. 1968/004880/06), a public company duly registered and incorporated under the laws of South Africa;
"**Gold One**"	means Gold One Group Limited (Company No. 288940), previously known as Gold One International Limited, an exempted company duly incorporated and registered under the laws of the Cayman Islands with limited liability, together with its subsidiaries;
"**Guide 7 Report**"	means the report prepared in accordance with Industry Guide 7 published by the SEC, regarding the description of property by issuers engaged or to be engaged in significant mining operations;
"**Harmony**"	means Harmony Gold Mining Company Limited (Registration No. 1950/038232/06), a public company duly registered and incorporated under the laws of South Africa;
"**HEPS**"	means headline earnings per share;
"**HSBC**"	means HSBC Bank plc (Registration No. 14259), a company duly registered and incorporated under the laws of England and Wales;

"**HSR Act**"	means the US Hart-Scott-Rodino Antitrust Improvements Act of 1976;
"**IFRS**"	means International Financial Reporting Standards;
"**J-M Reef**"	means a geological formation in south-central Montana which Stillwater mines;
"**Johnson Matthey**"	means Johnson Matthey Inc., (Entity No. 37534) a company incorporated under the laws of the state of Pennsylvania, United States;
"**JSE**"	means JSE Limited (Registration No. 2005/022939/06), a public company trading as the "Johannesburg Stock Exchange", duly registered and incorporated under the laws of South Africa and licensed as a securities exchange under the Financial Markets Act;
"**JSE Listings Requirements**"	means the Listings Requirements published by the JSE, as amended from time to time;
"**King Code**"	means the Code of Corporate Practices and Conduct in South Africa representing principles of good corporate governance as laid out in the King Report, as amended from time to time;
"**Kroondal Operations**"	means the underground and surface operations at Kroondal near Rustenberg in South Africa, managed through a 50:50 joint venture between Sibanye and Anglo American Platinum in terms of the Kroondal PSA;
"**Kroondal PSA**"	means the Kroondal Pooling and Sharing Agreement concluded between Aquarius Platinum (South Africa) Proprietary Limited (Registration No. 2000/000341/07) and RPM on or about 15 December 2005, as amended by various addenda thereto;
"**Last Practicable Date**"	means Friday, 3 March 2017, being the last practicable date on which information contained in this Circular can be updated prior to finalisation of this Circular;
"**LIBOR**"	means the London Interbank Offered Rate;
"**Merger Agreement**"	means the Agreement and Plan of Merger agreement entered into by Sibanye, Thor US Holdco Inc., Thor Mergco Inc. and Stillwater on 9 December 2016 with regard to the Transaction;
"**Mimosa Operations**"	means the underground and surface operations located on the Wedza sub-chamber of the southern portion of the Great Dyke in Zimbabwe, held in a 50:50 joint venture between Sibanye and Impala Platinum Holdings Limited (Registration No. 1957/001979/06);
"**MOI**"	means the memorandum of incorporation of the Company, as in force from time to time;
"**MPRDA**"	means the South African Mineral and Petroleum Resources Development Act of 2002;
"**NAV**"	means net asset value;
"**NYSE**"	means the New York Stock Exchange LLC;
"**own-name Dematerialised Sibanye Shareholders**"	means Dematerialised Sibanye Shareholders who have instructed their CSDP to hold their Dematerialised Sibanye Shares in their own name on the sub-register of Dematerialised Sibanye Shareholders;
"**Ordinary Resolutions**"	means the ordinary resolutions set out in the Notice of General Meeting attached to and forming part of this Circular;

"**PGM**"	means platinum group metals, which are platinum, palladium, rhodium, ruthenium, osmium and iridium and the metals and minerals mineralogically associated therewith, including gold, copper, nickel and cobalt, together with any such metals and minerals which may be extracted from the normal mining of the first mentioned minerals;
"**PRA**"	means the UK Prudential Regulatory Authority;
"**Proposed Rights Offer**"	means the proposed rights offer intending to raise gross proceeds of between US$0.75 billion and US$1.3 billion, further details of which will be set out in the Rights Offer Circular;
"**Proxy Statement**"	means the Preliminary Proxy Statement filed by Stillwater with the SEC on 24 January 2017 and available on the SEC's website (www.sec.gov) as well as on Stillwater's website;
"**Purchase Price**"	has the meaning given to such term in the Merger Agreement, which is the amount of US$18.00 per share in cash, or US$2.2 billion in aggregate;
"**R**", "**Rand**" or "**ZAR**"	means South African Rand, the lawful currency of South Africa;
"**Rand Uranium**"	means Rand Uranium Proprietary Limited (Registration No. 2007/007531/07), a private company duly registered and incorporated under the laws of South Africa;
"**RCF**"	means revolving credit facility;
"**Register**"	means the register of Certificated Sibanye Shareholders maintained by the Transfer Secretaries on behalf of the Company and the sub-register of Dematerialised Sibanye Shareholders maintained by the relevant CSDPs;
"**Rights Offer Circular**"	means the circular to be posted to Sibanye Shareholders in accordance with the Companies Act, which will be addressed only to persons to whom it may lawfully be made and which will contain details of the Proposed Rights Offer;
"**RPM**"	means Rustenburg Platinum Mines Limited (Registration No. 1931/003380/06), a public company duly incorporated and registered under the laws of South Africa;
"**Rustenburg Concentrate Agreement**"	means the sale and toll treatment agreement concluded between RPM and Sibanye Rustenburg Platinum Mines on or about 8 September 2015;
"**Rustenburg Concentrate Period**"	means the period commencing on the first day of the calendar month in which the Rustenburg Effective Date falls and ending at 05:59.59 on 1 January 2019;
"**Rustenburg Effective Date**"	means 1 November 2016;
"**Rustenburg Operations**"	means the Bathopele, Siphumelele (including Khomanani), and Thembelani (including Khuseleka) mining operations, two concentrating plants, an on-site chrome recovery plant, the Western Limb Tailings Retreatment Plant, associated surface infrastructure and related assets and liabilities;
"**Rustenburg Sold Business**"	means the Rustenburg Operations and any business conducted after the Rustenburg Effective Date in relation to or arising from any of the assets sold by RPM to Sibanye Rustenburg Platinum Mines as part of the sale of the Rustenburg Operations in terms of the Rustenburg SPA;

"**Rustenburg SPA**"	means the Sale and Purchase Agreement concluded between Sibanye, Sibanye Rustenburg Platinum Mines and RPM on or about 8 September 2015;
"**Rustenburg Toll Treatment Period**"	means the period commencing at 06:00 on 1 January 2019 (immediately following completion of the Rustenburg Concentrate Period) and ending at 05:59 on 1 January 2027;
"**Rustenburg Use and Access Agreement**"	means the use and access agreement concluded between Sibanye Rustenburg Platinum Mines and RPM on or about 8 September 2015;
"**SAMCODES**"	means the South African Mineral Reporting Codes, which set out the minimum standards, recommendations and guidelines for the public reporting of mineral-related issues in South Africa;
"**SAMREC**"	means the South African code for the reporting of exploration results, mineral resources and mineral reserves;
"**SEC**"	means the US Securities and Exchange Commission;
"**Securities Act**"	means the US Securities Act of 1933;
"**SENS**"	means the Stock Exchange News Service of the JSE;
"**Services and Supply Agreements**"	means the master goods and services agreement and supply agreement entered into by Stillwater and Johnson Matthey on 18 September 2014;
"**SGEO**"	means Sibanye Gold Eastern Operations Proprietary Limited (Registration No. 2000/016129/07), a private company duly registered and incorporated under the laws of South Africa, and which was previously known as Southgold Exploration Proprietary Limited and which is an indirect wholly owned subsidiary of Sibanye;
"**Shares**" or "**Sibanye Shares**"	means the no par value ordinary shares in the share capital of Sibanye as at the Last Practicable Date;
"**Sibanye**" or the "**Company**"	means Sibanye Gold Limited (Registration No. 2002/031431/06), a public company duly registered and incorporated under the laws of South Africa;
"**Sibanye Bidco**"	means Sibanye Platinum Bermuda Proprietary Limited (Registration No. 50664), an exempted company duly incorporated and registered under the laws of Bermuda and which is an indirect wholly owned subsidiary of Sibanye;
"**Sibanye Group**" or "**Group**"	means Sibanye and its direct and indirect subsidiaries (as further defined in the JSE Listings Requirements), from time to time;
"**Sibanye Rustenburg Platinum Mines**"	means Sibanye Rustenburg Platinum Mines Proprietary Limited (Registration No. 2015/305479/07), a private company duly registered and incorporated under the laws of South Africa and, as at the date of this Circular, a subsidiary of Sibanye;
"**Sibanye Shareholder**"	means a registered holder of issued Sibanye Shares, as reflected in the Register;
"**South Africa**"	means the Republic of South Africa;
"**Special Resolutions**"	means the special resolutions set out in the Notice of General Meeting attached to and forming part of this Circular;
"**Sponsor**"	means Sibanye's sponsor appointed pursuant to the JSE Listings Requirements, being J.P. Morgan Equities South Africa Proprietary Limited (Registration No. 1995/011815/07), a private company duly registered and incorporated under the laws of South Africa;

"**Stillwater**" or "**SMC**"	means Stillwater Mining Company (File No. 2317621), a company incorporated and existing under the laws of the State of Delaware, United States, and which is listed on the NYSE under the share code SWC;
"**Stillwater Board**" or "**Stillwater Directors**"	means the board of directors of Stillwater, as constituted from time to time;
"**Stillwater Group**"	means Stillwater and its direct and indirect subsidiaries, from time to time, as contemplated by the law of Delaware;
"**Strate**"	means Strate Proprietary Limited (Registration No. 1998/022242/07), a private company, and a licensed central securities depository registered in terms of the Financial Markets Act;
"**Thor Mergco**"	means Thor Mergco Inc., a Delaware corporation registered under file No. 6240397, a direct wholly-owned subsidiary of Thor US Holdco and an indirect wholly-owned subsidiary of the Group, formed solely for the purpose of effecting the merger contemplated in the Transaction;
"**Thor US Holdco**"	means Thor US Holdco Inc., a Delaware corporation registered under file No. 6240391, an indirect wholly-owned subsidiary company of the Group, direct parent of Thor Mergco and, following the completion of the Transaction, the direct parent of Stillwater;
"**TNAV**"	means tangible net asset value;
"**Transaction**"	means the transaction described in the Merger Agreement, in terms of which Thor US Holdco acquires all of the issued shares of Stillwater in consideration for the payment in cash of the Purchase Price;
"**Transfer Secretaries**"	means individually and/or collectively, as the context may require, Computershare Investor Services Proprietary Limited (Registration No. 2004/003647/07), a private company duly registered and incorporated under the laws of South Africa and Capita Registrars Limited (trading as Capita Asset Services) (Registration No. 02605568), a private company duly incorporated in the United Kingdom;
"**UK**"	means the United Kingdom of Great Britain and Northern Ireland;
"**Uranium One**"	means Uranium One Incorporated (Corporation No. 636424-1), a corporation existing under the law of Ontario, Canada;
"**United States**" or "**US**"	means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;
"**US Competent Person**"	means Behre Dolbear and Company (USA), Inc. of Greenwood Village, Colorado, 80155, United States;
"**US GAAP**"	means US generally accepted accounting principles;
"**US$**" or "**$**"	means United States Dollars, the lawful currency of the United States;
"**VAT**"	means value added tax levied in terms of the South African Value Added Tax Act, 1991; and
"**Wits Gold**"	means Witwatersrand Consolidated Gold Resources Limited, (Registration No. 2002/031365/06), a public company duly incorporated and registered under the laws of South Africa.

Sibanye Gold Limited

(Registration No. 2002/031431/06)
Share code: SGL ISIN ZAE000173951
("**Sibanye**" or the "**Company**")

CIRCULAR TO SIBANYE SHAREHOLDERS

PART

1. INTRODUCTION

Sibanye announced on 9 December 2016, that it had entered into the Transaction set out in the Merger Agreement to acquire, through Thor US Holdco, all of the outstanding common stock of Stillwater for a Purchase Price of US$18.00 per Share in cash, or US$2.2 billion in aggregate (approximately R29 billion, based on an exchange rate of US$1:ZAR13). The Purchase Price as at 9 December 2016 represented a premium of 23% to Stillwater's prior-day closing Share price, and 20% to Stillwater's 20-day volume-weighted average closing Share price.

Sibanye has obtained, directly and indirectly through Thor Mergco, a US$2.65 billion bridge loan commitment from a syndicate of banks initially led by Citibank and HSBC which will be utilised to fund the Transaction, by settling the Purchase Price and, in accordance with their terms, repaying Stillwater's 1.75% Convertible Debentures and the 1.875% Convertible Debentures (approximately US$0.5 billion aggregate principal and associated make-whole adjustment).

The Stillwater Board has unanimously determined and resolved that the Transaction is advisable, fair to and in the best interests of Stillwater and the stockholders of Stillwater, and has recommended that the stockholders of Stillwater vote in favour of the Transaction.

2. SIBANYE

The Sibanye Group is an independent, South African domiciled precious metals mining group, which currently owns and operates gold and uranium operations and projects throughout the Witwatersrand Basin in South Africa, as well as PGM operations in the Bushveld Igneous Complex in South Africa and the Great Dyke in Zimbabwe. The Group currently owns and operates four underground and surface gold operations, namely Driefontein, Kloof and Cooke in the West Witwatersrand region and Beatrix in the southern Free State province. The Group also owns and operates underground and surface PGM operations, including the Rustenburg Operations in South Africa, a 50% interest in the Kroondal Operations in South Africa and a 50% interest in the Mimosa Operations, a PGM joint venture in Zimbabwe.

In addition to its mining activities, the Group owns and manages significant extraction and processing facilities at its gold and uranium operations, where gold-bearing ore is treated and processed to produce gold doré.

According to estimates based on the best information available to its management, Sibanye is the largest producer of gold in South Africa and one of the ten largest globally, and Sibanye's PGM operations (which were acquired on 12 April 2016 and 1 November 2016), taken together were the fifth largest producer of PGM in the world, based on annual production in 2016.

At 31 December 2016, Sibanye had gold mineral reserves of 28.7Moz (2015: 31.0Moz and 2014: 28.4Moz), uranium mineral reserves of 113.2Mlb (2015: 113.8Mlb and 2014: 102.5Mlb) and 4E PGM mineral reserves of 23.2Moz (2015: 0.0Moz (the combined reserves of the Rustenburg Operations and Aquarius, which were acquired on 1 November 2016 and 12 April 2016, respectively, were 35.7Moz)).

Sibanye has a primary listing on the JSE and has a secondary listing of ADRs on the NYSE.

There has been no material change in the financial or trading position of Sibanye since 31 December 2016.

There has not been any controlling shareholder of Sibanye since its listing in 2013. For more information on Sibanye's major shareholders see "*Paragraph 12 – Major Shareholders*".

3. TRANSACTION RATIONALE

Sibanye's management undertook a detailed due diligence on Stillwater during 2016 and believes that the Transaction is value accretive and represents a unique and transformational opportunity to create, for the benefit of all stakeholders, a premier, global precious metals miner, with a balanced portfolio of PGM assets, at a favourable point in the commodity cycle.

The Transaction is expected to enhance the Group's asset base and create a globally competitive South African mining champion by:

- Adding two low-cost, low-risk, steady-state, producing PGM mines to its portfolio;
- Expanding its portfolio with high-grade reserves that currently support over 25 years of mine life;
- Providing near-term, organic and low-cost growth through Stillwater's Blitz Project;
- Providing significant upside and growth potential through extensive regional resources;
- Creating a mine-to-market PGM business with a metallurgical processing complex;
- Introducing a significant recycling operation which provides a steady margin and strategic market insight; and
- Potentially providing further operational optimisation through the transfer of "best practices".

Furthermore, Sibanye's management believes that the Transaction supports the case for a potential valuation re-rating by:

- Balancing its portfolio operationally and geographically with the addition of a world-class operation in an attractive mining jurisdiction;
- Positioning its platinum division further down the global cost curve, with the potential of further cost reductions;
- Enhancing its cash flow generation to sustain its industry-leading dividend; and
- Improving its access to lower-cost global financing.

4. THE TRANSACTION

In terms of the Merger Agreement, the Transaction will be implemented in accordance with the DGCL. Pursuant to the Merger Agreement, a newly formed indirect US subsidiary of the Group, namely Thor Mergco, will merge with and into Stillwater, with Stillwater surviving as a direct wholly-owned subsidiary of Thor US Holdco and an indirect wholly-owned subsidiary of Sibanye.

Stockholders of Stillwater will be entitled to receive US$18.00 in cash in exchange for each Stillwater share, which as at 9 December 2016 represented a premium of 23% to Stillwater's prior-day closing Share price, and a 20% premium to Stillwater's 20-day volume-weighted average closing Share price.

Sibanye has obtained, directly and indirectly through Thor Mergco, a US$2.65 billion bridge loan commitment from a syndicate of banks initially led by Citibank and HSBC which will be utilised to fund the Transaction, by settling the Purchase Price and, in accordance with their terms, repaying Stillwater's 1.75% Convertible Debentures and the 1.875% Convertible Debentures (approximately US$0.5 billion aggregate principal and associated make-whole adjustment). See "*Annexure 8 – Material Loans*" and "*Annexure 9 – Material Contracts*" for further details. Sibanye Shareholders are also referred to the Proxy Statement for additional information regarding the repayment of Stillwater's 1.75% Convertible Debentures and the 1.875% Convertible Debentures, see "*Paragraph 23 – Documents Incorporated by Reference*" for further information and for details on how to access information incorporated by reference.

The Transaction is expected to close in the second quarter of 2017. Post-closing of the Transaction, Sibanye expects to raise in the capital markets new debt and between US$750 million and US$1.3 billion in equity, primarily through the Proposed Rights Offer which is envisaged to be underwritten by some of the bridge loan funding banks, negotiation of which is ongoing, with the objective of maintaining a strong balance sheet, its dividend policy and preserving its long-term financial flexibility. To enhance its capital structure and financing mix, Sibanye will also evaluate additional financing structures, which may include, among others, streaming facilities and the issuance of warrants and convertible bonds, all of which will be assessed considering prevailing market conditions, exchange rates and commodity prices. Consistent with its long-term strategy, Sibanye plans to deleverage over time to its targeted leverage (net debt-to-EBITDA ratio) of no greater than 1.0x EBITDA. The final decision on the size of the Proposed Rights Offer will be guided by further engagement with Sibanye Shareholders, prevailing market conditions, exchange rates and commodity prices.

An initial marketing roadshow was undertaken during December 2016, and feedback to date has reflected general support for the Transaction both from existing Sibanye Shareholders as well as potential new investors. While Sibanye envisages that the majority of the proposed equity be raised through the Proposed Rights Offer, management have also noted feedback that Sibanye Shareholders prefer to minimise the financial leverage associated with the Transaction, with certain Sibanye Shareholders expressing support for an increased equity issue. To achieve this, the Directors are therefore seeking general authority and approval for the Directors to allot and issue up to 15% of Shares in issue at the last practicable date, prior to the implementation of the Proposed Rights Offer (as opposed to the current authority of the Directors to issue up to 5% of Shares), which increased authority shall be valid until the forthcoming AGM of the Company, whereupon this authority shall lapse unless it is renewed at the forthcoming AGM of the Company. There are currently no existing specific agreements regarding the use of the general authority, however it will provide Sibanye with flexibility in refinancing the current Bridge Facilities arising as a result of the Transaction. Pending market conditions, this will provide further support to fund the Acquisitions, and achieve the targeted net-debt-to-EBITDA ratio of no greater than 1.0x.

The Merger Agreement provides for terms customary in agreements of this nature and includes (i) a non-solicitation covenant on the part of Stillwater, subject to customary "fiduciary out" provisions; (ii) a right in favour of Sibanye to match any superior proposal; (iii) payment to Sibanye of a termination fee equal to 0.75% of the Purchase Price in certain circumstances, including if the Stillwater Board changes its recommendation for the Transaction; (iv) payment to Stillwater of a termination fee equal to 1.5% of the Purchase Price in certain circumstances; and (v) provisions governing the operation of Stillwater during the interim period.

Post-closing of the Transaction, Stillwater's organisational documents will be amended to ensure compliance with the JSE Listings Requirements and, subject to compliance with relevant laws and regulations, Stillwater's listing on the NYSE is expected to be terminated and its securities (to the extent relevant) are expected to be deregistered under the Exchange Act and its reporting obligations in the United States terminated.

5. CONDITIONS PRECEDENT

The implementation of the Transaction is both subject to and conditional on the fulfilment of conditions precedent customary for a transaction of this nature which include, *inter alia*, the following:

- Stillwater stockholder approval (majority of votes cast) of the Transaction shall have been obtained in accordance with the DGCL;
- Sibanye Shareholder approval of the Transaction (majority of votes cast) and for the issuance of Sibanye Shares in the context of the Proposed Rights Offer (75% of votes cast) each shall have been obtained in a Sibanye Shareholders' general meeting convened in accordance with its MOI and the JSE Listings Requirements;
- Required regulatory authorisations shall have been obtained, being: (i) any applicable waiting period (or any extensions thereof) under the HSR Act relating to the consummation of the Transaction shall have expired or been terminated; (ii) clearance from the Committee on Foreign Investment in the United States; and (iii) the approval of the South African Reserve Bank as required in accordance with the Exchange Control Regulations of South Africa;
- Stillwater and Sibanye shall have performed and complied in all material respects with all agreements and covenants required by the Merger Agreement to be performed or complied with by them at or prior to the closing of the Transaction; and
- From the date of signature of the Merger Agreement, there shall not have been any effects that have had or would reasonably be expected to have, individually or in the aggregate, a material adverse change on Stillwater and its operations.

On 19 January 2017, Sibanye and Stillwater received early termination of the waiting period under the HSR Act with respect to the Transaction. The effect of the early termination is that the condition related to the HSR Act, required for the Transaction, was satisfied. On 21 February 2017, Sibanye announced that it had received the approval of the South African Reserve Bank, as required in accordance with the Exchange Control Regulations of South Africa, with respect to the Transaction.

Sibanye and Stillwater filed a joint voluntary notice for CFIUS clearance on 18 January 2017. On 1 March 2017, Sibanye and Stillwater received written notification from CFIUS that it is undertaking an investigation of the Transaction. This investigation will be completed by no later than 14 April 2017, although it is possible CFIUS' investigation could be concluded sooner.

While Sibanye has no reason to believe it will not be possible to obtain approval from CFIUS in a timely manner or without the imposition of any burdensome condition, there can be no assurance that this approval will be obtained within the period of time contemplated by the Merger Agreement or that any such approval would not be conditioned upon mitigation or conditions beyond those that Sibanye has committed to take in the Merger Agreement.

The Merger Agreement generally requires each of Sibanye and Stillwater to cooperate with each other and use their reasonable best efforts to take all actions and do all things reasonably necessary to obtain the CFIUS clearance in order to complete the Transaction as promptly as practicable.

Sibanye and Stillwater are committed to engaging with the relevant authorities and affected stakeholders in order to fulfil the remaining conditions precedent to enable the Transaction to become unconditional as soon as possible.

6. OVERVIEW OF STILLWATER

Stillwater is the only US miner of PGMs and the largest primary producer of PGMs outside of South Africa and the Russian Federation. Located in Montana, United States, Stillwater's operations consist of two underground PGM mines (the Stillwater Mine and East Boulder Mine), the Blitz Project and the Columbus metallurgical complex.

Located in the J-M Reef, the world's highest-grade PGM deposit, the Stillwater Mine and East Boulder Mine have been in operation since 1986 and 2002, respectively. In aggregate, the two mines produced 545 330 ounces of 2E PGM in fiscal year 2016, at a total cash cost (net of credits) of US$438 per ounce. Each mine has its own milling and concentrator infrastructure on site.

Production at the Blitz Project is expected to commence in early 2018. The Blitz Project is expected to ramp up to full production of between 270 000 and 330 000 ounces of 2E PGM by 2021/2022, with lower cash cost per ounce than that currently of the Stillwater Mine and East Boulder Mine.

As of 31 December 2016, Stillwater's proven and probable reserves consisted of 41.4 million tonnes of ore with an average grade of 15.77g/t, or 21.2 million ounces of contained 2E PGM. The proven and probable reserves are 78% palladium and 22% platinum, and support a mine life of over 25 years.

The Columbus metallurgical complex is a state-of-the-art operation that is capable of providing smelting and refining processes for mine concentrates. The complex produces a PGM-rich filter cake that is shipped to a third-party precious metal refinery. In addition, the complex facilitates recycling operations for various materials containing PGM, principally automotive catalytic converters, that are provided by third-party suppliers. The complex has continued to expand its recycling volumes, with 8 999 tons (8 164 tonnes) of recycled catalysts material containing 623 007 ounces of PGM processed in 2016.

Stillwater has a long history of constructive labour relations and support for local community development.

Stillwater has no controlling shareholders or holding company. For more information on Stillwater's major shareholders see "*Annexure 1 – Historical financial information of Stillwater*".

Stillwater's Directors are Michael J. McMullen (CEO), Brian D. Schweitzer (Chairman of the Board), George M. Bee, Patrice E. Merrin, Lawrence Peter O'Hagan, Michael S. Parrett and Gary A. Sugar. Upon completion of the Transaction, the Directors of Stillwater are entitled to receive change in control benefits. Sibanye Shareholders are referred to the Proxy Statement for additional information. See "*Paragraph 23 – Documents Incorporated by Reference*" for further information and for details on how to access information incorporated by reference.

To the best of Sibanye's knowledge, there has been no material change in the financial or trading position of Stillwater since 31 December 2016.

For detailed information on Stillwater's operations, see "*Annexure 7 – Executive Summary of The US Competent Person's Guide 7 Report on Stillwater Group*". See "*Paragraph 23 – Documents Incorporated by Reference*" for details on how to access the Guide 7 Report titled "Technical Report for the Mining Operations at Stillwater Mining Company – Stillwater Mine and East Boulder Mine as of 31 December 2016" from which the Executive Summary has been extracted.

Sibanye Shareholders should exercise caution in relation to the Guide 7 Report as Stillwater's reserve statement has been compiled in terms of SEC Industry Guide 7 and not the SAMCODES. A JSE and SAMCODE compliant competent person's report will be compiled on the Stillwater operations and will be made available on Sibanye's website in due course. Sibanye Shareholders will be notified via SENS of the availability of the competent person's report.

Sibanye's Directors do not anticipate there to be a material risk that the Guide 7 Report will vary significantly when converting to a JSE and SAMCODE compliant competent persons report.

7. PROSPECTS

Sibanye's vision is to create, for the benefit of all its stakeholders, a premier, global precious metals miner with a balanced portfolio of gold and PGMs. Its value creation strategy is underpinned by an intention to pay Sibanye Shareholders sustainable, industry-leading dividends. Sibanye has delivered significant value to its Shareholders by optimising its operations and extending their operating lives and leveraging existing infrastructure to enhance the inherent value of its brownfield and greenfield projects. Over the longer-term, further acquisitions in the gold, PGM and other mineral sectors will be considered if they are value accretive and enhance or sustain Sibanye's ability to pay an industry-leading dividend.

The Stillwater operations provide Sibanye with two steady state mining operations currently producing approximately 545 000 ounces of 2E PGM per annum. In addition, the orebody lends itself to further incremental growth in the form of the low cost Blitz Project, a brownfield extension to the current Stillwater Mine, and the Lower East Boulder project, a brownfields extension to the East Boulder Mine. It is Sibanye's intention to continue with the development of the Blitz Project, with first production anticipated in early 2018, as well as to further technical studies to confirm the economic viability of the Lower East Boulder project.

In addition, the downstream processing facilities at Stillwater provide a unique opportunity for Sibanye to establish itself as both a mine-to-market company and as a globally competitive PGM recycler. Stillwater processed 623 007 ounces of recycled PGM in 2016. The opportunity to sustain and potentially grow this aspect of the business will provide Sibanye with strategic market insight into the recycling of PGM's, while simultaneously enhancing the margins of the downstream processing facilities.

Sibanye has firmly established itself as a credible operator with investor, regulatory and organised labour groups, with a strong management team and the necessary operational and corporate credentials. This, combined with a historically relatively conservative balance sheet and access to capital markets, affords Sibanye the ability to provide Stillwater with the capital investment and attention required to achieve a sustainable future. Stillwater will form a cornerstone of Sibanye's strategy to create a globally competitive South African mining champion.

8. *PRO FORMA* FINANCIAL EFFECTS

"*Annexure 4 – Pro forma Financial Information*" of this Circular contains the *pro forma* financial effects which illustrate the impact of the Transaction on the EPS, diluted EPS, HEPS, diluted HEPS, NAV per Share and TNAV per Sibanye Share for the year-ended 31 December 2016. The independent reporting accountants' report on the *pro forma* financial information of Sibanye is contained in "*Annexure 5 – Independent Reporting Accountants' Report On The Compilation of Pro forma Financial Information*" of this Circular.

The *pro forma* financial information is presented in accordance with the provisions of the JSE Listings Requirements and the Guide on *Pro forma* Financial Information issued by the South African Institute of Chartered Accountants.

The *pro forma* financial effects have been prepared by the management of Sibanye and are the responsibility of the Board.

The *pro forma* financial effects are presented in a manner which is consistent with the basis on which the Historical Financial Information of Sibanye has been presented and in terms of Sibanye's accounting policies for the financial year-ended 31 December 2016. The *pro forma* financial effects have been presented for illustrative purposes only and, because of their nature, may not give a fair reflection of Sibanye's financial position, changes in equity or results of operations post implementation of the Transaction.

It has been assumed for purposes of the *pro forma* financial effects that the Transaction took place with effect from 1 January 2016 for the statement of profit or loss and other comprehensive income and on 31 December 2016 for the Statement of Financial Position.

For the purposes of the *pro forma* financial effects, it has been assumed that the Transaction is financed through the bridge loan facilities. Post-closing of the Transaction, Sibanye expects to refinance the bridge loan facilities with the objective of maintaining a strong balance sheet, its dividend policy and preserving its long-term financial flexibility. The refinancing of the bridge loan facilities is expected to take place through a combination of the Proposed Rights Offer, new debt and may also include additional financing structures, which may include streaming facilities and the issuance of warrants and convertible bonds, all of which will be assessed considering prevailing market conditions, exchange rates and commodity prices. The *pro forma* financial effects only reflect the impact of the bridging facility and do not take account of any potential future re-financing.

	Before the Transaction(1)	**After the Transaction(2)**	**% Change(3)**
Basic EPS	402	(297)	(174)
Diluted EPS	401	(297)	(174)
HEPS	270	(423)	(257)
Diluted HEPS	269	(423)	(257)
NAV per share (cents)	1 797	1 715	(5)
TNAV per share (cents)	1 697	1 219	(28)
Weighted average number of shares ('000)	921 733	921 733	–
Diluted weighted average number of shares ('000)	923 894	923 894	–
Number of shares issued ('000)	929 004	929 004	–

Notes:

(1) The "Before the Transaction" financial information is based on Sibanye's condensed consolidated preliminary financial statements for the year-ended 31 December 2016, as contained in Annexure 2.

(2) The "After the Transaction" financial information reflects Sibanye's *pro forma* financial results after the Transaction.

(3) The "% Change" presents the movement in results before and after the Transaction.

(4) For detailed notes relating to the adjustments, refer to Annexure 4 of this Circular.

9. INFORMATION ON DIRECTORS

No new Directors of the Company are proposed under or as a result of the Transaction. The members of the Board as of the date of this Circular are set forth below.

Chairman – Matthews S Moloko (51) (South African)

BSc (Hons) and Postgraduate Certificate in Education, University of Leicester: Advanced Management Programme, University of Pennsylvania Wharton School

Sello Moloko was appointed Non-executive Chairman on 1 January 2013. Prior to this, he served as a Director of Gold Fields from 25 February 2011 to 31 December 2012. Sello is the Executive Chairman and founder of Thesele Group Proprietary Limited and Chairman of Alexander Forbes Group Holdings Limited. He has an extensive career in financial services, including periods at Brait South Africa Limited as well as CEO: Asset Management of Old Mutual Life Assurance Company (South Africa) Limited until 2004. Sello's other Directorships include Sycom Property Fund Managers Limited and Acucap Properties Limited. He is a trustee of the Nelson Mandela Foundation.

Chief Executive Officer – Neal J Froneman (57) (South African)

BSc Mech Eng (Ind Opt), University of the Witwatersrand; BCompt, University of South Africa; PrEng

Neal Froneman was appointed Executive Director and CEO of Sibanye on 1 January 2013. His career in technical, operations management and corporate development positions spans more than 30 years during which time he worked at Gold Fields of South Africa Limited, Harmony and JCI Limited. In April 2003, Neal was appointed CEO of Aflease, which, through a series of reverse take-overs, became Gold One International Limited in May 2009. He was primarily responsible for the creation of Uranium One from the Aflease uranium assets. During this period, he was CEO of Aflease and Uranium One until his resignation from Uranium One in February 2008. He held the CEO position at Gold One until his appointment at Sibanye. He is also a Non-Executive Director of 17 Perissa Proprietary Limited, Delview Three Proprietary Limited, Forestry Services Proprietary Limited and Ultimate Marine Ventures Limited. In May 2016, he was elected to serve as a Vice President of the Chamber of Mines.

Chief Financial Officer – Charl Keyter (43) (South African)

BCom, University of Johannesburg; MBA, Northwest University; ACMA and CGMA

Charl Keyter was appointed a Director on 9 November 2012, and Executive Director and CFO on 1 January 2013. Previously, he was Vice President and Group Head of International Finance at Gold Fields. Charl has more than 20 years' mining experience, having begun his career at Gold Fields in February 1995. He is also a Non-Executive Director of Oil Recovery and Maintenance Services Proprietary Limited.

Non-Executive Directors

Christopher D Chadwick (48) (South African)

BCompt (Hons) (CTA), University of South Africa; CA(SA)

Christopher Chadwick was appointed as a Non-Executive Director on 16 May 2014. Having completed his articles at Deloitte Touche Tohmatsu Limited in 1991, the earlier part of his career was spent with Comair Limited, the largest privately-owned airline in South Africa, where he assisted in growing the company tenfold over a period of four years. After financial executive roles in the advertising, fast-moving consumer goods and services industries, Christopher moved into the information technology industry where he assumed financial and strategic Directorships for five years. He spent another four years at an investment holding group where he was involved in corporate development and finance across many different sectors. Christopher joined Gold One in July 2008 as a Director, having been closely involved in the creation of Gold One through the reverse take-over of Australian-listed BMA Gold Limited. He is currently the CEO of Gold One.

Robert T L Chan (70) (Chinese)

BSc (Economics) (Hons), University of London; MBA, University of Liverpool

Robert Chan was appointed as a Non-Executive Director on 16 May 2014. He is an experienced banker with over 39 years' experience in commercial and investment banking, having worked in London, Malaysia and Singapore. He retired from the United Overseas Bank Limited on 31 December 2011 after 35 years' service (25 years as CEO of United Overseas Bank, Hong Kong). Robert has served as an independent Non-Executive Director of Noble Group Limited since 1996. He is an independent Non-Executive Director of Hutchison Port Holdings Trustees Pte Limited, Trustee Manager of Hutchison Port Holdings Trust, a business trust listed in Singapore, as well as Quam Limited, which is listed in Hong Kong. He is currently Non-executive Chairman of The Hour Glass (HK) Limited. He is also a Fellow of the Hong Kong Institute of Directors.

Timothy J Cumming (59) (South African)

BSc (Hons) (Engineering), University of Cape Town; BA (PPE), MA (Oxford)

Timothy (Tim) Cumming was appointed as a Non-Executive Director on 21 February 2013. He is the founder and Executive Director of Scatterlinks Proprietary Limited, a South African-based company providing mentoring and coaching services to senior business executives as well as leadership and strategic advisory services to companies. He was previously involved with the Old Mutual Group in various capacities: CEO of Old Mutual Investment Group (South Africa) Proprietary Limited; Executive Vice President: Director of Global Business Development of Old Mutual Asset Management for Old Mutual (US) Holdings Inc.; Managing Director: Head of Corporate Segment at Old Mutual (South Africa); Strategy Director of Old Mutual Emerging Markets and Interim CEO of Old Mutual Investment Group (South Africa). He was also Executive Director and Head of Investment Research (Africa) for HSBC Securities (Africa), General Manager at Allan Gray Limited and independent Non-Executive Director of Nedgroup Investments Limited. Tim started his career as an engineer and management trainee at the Anglo American Corporation of South Africa Limited. He worked on a number of diamond mines and was Resident Engineer at Anglo American's gold mines in Welkom, South Africa. He is also a trustee of the Woodside Endowment Trust and chairs the Investment Committee of the Mandela Rhodes Foundation.

Barry E Davison (71) (South African)

BA (Law and Economics), University of the Witwatersrand; Graduate Commerce Diploma, Birmingham University; CIS Diploma in Advanced Financial Management and Advanced Executive Programme, University of South Africa

Barry Davison was appointed as a Non-Executive Director on 21 February 2013. He has more than 40 years' experience in the mining industry and served as Executive Chairman of Anglo American Platinum, Chairman of Anglo American's Platinum Division, and Ferrous Metals and Industries Division, and was an

Executive Director of Anglo American. He has been a Director of a number of listed companies, including Nedbank Group Limited, Kumba Resources Limited, Samancor Limited and the Tongaat-Hulett Group Limited.

Richard P Menell (61) (South African)

BA (Hons), MA (Natural Sciences, Geology) Trinity College University of Cambridge; MSc (Mineral Exploration and Management), Stanford University

Richard (Rick) Menell was appointed as a Non-Executive Director on 1 January 2013. He has over 35 years' experience in the mining industry and has been a Director of Gold Fields since 8 October 2008. Previously, he occupied the positions of President and Member of the Chamber of Mines; President and CEO of TEAL Exploration & Mining Inc; Chairman of Anglovaal Mining Limited and Avgold Limited; Chairman of Bateman Engineering Proprietary Limited (Dutch); Deputy Chairman of Harmony and of African Rainbow Minerals Limited. He has also been a Director of Telkom Group Limited, Standard Bank of South Africa Limited, and Mutual and Federal Insurance Company Limited. He is currently a Non-Executive Director and Chairman of Credit Suisse Securities Johannesburg Proprietary Limited, and Non-Executive Director of Gold Fields and The Weir Group plc. Rick is a trustee of the Carrick Foundation. He is co-Chairman of the City Year South Africa Citizen Service Organisation, and Chairman and trustee of the Palaeontological Scientific Trust.

Nkosemntu G Nika (58) (South African)

BCom, University of Fort Hare; BCompt (Hons), University of South Africa; Advanced Management Programme, INSEAD; CA(SA)

Nkosemntu Nika was appointed as a Non-Executive Director on 21 February 2013. He is currently an independent Non-Executive Director of Scaw South Africa Proprietary Limited and Chairman of the Audit and Risk Committee of Foskor Proprietary Limited. He also serves as Non-Executive Director of Trollope Mining Services Proprietary Limited, Coega Dairies Proprietary Limited and executive chairman of Mavala Holdings Proprietary Limited. He was previously CFO and Finance Director of PetroSA (SOC) Limited (PetroSA) and Executive Manager: Finance at the Development Bank of Southern Africa. He has held various internal auditing positions at Eskom Holdings (SOC) Limited, Shell Company of South Africa Limited and Anglo American. He was also a Non-Executive Board member of the Industrial Development Corporation of South Africa Limited and chaired its Audit and Risk Committee and Governance and Ethics Committee.

Keith A Rayner (60) (South African)

BCom, Rhodes University; CTA; CA(SA)

Keith Rayner was appointed as a Non-Executive Director on 1 January 2013. Keith is CEO of KAR Presentations, an advisory and presentation corporation specialising in corporate finance and regulatory advice and presentations covering, *inter alia*, the JSE Listings Requirements, Financial Markets Act, Companies Act, governance, takeover law, corporate action strategy, valuation theory and practice, IFRS and various Directors courses. He is an independent Non-Executive Director of Ecsponent Limited, and a Non-Executive Director of Nexus Intertrade Proprietary Limited, 2Quins Engineered Business Information Proprietary Limited, Sabi Gold Proprietary Limited, Keidav Properties Proprietary Limited and Appropriate Process Technologies Proprietary Limited. He is a member of the JSE Limited's Issuer Regulation Advisory Committee, a fellow of the Institute of Directors in South Africa a non-broking member of the Institute of Stockbrokers in South Africa and a member of the Investment Analysts Society. He is a past member of the SAMREC/SAMVAL working group, the Takeover Regulation Panel's rewrite committee, the Institute of Directors in South Africa CRISA committee and the South African Institute of Chartered Accountants Accounting Practices Committee.

Susan C van der Merwe (62) (South African)

BA, University of Cape Town

Susan van der Merwe was appointed as a Non-Executive Director on 21 February 2013. She served as a member of Parliament for 18 years until October 2013, and held various positions, including Deputy Minister of Foreign Affairs from 2004 to 2010. She is currently a member of the National Executive Committee of the African National Congress (ANC). She has participated in various civil society organisations and currently serves as a trustee and Chair of the Kay Mason Foundation, which is a non-profit organisation assisting disadvantaged scholars in Cape Town. Susan was appointed to the National Council of the South African Institute of International Affairs in 2014.

Jerry S Vilakazi (56) (South African)

BA, University of South Africa; MA, Thames Valley University; MA, University of London; MBA, California Coast University

Jerry Vilakazi was appointed a Non-Executive Director on 1 January 2013. He is Chairman of Palama Investment Holdings Proprietary Limited, which he co-founded to facilitate investments in strategic sectors. He is a past CEO of Business Unity South Africa. Prior to this, he was Managing Director of the Black Management Forum. In 2009, Jerry was appointed to the Presidential Broad-Based Black Economic Empowerment Advisory Council and, in 2010, he was appointed as a Commissioner of the National Planning Commission, and completed both terms in 2015. He was previously appointed Public Service Commissioner in 1999 and has played a critical role in shaping major public service policies in post-1994 South Africa. Jerry was Chairman of the Mpumalanga Gambling Board from 2006 to 2015 and the State Information Technology Agency (SOC) Proprietary Limited until end of the term in 2015. He previously held the position of Chairman of Netcare Limited and holds Non-Executive Directorships in Blue Label Telecoms Limited, Palama Industrial and Saatchi & Saatchi SA. He is also a former Non-Executive Director of Pretoria Portland Cement Limited.

Jiyu Yuan (55) (Chinese)

Mining Engineering, Xi'an University of Architecture and Technology

Jiyu Yuan was appointed a Non-Executive Director on 12 May 2015. He has 33 years of experience as a mining engineer in China and Peru. He is currently a Director of Gold One and a General Manager of Shouxin Peru Mine Company Limited. Previously, Jiyu served as a General Manager at Xinjiang Mine Development Limited of Baiyin, General Manager, at Changba Lead and Zinc Mine of Baiyin, Director in the Mine Department of Baiyin and Senior Engineer at Northwest Research Institute of Mining and Metallurgy.

Terms of Office

Christopher Chadwick, Robert Chan, Tim Cumming, Charl Keyter and Sello Moloko retire by rotation at the upcoming AGM to be convened in accordance with the notice to be sent to Sibanye Shareholders, and have indicated that they are available for election or re-election.

Barry Davison, Neal Froneman, Rick Menell, Keith Rayner and Jerry Vilakazi retire by rotation in 2018.

Organisational Restructuring

With effect from 1 January 2016, Sibanye revised its organisational structure in order to ensure that it is optimally positioned for its entry into the PGM mining sector in 2016.

Sibanye has re-structured into two separate, commodity-specific divisions – the Gold Division and the Platinum Division – that focus on operational delivery. Sibanye's Group Services functions provide all non-core, production support services required by the two operating divisions, thereby eliminating any duplication of support and management services so as to achieve cost and efficiency advantages.

The internal restructuring will ensure a sustained focus on the delivery of safe, cost-effective production as Sibanye diversifies and transforms into a multi-commodity business, while striving to minimise operational disruptions. The restructuring also allows for operations management to be positioned closer to the mining face so as to promote operational effectiveness.

As at the end of the year 31 December 2016, Sibanye was structured as follows:

Gold Division

The structure of this division is mostly unchanged. Wayne Robinson remains the CEO of the Gold Division. The executive management team supporting Wayne, is Adam Mutshinya as Senior Vice President: Human Capital, Pieter Henning, formerly Vice President: Corporate Finance, appointed as Senior Vice President: Finance for the division and Corne Strydom, formerly Vice President: Driefontein, appointed as Senior Vice President: Technical Services.

Platinum Division

The Platinum Division's executive management team is aligned with that of the Gold Division. Robert van Niekerk, previously Executive Vice President: Organisational Effectiveness at Sibanye, is CEO of the Platinum Division, with Bheki Khumalo appointed as Senior Vice President: Human Capital and Dawie van Aswegen appointed as Senior Vice President: Technical Services. This follows the appointment, in 2015, of Justin Froneman as Senior Vice President: Finance and Shadwick Bessit, previously Senior Vice President: Underground Operations, Kloof and Driefontein, as Senior Vice President: Mining.

Group Executive

At a group-level, the Executive Committee oversees implementation of and drives Sibanye's strategy. This committee is headed up by the CEO, Neal Froneman, and comprise Executive Director Charl Keyter (CFO) and Prescribed Officers Hartley Dikgale (General Counsel and Regulatory Affairs), Dawie Mostert (Commercial Services), Themba Nkosi (Human Capital), Wayne Robinson (Gold and Uranium Division), Richard Stewart (Business Development), Robert van Niekerk (Platinum Division) and John Wallington (Corporate Affairs and Sustainability). The Executive Committee is complemented by members of the CEO's Office, which houses key strategic functions including Nash Lutchman (Protection Services) and James Wellsted (Investor Relations).

Sibanye's revised leadership structures aim to facilitate the seamless transition of Sibanye into a multi-commodity business, and in particular to facilitate the effective integration of the Rustenburg and Aquarius operations into the Platinum Division.

Prescribed Officers

The Prescribed Officers as of the date of this Circular are set forth below.

Hartley Dikgale (56) (South African) – General Counsel and Executive Vice President: Regulatory Affairs

BIuris, University of the North; LLB, HDip (Company Law), University of the Witwatersrand; LLM, Vista University

Hartley Dikgale is an admitted advocate of the High Court of South Africa and has more than 30 years of corporate experience as a business executive. He has served on more than 20 Boards of Directors of listed and unlisted companies. He was introduced to the mining sector in 2004 when he was appointed to the Board of Pamodzi Gold Limited as a Non-Executive Director. He has worked for, among others, Sanlam Limited, Old Mutual, the Independent Communications Authority of South Africa, Rand Water Board and Pamodzi Investment Holdings Proprietary Limited. In recent years (from 2010 to 2012), Hartley has worked for Rand Uranium in an executive capacity as Senior Vice President: General Counsel. When Gold One acquired Rand Uranium, Hartley joined Gold One as Senior Vice President: General Counsel from 2012 to 2013. Hartley joined Sibanye in May 2013 where he served in a similar capacity until he was recently appointed as the General Counsel and Executive Vice President: Regulatory Affairs.

Dawie Mostert (47) (South African) – Executive Vice President: Commercial Services

Diploma in Labour Relations; MDP (Adv Labour Law); MBA, University of South Africa

Dawie Mostert, who has more than 20 years' experience in the mining industry, was appointed on 1 January 2013 as Senior Vice President: Organisational Effectiveness, focused on introducing new operating and business models in support and directing the turnaround at Sibanye. With Sibanye adopting value creation as its strategic intent and consequently entering the PGM mining sector, he accepted the position and role as Executive Vice President: Commercial Services. Prior to joining Sibanye, he served as Vice President: Commercial Services at Gold One in 2012 and Vice President: Human Capital at Great Basin Gold from 2006 to 2012. Prior to joining Great Basin Gold in 2006, he was Executive: Organisational Development and Employee Relations at Harmony from 2002 to 2006. Dawie joined Harmony in 1996 as part of the acquisition transformational team and was appointed Mine Manager at the then Elandsrand mine from 2001 to 2002.

Themba Nkosi (43) Executive Vice President: Human Capital

BA Hons (Employment Relations), University of Johannesburg; BTech, Human Resources – Peninsula Technikon; Human Resources Executive Program – University of Michigan

Themba Nkosi was appointed on 1 August 2016. He has more than 20 years' experience in human resources, corporate affairs, communication and stakeholder engagement. Prior to joining Sibanye, he was Head: Human Resources, Transformation and Corporate Communications at ArcelorMittal S.A. from March 2015. He previously occupied several senior management positions at ArcelorMittal S.A. (from June 2009 to June 2016) and Human Resources Director for Sub-Saharan Africa at the PepsiCo Group (from April 2004 to March 2009).

Wayne Robinson (54) (South African) – Divisional Chief Executive Officer: Gold and Uranium

BSc (Mechanical Engineering), University of Natal; BSc (Mining Engineering), University of the Witwatersrand; PrEng; South African Mine Manager's Certificate of Competency (Metalliferous); South African Mechanical Engineer's Certificate of Competency

Wayne Robinson was appointed as Divisional CEO: Gold and Uranium after serving as Senior Vice President: Underground Operations – Beatrix and Cooke from June 2014. Wayne has worked in the South African gold and platinum mining sectors for more than 25 years with experience in underground mine management. Prior to joining Sibanye, he was the Executive Vice President of Cooke Operations and served on Gold One's Executive Committee from 2012 to 2014. He held senior management positions at Eastern Platinum Limited from 2006 to 2012, at Richards Bay Minerals, from 2005 to 2006 and at Gold Fields, after qualifying as a mechanical and mining engineer.

Robert van Niekerk (52) (South African) – Divisional Chief Executive Officer: Platinum

National Higher Diploma (Metalliferous Mining), Technikon Witwatersrand; BSc (Mining Engineering), University of the Witwatersrand; South African Mine Manager's Certificate of Competency

Robert van Niekerk was recently appointed to this position in November 2016 after serving as Executive Vice President: Organisational Effectiveness from January 2016 and Senior Vice President: Organisational Effectiveness from February 2013. Prior to joining Sibanye (in February 2013), he was the Senior Vice President and Group Technical Head of Mining at Gold Fields from November 2011. He previously occupied several senior operational and executive management positions at Harmony, Anglo American Platinum, Uranium One and Gold One. Robert began his mining career in 1982 at Barlows as a Learner Official and progressed through the ranks at a number of South African underground and surface mining operations.

Richard Stewart (41) (South African) – Executive Vice President: Business Development

BSc (Hons), PhD (Geology), University of the Witwatersrand, MBA, Warwick Business School (UK); PrSciNat

Richard Stewart has over 17 years' experience in South Africa's geological and mining industries, and is a Fellow of the Geological Society of South Africa. Prior to joining Sibanye in 2014, he served on the Gold One Executive Committee (from August 2009 to April 2014) as Executive Vice President: Technical Services and was also CEO of Goliath Gold Limited (from January 2013 to April 2014). Prior to that he held management positions at the Council for Scientific and Industrial Research Mining Technology division, Shango Solutions (where he remains a Director), Uranium One and was an Investment Consultant for African Global Capital Proprietary Limited.

John Wallington (59) (South African) – Executive Vice President: Corporate Affairs and Sustainability

BSc (Mining Engineering), University of the Witwatersrand, South African Mine Manager's Certificate of Competency, Senior Executive Management Programme, London School of Business

John Wallington was appointed to this position in February 2016. Prior to joining Sibanye, he served as the CEO of Coal of Africa and for Anglo American Coal. He has over 30 years' experience in the coal exploration and mining industry.

Compensation of Directors and Senior Management

The Directors and Prescribed Officers of Sibanye were paid the following remuneration from the Sibanye Group during the year-ended 31 December 2016:

Figures in thousands – SA Rand	Directors' fees	Committee fees	Salary	Annual bonus accrued for 2016 paid in 2017	Share proceeds and dividend on Bonus Shares	Pension scheme total contributions	Expense allowance	2016	2015
Executive Directors									
Neal Froneman	–	–	7 791	4 180	91 758	863	135	104 727	19 886
Charl Keyter	–	–	4 292	2 090	19 266	605	46	26 299	13 119
Prescribed Officers									
Hartley Dikgale	–	–	2 840	1 245	6 577	187	–	10 849	5 368
Dawie Mostert	–	–	2 886	1 288	7 176	361	–	11 711	5 974
Jean Nel (1)	–	–	3 460	1 622	–	–	–	5 082	–
Themba Nkosi (2)	–	–	1 549	1 227	–	175	–	2 951	–
Wayne Robinson	–	–	3 772	1 365	745	298	–	6 180	6 180
Richard Stewart	–	–	3 067	1 353	574	337	–	5 331	5 152
Robert van Niekerk	–	–	3 852	1 626	15 825	422	–	21 725	15 734
John Wallington (3)	–	–	3 134	1 264	–	550	–	4 948	–
Non-Executive Directors									
Chris Chadwick	857	242	–	–	–	–	–	1 099	1 047
Robert Chan	857	242	–	–	–	–	270	1 369	1 047
Tim Cumming	857	433	–	–	–	–	47	1 337	1 278
Barry Davison	857	554	–	–	–	–	–	1 411	1 387
Rick Menell	857	715	–	–	–	–	30	1 602	1 535
Sello Moloko	1 621	–	–	–	–	–	–	1 621	1 544
Nkosemntu Nika	857	403	–	–	–	–	–	1 260	1 200
Keith Rayner	857	673	–	–	–	–	–	1 530	1 420
Sue van der Merwe	857	282	–	–	–	–	–	1 139	1 085
Jerry Vilakazi	857	312	–	–	–	–	–	1 169	1 113
Jiyu Yuan	857	121	–	–	–	–	–	978	604
	10 191	**3 977**	**36 643**	**17 260**	**141 921**	**3 798**	**528**	**214 318**	**84 673**

Notes:

(1) Appointed as a prescribed officer on 13 April 2016 and resigned as a prescribed officer on 1 November 2016.

(2) Appointed as a prescribed officer on 4 July 2016.

(3) Appointed as a prescribed officer on 1 February 2016.

The remuneration and the benefits of the Directors, Prescribed Officers and senior management will not be varied as a result of the Transaction. Other than what is disclosed above, no other amounts have been paid by Sibanye or any subsidiaries.

Share Ownership of Directors and Prescribed Officers

The following sets forth, to the knowledge of Sibanye's management, the direct beneficial interests in Sibanye Shares owned by the Directors, Prescribed Officers, and their associates as at 31 December 2016 and in respect of any Director who resigned during the 18-month period preceding 31 December 2016. To the best knowledge of Sibanye, none of the individuals hold any indirect beneficial interests.

	2016	%	2015	%
Executive Directors				
Neal Froneman	804 402	0.09	164 832	0.02
Charl Keyter	469 954	0.05	227 898	0.02
Prescribed Officers				
Hartley Dikgale	172 215	0.02	–	–
Themba Nkosi	367	0.00	–	–
Richard Stewart	12 854	0.00	–	–
Non-Executive Directors				
Sello Moloko	46 000	0.00	–	–
Chris Chadwick	88	0.00	88	0.00
Timothy Cumming	100	0.00	100	0.00
Barry Davison	500 000	0.05	500 000	0.05
Richard Menell	44 800	0.00	44 800	0.00
Keith Rayner	45 000	0.00	60 000	0.01
Susan van der Merwe	424	0.00	–	–

Set out below are the Directors' and Prescribed Officers' holdings as at the Last Practicable Date, showing the changes since 31 December 2016:

	2017	%
Executive Directors		
Neal Froneman	804 402	0.09
Charl Keyter	469 954	0.05
Prescribed Officers		
Hartley Dikgale	172 215	0.02
Themba Nkosi	367	0.00
Richard Stewart	12 854	0.00
Non-Executive Directors		
Sello Moloko	46 000	0.00
Chris Chadwick	88	0.00
Timothy Cumming	100	0.00
Barry Davison	500 000	0.05
Richard Menell	44 800	0.00
Keith Rayner	45 000	0.00
Susan van der Merwe	424	0.00

Executive Directors' Contracts of Employment

The employment of an Executive Director will continue until terminated upon (i) 24 or 12 months' notice by either party for the CEO and CFO, respectively, or (ii) retirement of the relevant Executive Director (currently provided for at age 65 in the contract). Sibanye can also terminate the Executive Director's employment summarily for any reason recognised by law as justifying summary termination.

The employment contracts also provide that, in the event of the relevant Executive Director's employment being terminated solely as a result of a "change of control" as defined below, and within 12 months of the change of control, the Director is entitled to:

(i) Payment of an amount equal to twice his gross remuneration package, or two and a half times in the case of the CEO;

(ii) Payment of an amount equal to the average of the incentive bonuses paid to the Executive Director during the previous two completed financial years;

(iii) Any other payments and/or benefits due under the contracts;

(iv) Payment of any annual incentive bonus he has earned during the financial year notwithstanding that the financial year is incomplete;

(v) An entitlement to awards, in terms of the Sibanye Limited Incentive Scheme, shall accelerate on the date of termination of employment and settle with the full number of shares previously awarded.

The employment contracts further provide that these payments cover any compensation or damages the Executive Director may have under any applicable employment legislation.

A "change of control" for the above is defined as the acquisition by a third party or concerned parties of 30% or more of Sibanye Shares.

In the event of the consummation of an acquisition, merger, consolidation, scheme of arrangement or other reorganisation, whether or not there is a change of control, if the Executive Director's services are terminated, the "change of control" provisions summarised above also apply.

The two Executives who are currently entitled to the change of control compensation benefits, being the CEO and CFO, will be grandfathered. Except for the two Executives, none of the Prescribed Officers have entered into employment contracts that should compensate for severance because of change of control.

Directors' and Officers' Disclosure of Interests in Contracts

As of the date of this Circular, none of the Directors or Officers of Sibanye or any major Sibanye Shareholder or, to the knowledge of Sibanye's management, their families, had any interest, direct or indirect, in any transaction during the last fiscal year or in any proposed transaction which has affected or will materially affect Sibanye or its investment interests or subsidiaries. None of the Directors or Officers of Sibanye or any associate of such Director or Officer is currently or has been at any time during the past fiscal year materially indebted to Sibanye.

Directors' Interests in Transactions

None of the Directors or officers of Sibanye or any major Sibanye Shareholder or other companies in the Sibanye Group or, to the knowledge of Sibanye's management, their families, or any Director which has resigned in the previous 18 months, had any interest, direct or indirect, in any transaction effected by the Company during the last three financial years or during any earlier financial year.

The Transaction will not result in any change to the above.

MOI Provisions on Directors' Borrowing Powers and Retirement

In terms of Clause 4 of the Company's MOI, the borrowing powers of the Company are unlimited. As at 31 December 2016, the borrowings of the Company and the Group, excluding the Burnstone Debt, was R7 218.5 million (2015: R1 962 million) and R7 221.3 million (2015: R1 995 million), respectively. For more information, see "*Annexure 2 – Historical Financial Information of Sibanye*" of this Circular.

Sibanye is subject to financial and other covenants and restrictions under its credit facilities from time to time. Such covenants may include restrictions on Sibanye incurring additional financial indebtedness and obligations to maintain certain financial covenant ratios for as long as any amount is outstanding under such facilities.

There is no mandatory retirement age specified in the MOI, however, the Board charter requires a Director to retire at age 72 (the Board may in its sole discretion waive this provision).

10. CORPORATE GOVERNANCE

Sibanye was listed on 11 February 2013, with its primary listing on the JSE. It is registered with the SEC in the United States and its Shares are represented by ADRs which are listed on the NYSE. The ADR programme is administered by BNYM.

For detailed information on corporate governance, see "*Annexure 6 – Corporate Governance*" of this Circular.

Sibanye Shareholders are referred to Sibanye's King III schedule for the detailed narrative on how Sibanye has applied the King Code, see "*Paragraph 23 – Documents Incorporated by Reference*" for further information and for details on how to access information incorporated by reference.

11. SHARE CAPITAL

At 31 December 2016, Sibanye had issued Share capital of 929 004 342 Shares (2015: 916 140 552) of the 2 000 000 000 Shares that are authorised. Sibanye Shareholders are referred to the Notice of General Meeting attached hereto whereby Sibanye is seeking approval to increase the authorised Shares of the Company to 10 000 000 000 Shares in order to facilitate the Proposed Right Offer. All the Sibanye Shares rank *pari passu* in all respects, there being no conversion or exchange rights attached thereto, and all of the Sibanye Shares will have equal rights to participate in capital, dividend and profit distributions by the Company. There are currently no treasury shares within the Group. See "*Annexure 2 – Historical Financial Information of Sibanye*" of this Circular for more information on the value of the stated capital account.

Sibanye is also seeking a waiver in accordance with section 123(3) of the Companies Act by independent holders of more than 50% of the voting rights of all the issued Shares, of the benefit of receiving a mandatory offer from one or more of the underwriters of the Proposed Rights Offer. This will ensure that the underwriters have the ability to fulfil their underwriting obligations without having to make a mandatory offer to shareholders.

At the AGM held on 24 May 2016, Sibanye Shareholders approved a resolution granting the Directors the general authority to issue 5% (or 45 832 265 ordinary Shares) and placed such number of shares under the control of the Directors. The authority has not been used as at the date of this Circular. Sibanye Shareholders are referred to the Notice of General Meeting attached hereto whereby Sibanye is seeking approval to increase the percentage of ordinary shares under the Directors' general authority to 15% (or 139 350 651 ordinary Shares), which increased authority shall be valid until the forthcoming AGM of the Company, whereupon this authority shall lapse unless it is renewed at the forthcoming AGM of the Company.

12. MAJOR SHAREHOLDERS

As at the Last Practicable Date, the following Sibanye Shareholders have at least a 5% beneficial shareholding in Sibanye:

Shareholder	Total shareholding	%
Gold One International Limited	185 386 079	19.96
Public Investment Corporation SOC Limited	80 455 889	8.66
Van Eck Associates Corporation (US)	55 152 707	5.94

13. LITIGATION STATEMENT

Occupational Healthcare Services

On 21 August 2012, a court application was served on a group of respondents that included Sibanye. On 21 December 2012, a further court application was issued and was formally served on a number of respondents, including Sibanye. Finally, on 10 January 2013, a court application was served on both the respondents served in August and the respondents served in December, on behalf of current and former mine workers, and their dependants, of, amongst others, Sibanye, who allegedly contracted silicosis and/or other occupational lung diseases.

Sibanye filed a notice of its intention to oppose the applications and instructed its attorneys to defend the claims.

These applications requested that the court:

- As a first phase, certify a class action to be instituted by the applications on behalf of the class, as defined;
- As a second phase, split the class, as defined, into smaller classes based on common legal and factual issues. The respondents are of the view that the definition of the class in the first phase and the proposed process involving the second phase are contrary to South African legal precedent; and
- In the last phase, bring an action wherein they will attempt to hold the respondents liable for silicosis and other occupational lung diseases and resultant consequences.

The applications do not identify the number of claims that may be instituted against the respondents or the quantum of damages that the applicants may seek.

The applications were heard during the weeks of 12 and 19 October 2015. Judgement was handed down that certified that a class action was to be instituted.

Anglo American Platinum Limited, AngloGold Ashanti Limited, Gold Fields Limited, Harmony Gold Mining Company Limited and Sibanye announced in November 2014 that they had formed a gold mining industry working group to address issues relating to the compensation and medical care for occupational lung disease in the gold mining industry in South Africa. Essentially, the companies are seeking a comprehensive and sustainable solution which deals both with the legacy compensation issues and future legal frameworks which, while being fair to employees, also ensures the future sustainability of companies in the industry. The companies have engaged all stakeholders on these matters, including government, organised labour, other mining companies and legal representatives of claimants who have filed legal suits against the companies.

On 13 May 2016, the High Court ruled in favour of the applicants and found that there were sufficient common issues to certify two industry-wide classes: (i) a silicosis class comprising current and former mine workers who have contracted silicosis and the dependents of mine workers who have died of silicosis; and (ii) a tuberculosis class comprising current and former mine workers who have worked on the mines for a period of not less than two years and who have contracted pulmonary tuberculosis and the dependents of deceased mine workers who died of pulmonary tuberculosis. The High Court ordered a two-stage process in the class action: (i) resolve common issues and allow individuals to opt out, and (ii) allow the individuals to opt in to the class to make claims against the respondents. The High Court also decided that claims for general damages will transmit to the estate of the deceased mine worker who dies after the date of filing of the certification application.

On 3 June 2016, Sibanye and the other respondents filed an application with the High Court for leave to appeal to the Supreme Court of Appeal. Arguments in the application for leave to appeal were heard on 23 June 2016. On 24 June 2016, leave to appeal was (i) granted in respect of the transferability of general damages claims but (ii) denied in respect of certification of silicosis and tuberculosis classes. On 15 July 2016, Sibanye and the other respondents each filed petitions with the Supreme Court of Appeal for leave to appeal against the certification of the two separate classes for silicosis and tuberculosis.

These legal proceedings are being defended. At this stage, Sibanye can neither quantify the potential liability from the action due to the inherent legal and factual uncertainties with respect to the pending claims and other claims not yet filed against the Group nor can the length of time until finalisation be estimated.

With the exception of the matters described above, there are no other legal or arbitration proceedings relating to Sibanye and to the Stillwater Group, including proceedings that are pending or threatened, of which Sibanye is aware, that may have or have had in the recent past, being at least the previous 12 months, a material effect on the Sibanye Group's financial position.

14. OPINION AND RECOMMENDATIONS

The Directors are of the opinion that:

- the Company and the Sibanye Group will be able to pay their debts in the ordinary course of business for a period of 12 months after the date of the approval of the Transaction;
- the assets of the Company and the Sibanye Group will exceed the liabilities of the Company and the Sibanye Group for a period of at least 12 months after the date of the approval of the Transaction. For this purpose, the assets and liabilities are recognised and measured in accordance with the accounting policies used in the Sibanye Group's latest reviewed consolidated annual financial statements;
- the share capital and reserves of the Company and the Sibanye Group will be adequate for ordinary business purposes for a period of at least 12 months after the date of the approval of the Transaction;
- the working capital of the Company and the Sibanye Group as enlarged by the Stillwater Group pursuant to the Transaction is sufficient for the Sibanye Group's present requirements and will be adequate for ordinary business purposes for a period of at least 12 months after the date of the approval of the Transaction.

The Directors unanimously recommend that Sibanye Shareholders vote in favour of the Special Resolutions and the Ordinary Resolutions at the General Meeting. Each of the Directors who holds Sibanye Shares intends to vote his or her Sibanye Shares in favour of the Special Resolutions and the Ordinary Resolutions at the General Meeting.

15. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, whose names are set out in the "*Corporate Information and Advisors*" section of this Circular, individually and collectively accept full responsibility for the accuracy of the information given and certify that, to the best of their knowledge and belief, no facts have been omitted that would make any statement in this Circular false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this Circular contains all information required by law and the JSE Listings Requirements.

16. CONSENTS

ENSafrica, J.P. Morgan Equities South Africa Proprietary Limited, Linklaters LLP, Qinisele Resources Proprietary Limited, HSBC Bank plc, Citigroup Global Markets Limited, Mineral Corporation Consultancy Proprietary Limited, BNYM and the Transfer Secretaries have consented in writing to act in their capacities stated and to their names being stated in this Circular and none of the aforementioned have withdrawn their consent prior to the publication of this Circular.

KPMG has given and has not withdrawn their written consent to the issue of this Circular, containing their reporting accountant's reports in the form and context in which it appears.

Behre Dolbear has given and has not withdrawn its written consent to the issue of this Circular, containing its Guide 7 Report in the form and context in which it appears.

17. CONFLICTS

J.P. Morgan Equities South Africa Proprietary Limited fulfils the functions of sponsor to the Company. In addition, the J.P. Morgan Group is one of many funders to the Company (less than 10% of the Company's borrowings). The J.P. Morgan Group is a full services securities firm and commercial bank and may potentially provide underwriting and/or other investment banking services to the Company in the future. It is J.P. Morgan's opinion that the performance of these functions do not represent a conflict of interest for J.P. Morgan, nor do they impair J.P. Morgan's independence from the Company or its objectivity in its professional dealings with the Company or in relation to the matters contemplated in this Circular.

18. NOTICE OF GENERAL MEETING

The General Meeting will be held at Sibanye Gold Academy, Rietkloof 349, Glenharvie, 1786, South Africa at 09:00 on Tuesday, 25 April 2017 in order for Sibanye Shareholders to consider and, if deemed fit, pass the Special Resolutions and the Ordinary Resolutions.

19. ACTION TO BE TAKEN BY SIBANYE SHAREHOLDERS

A form of proxy is attached for the convenience of Certificated and own-name Dematerialised Sibanye Shareholders who are unable to attend the General Meeting, but who wish to be represented thereat. In order to ensure validity, duly completed forms of proxy must be returned to the Transfer Secretaries, to reach them by no later than 09:00 on Friday, 21 April 2017.

The CSDP or broker, as the case may be, of Dematerialised Sibanye Shareholders other than those with own-name registration, should contact such Dematerialised Sibanye Shareholders to ascertain how they wish their votes to be cast at the General Meeting and thereafter cast their votes in accordance with their instructions. If such Dematerialised Sibanye Shareholders have not been contacted, it is recommended that they contact their CSDP or broker, as the case may be, to advise them as to how they wish their vote to be cast.

Dematerialised Sibanye Shareholders, other than those with own-name registration, who wish to attend the General Meeting and vote at it, must request a letter of representation from their CSDP or broker, as the case may be.

Electronic Participation

The Company intends to offer Sibanye Shareholders reasonable access to participate in the General Meeting through electronic conference call facilities, in accordance with the provisions of the Act. Sibanye Shareholders wishing to participate electronically in the General Meeting are required to deliver written notice to the Company at Libanon Business Park, 1 Hospital Street (Off Cedar Avenue), Libanon, Westonaria, 1780, South Africa, (marked for the attention of the Company Secretary) by no later than 09:00 on Friday, 7 April 2017 stating that they wish to participate in the General Meeting via electronic communication.

In order for the Electronic Notice to be valid it must contain:

(a) if the Sibanye Shareholder is an individual, a certified copy of his identity document and/or passport;

(b) if the Sibanye Shareholder is not an individual, a certified copy of a resolution by the relevant entity and a certified copy of the identity documents and/or passports of the persons who passed the relevant resolution, which resolution must set out who from the relevant entity is authorised to represent the relevant entity at the General Meeting via electronic communication; and

(c) a valid e-mail address and/or facsimile number ("the contact address/number"). Voting on Shares will not be possible via electronic communication and accordingly Sibanye Shareholders participating electronically and wishing to vote their Shares at the General Meeting will need to be represented at the General Meeting, either in person, by proxy or by letter of representation.

The Company will use its reasonable endeavours to notify on or before 09:00 on Friday, 21 April 2017, each Sibanye Shareholder who has delivered a valid Electronic Notice, at its contact address/number, of the relevant details through which the Sibanye Shareholder can participate via electronic communication.

20. HOLDERS OF SIBANYE'S ADRs

ADR holders are not required to be treated as holders of Shares and do not have the rights of holders of Shares. The Company, BNYM and the holders of ADRs are parties to the deposit agreement, which is governed by New York State law.

The Company has informed BNYM of the record dates and the General Meeting. BNYM, as depositary, registers and delivers ADRs. The Company is requesting BNYM, which holds the Shares underlying the ADRs, to seek the ADR holders' instructions for the General Meeting. As a result, ADR holders may instruct the depositary to vote the Shares underlying their own ADRs. The depositary establishes the ADR record date. The depositary has set the ADR record date for the General Meeting as Thursday, 23 March 2017.

Because the Company has asked BNYM to seek ADR holders' instructions, BNYM will notify ADR holders of the upcoming vote and arrange to deliver the Company's voting materials and form of notice to them. BNYM then tries, as far as practicable, subject to South African law and the terms of the depositary agreement, to vote the Shares as the ADR holders instruct. If ADR holders do not instruct BNYM to vote the Shares underlying their ADRs, BNYM may under certain circumstances give a discretionary proxy to a person designated by the Company to vote deposited Shares. The Company cannot guarantee that ADR holders will receive this proxy material from BNYM in time to permit them to instruct BNYM to vote the Shares underlying their ADRs. In addition, there may be other circumstances in which ADR holders may not be able to exercise voting rights. Furthermore, ADR holders can exercise their right to vote the Shares underlying their ADRs by surrendering their ADRs to BNYM in order to withdraw the ordinary shares. Any ADR holders who wish to participate in the General Meeting will need to surrender their ADRs to BNYM, withdraw the underlying Shares from the custodian bank and be registered in the Register prior to the record date of Monday, 10 April 2017. ADR holders should note that BNYM may charge a fee for the surrender of your ADRs and the delivery of the underlying Shares. The amount of any such charge should be confirmed directly with BNYM.

21. FEES

It is estimated that the total expenses which have been incurred by Sibanye or that are expected to be incurred by Sibanye relating to the Transaction will amount to approximately between R335 and R373 million (excluding VAT). Payment will be made to the following parties according to the amounts indicated.

		(R)
JPMorgan	Transaction sponsor fees	600 000
Citigroup Global Markets Limited	Financial advisor fees	140 000 000[1]
HSBC Bank plc	Financial advisor fees	91 000 000 – 119 000 000[1]
Qinisele Resources	Corporate advisor fees	40 000 000 – 50 000 000
ENSafrica	Legal fees	1 295 000
Linklaters LLP	Legal and due diligence fees	32 200 000[1]
Ince	Circular printing and posting	500 000

		(R)
JSE	Documentation, inspection and ruling request fees	120 000
KPMG Inc.	Independent reporting accountants and due diligence fees	9 500 000[1]
FTC Premerger Notification Office	Anti-trust filing fees	3 920 000
Technical Advisors (The Mineral Corporation, Larry Cramer and Wright Environmental Services)	Due diligence fees	4 000 000[1]
Other Legal Advisors (Wilmer Cutler Pickering Hale and Dorr LLP, Torys LLP, Marval, O'Farrell & Marial, Cary y Cia Law Firm and Browning Kaleyczyc, Berry & Hoven, P.C).	Legal and due diligence fees	5 000 000[1]
Brunswick	Investor communications	3 500 000
Ernst & Young	IFRS conversion fees	3 700 000
Total		**335 335 000 – 372 335 000**

Note:

(1) Includes US$ amounts converted at an assumed exchange rate of U$1:ZAR14.

Except as disclosed above, there have been no preliminary expenses incurred within the preceding three years.

22. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection at the office of the Sibanye Company Secretary during normal business hours at the registered office of Sibanye, at Libanon Business Park, 1 Hospital Street (Off Cedar Avenue), Libanon, Westonaria, 1780, from the date of this Circular up to and including Tuesday, 25 April 2017:

- material contracts as set out in "*Annexure 9 – Material Contracts*";
- the Merger Agreement;
- the independent reporting accountant's report on the Historical Financial Information as set out in "*Annexure 3 – Independent Reporting Accountants' Reports on the Historical Financial Information of Stillwater Mining Company*";
- the independent reporting accountant's report on the *pro forma* financial information as set out in "*Annexure 5 – Independent Reporting Accountants' Report On the Compilation Of Pro forma Financial Information*";
- a copy of Sibanye's annual results for the years ended 31 December 2016, 2015, and 2014;
- a copy of Stillwater's annual results for the years ended 31 December 2016, 2015, and 2014;
- a signed copy of this Circular (available in English only);
- MOI of Sibanye;
- a copy of Director's service contracts;
- the letters of consent referred to in paragraph 16 above;
- the Guide 7 Report; and
- Sibanye's Reserves and Resources Statement as at 31 December 2016.

23. DOCUMENTS INCORPORATED BY REFERENCE

The following information has been incorporated by reference and is available for viewing on the Company's website at www.sibanyegold.co.za or where applicable on Stillwater's website at www.stillwatermining.com. Such information will be available for inspection, at no charge, at the office of the Company Secretary during normal business hours at the registered office of Sibanye, at Libanon Business Park, 1 Hospital Street (Off Cedar Avenue), Libanon, Westonaria, 1780, from the date of this Circular up to and including Tuesday, 25 April 2017:

Information incorporated by reference	Specific location on website
Sibanye's annual results for the year-ended 31 December 2015;	www.sibanyegold.co.za/investors/financial-reporting/annual-reports/2015
Sibanye's annual results for the year-ended 31 December 2014;	www.sibanyegold.co.za/investors/financial-reporting/annual-reports/2014
Sibanye's MOI;	www.sibanyegold.co.za/investors/manage-your-shares/company-documents-circulars
Sibanye's King III schedule for the application of the King Code;	www.sibanyegold.co.za/about-us/corporate-governance
Sibanye SENS announcement of 3 March 2017, for the Summary information of the Sibanye Reserves and Resources Statement as at 31 December 2016;	www.sibanyegold.co.za/investors/news/company-announcements/2017
Stillwater's annual results for the year-ended 31 December 2014;	www.stillwatermining.com www.sec.gov
The sections of the Proxy Statement entitled *"Treatment of Convertible Notes and Senior Notes"; "Proposal 1: The Merger – Interests of the Company's Directors and Executive Officers in the Merger"; "The Merger Agreement – Treatment of Equity Awards"* and *"Security Ownership of Certain Beneficial Owners and Management.";* and	www.stillwatermining.com www.sec.gov
The Guide 7 Report titled "Technical Report for the Mining Operations at Stillwater Mining Company – Stillwater Mine and East Boulder Mine as of 31 December 2016".	http://stillwatermining.com/wp-content/uploads/2017/03/Stillwater_Complex_Technical_Report-12_-31_2016.pdf

By order of the Board

SIBANYE GOLD LIMITED

Mr Cain Farrel
Company Secretary
Westonaria
South Africa
20 March 2017

REGISTERED OFFICES OF SIBANYE:
Libanon Business Park
1 Hospital Street (Off Cedar Avenue)
Libanon
Westonaria
1780

HISTORICAL FINANCIAL INFORMATION OF STILLWATER

Introduction

The definitions and interpretations commencing on page 11 of the Circular apply *mutatis mutandis* to this report (unless specifically defined where used or the context indicates a contrary intention).

As detailed in the Circular, Sibanye has entered into a Transaction to acquire all of the outstanding common stock of Stillwater Mining Company ("Stillwater").

The Historical Financial Information for the two years ended 31 December 2016 and 2015 included in this report relates to Stillwater and its subsidiaries (collectively referred to as "the Stillwater Group" for purposes of this report).

Stillwater's Historical Financial Information for the year-ended 31 December 2014, is incorporated by reference in the Circular. Sibanye Shareholders are referred to "*Paragraph 23 – Documents Incorporated by Reference*" of this Circular for details on where information incorporated by reference can be located.

Sibanye Shareholders should note that Stillwater's 2014 financial information has been prepared in accordance with US GAAP. Sibanye Shareholders are cautioned that as a result, the financial information therein may not be directly comparable to financial information prepared in accordance with IFRS.

Basis of Preparation

The consolidated statements of profit or loss and other comprehensive income, consolidated statements of cash flows and the consolidated statements of changes in equity for the two years ended 31 December 2016 and 2015, the consolidated statements of financial position as at 31 December 2016 and 2015, accounting policies and the notes thereto ("Historical Financial Information of the Stillwater Group") have been extracted, from the audited statutory consolidated financial statements of the Stillwater Group for the years ended 31 December 2016 and 2015, ("Audited Financial Statements"). The Audited Financial Statements were prepared in accordance with United States Generally Accepted Accounting Principles ("US GAAP") and have been converted to International Financial Reporting Standards ("IFRS"). An explanation of how the transition to IFRS has affected the Historical Financial Information of the Stillwater Group is provided in note 30 of Historical Financial Information of the Stillwater Group. The preparation of the Historical Financial Information of the Stillwater Group is in accordance with IFRS and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Pronouncements as issued by Financial Reporting Standards Council.

The additional disclosure required in terms of paragraph 8.11 and 8.12 of the JSE Listings Requirements has been included in the Report of Historical Financial Information of the Stillwater Group.

The Historical Financial Information of the Stillwater Group is presented in US Dollars and all amounts are rounded to the nearest thousand (US$ thousand), except where otherwise indicated.

The Audited Financial Statements of Stillwater prepared in terms of US GAAP have been audited by KPMG US LLP and unqualified audit opinions have been issued thereon. KPMG Inc. is the independent reporting accountant to the Stillwater Group and has issued the reporting accountant's report on this Report of Historical Financial Information of the Stillwater Group which is included as Annexure 3 to this Circular.

The Directors of Sibanye are responsible for the Historical Financial Information of the Stillwater Group prepared in terms of IFRS and included in this Circular.

Directors' Commentary

2016 and 2015 – Year in Review

Stillwater's liquidity remained strong during 2016 and 2015. Stillwater reported a consolidated net loss attributable to common stockholders of $83.8 million, equivalent to net loss of $0.69 per diluted share, for the year-ended 31 December 2016 reported under IFRS, compared to consolidated net profit attributable to common stockholders of $103.3 million, equivalent to earnings of $0.68 per diluted share, for the year-ended 31 December 2015. The net loss in 2016 compared to the net profit in 2015 was due to the $94.4 million

(before-tax) fair value loss charge on remeasurement of the 1.75% Convertible debentures, compared to a $131.8 million (before-tax) fair value gain on the remeasurement of the same instrument in 2015. This gain is offset by an impairment loss of $49.1 million recorded in the third quarter of 2015 on the Marathon mineral property.

Stillwater's total revenues for 2016 and 2015 were $711.3 million, and $726.3 million, respectively. Mine Production segment revenues for 2016 were $405.1 million, a decrease of 2.6% from $415.8 million in 2015, as a result of a 9.7% decrease in the combined average realized price for mine production and offset by an 8.3% increase in mine production sales volumes.

PGM Recycling segment revenues decreased by 1.4% during 2016 to $305.9 million from $310.2 million in 2015, as a result of decreased metal prices which outweighed the increase in volumes of purchased recycling materials for its own account.

Stillwater's mining operations (mine production segment) produced a total of 545 300 ounces of palladium and platinum in 2016, an increase of 4.7% from the 520 800 ounces produced in 2015. Total combined cash costs per ounce, net of by-product and recycling credits averaged $438 per ounce in 2016, compared with $495 per ounce in 2015, a reduction of 11.5%. Lower total combined cash costs in 2016 were a result of lower labour costs, general reduction in materials and supplies, offset by lower recycling credits.

Recycling volumes fed to the smelter totalled 668 300 ounces of PGMs in 2016, up 21.3% from the 551 100 ounces fed in 2015. Approximately 401 100 ounces of PGMs were extracted and sold from recycling materials purchased (at prices reflecting the value of the contained PGMs) for its own account in 2016, from the 340 200 ounces sold in 2015. This increase reflects the move in the contract mix between purchased ounces and tolled ounces. Stillwater's combined average realization on recycling revenues (which include sales of palladium, platinum and rhodium) was $736 per ounce in 2016, compared to $886 in 2015. In addition to processing spent catalyst material purchased for its own account, it processed and returned 228 300 ounces of PGMs treated on a tolling basis in 2016, up 11.4% from the 205 000 toll ounces in 2015. Working capital associated with recycling activities (in the form of inventories and cash advances) was $85.0 million, $37.4 million and $61.5 million at 31 December 2016, 2015 and 2014, respectively. The increase in working capital is a result of additional purchased ounces in inventory at year-end due to an increase in the volume of purchased catalyst relative to tolled catalyst in the second half of 2016.

In July 2014, Stillwater executed five-year supply and refining agreements with Johnson Matthey (JM) at competitive market prices. During 2016, 2015 and the last half of 2014, JM purchased all of Stillwater's mined production (excluding the platinum ounces delivered under a separate agreement with Tiffany & Co.). During the first half of 2014, Stillwater made all of its sales of mined PGMs either in the spot market or under mutually agreed short-term (one year or less) supply agreements.

Transaction with Sibanye

On 9 December 2016, Stillwater entered into an Agreement and Plan of Merger (the "Merger Agreement") with Sibanye Gold Limited ("Sibanye"), Thor US Holdco Inc. and Thor Mergco Inc., an indirect wholly-owned subsidiary of Parent ("Merger Sub"), which provides that, among other things and subject to the terms and conditions therein, (1) Merger Sub will be merged with and into Stillwater and (2) at the effective time of the merger, each outstanding share of common stock of Stillwater, par value $0.01 per share (other than shares owned by Stillwater, Sibanye or their respective subsidiaries or shares with respect to which appraisal rights are validly exercised and not lost in accordance with Delaware law) will be converted into the right to receive $18.00 per share in cash without interest.

The closing of the merger is subject to (1) the adoption of the Merger Agreement by the holders of a majority of the outstanding shares of Stillwater's common stock, (2) the approval of the merger by the holders of a majority of Sibanye's shares present and voting, (3) the approval of the related issuance of shares by Sibanye in a rights offering by the holders of at least 75% of Sibanye's shares present and voting, (4) the expiration of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the "HSR Act"), Committee on Foreign Investment in the United States ("CFIUS") clearance and the approval of the South African Reserve Bank, and (5) other customary conditions. Early termination of the waiting period applicable to the completion of the merger under the HSR Act was previously granted. Stillwater expects to complete the merger in the second quarter of 2017. However, completion of the merger is subject to the satisfaction or waiver of the conditions to the completion of the merger, which are described above and include various regulatory clearances and approvals. It is possible that factors outside the control of Stillwater or Sibanye could delay the completion of the merger or prevent it from being completed at all. Stillwater expects to complete the merger promptly following the receipt of all required approvals.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
For the Year Ended 31 December

	Notes	2016	2015
		(US$ thousands)	
Particulars			
Revenue	3	711 335	726 330
Cost of sales	4	(647 487)	(653 618)
Net operating profit		63 848	72 712
Finance expense	6	(15 827)	(18 129)
Interest income		4 216	2 955
Gain/(loss) on financial instruments		678	(372)
Loss on foreign exchange		(577)	(1 451)
Other income		118	920
General and administrative costs	5	(31 433)	(29 247)
Loss on extinguishment of debt		–	(4 010)
Impairments	8	(3 864)	(49 088)
Profit on disposal of property, plant and equipment		148	216
Restructuring costs	5	–	(1 658)
Profit/(loss) before tax and (loss)/gain on fair value measurement of long-term debt		**17 307**	**(27 152)**
(Loss)/gain on fair value measurement of long-term debt	19	(94 448)	131 794
(Loss)/profit before tax		**(77 141)**	**104 642**
Income taxes	13	(6 631)	(12 930)
(Loss)/profit for the year		**(83 772)**	**91 712**
Attributable to:			
Owners of Stillwater		(83 772)	103 520
Non-controlling interests	18	–	(11 808)
Earnings per share attributable to owners of Stillwater:			
Basic earnings per share – cents	7	(0.69)	0.86
Diluted earnings per share – cents	7	(0.69)	0.68

The accompanying notes form an integral part of this Historical Financial Information.

CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME
For the Year Ended 31 December 2016

	Notes	2016	2015
		(US$ thousands)	
Particulars			
(Loss)/profit for the year		(83 772)	91 712
Other comprehensive income:			
Items that may be reclassified to profit or loss (net of tax)			
Unrealised loss on investments available-for-sale and deferred compensation (net of tax)		(17)	(216)
Other comprehensive income for the year, (net of tax)		(17)	(216)
Total comprehensive income for the year, (net of tax)		**(83 789)**	**91 496**
Attributable to:			
Owners of Stillwater		(83 789)	103 304
Non-controlling interests	18	–	(11 808)

The accompanying notes form an integral part of this Historical Financial Information.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at 31 December

	Notes	2016	2015	1 January 2015
			(US$ thousands)	
Particulars				
Assets				
Non-current assets		**850 142**	**813 613**	**858 124**
Property, plant and equipment	8	739 208	710 425	710 142
Investments	9	82 685	76 467	109 744
Restricted cash	10	35	124	121
Other financial assets	11	2 237	1 745	623
Other assets	12	2 026	1 722	2 373
Deferred tax assets	13	23 951	23 130	35 121
Current assets		**529 990**	**515 143**	**571 495**
Investments	9	244 290	240 486	142 406
Inventories	14	138 653	102 072	130 307
Trade receivables	15	1 621	800	1 277
Cash and cash equivalents	16	123 238	147 336	280 286
Income tax receivable	13	8 650	13 172	5 158
Other financial assets	11	1 166	1 227	671
Other assets	12	12 372	10 050	11 390
Total assets		**1 380 132**	**1 328 756**	**1 429 619**
Equity and liabilities				
Equity attributable to owners		**821 545**	**902 888**	**788 131**
Share capital	17	1 212	1 210	1 204
Share-based payment and other reserves		1 037 964	1 035 520	1 024 073
Accumulated loss		(217 631)	(133 842)	(237 146)
Non-controlling interests	18	–	–	18 480
Total equity		**821 545**	**902 888**	**806 611**
Non-current liabilities		**473 015**	**357 766**	**540 966**
Deferred tax liabilities	13	4 352	5 427	11 849
Long-term debt and finance lease obligations	19	429 814	319 781	494 762
Environmental rehabilitation obligation	20	22 771	20 386	21 095
Accrued workers compensation	21	6 426	6 070	6 060
Other liabilities	22	9 652	6 102	7 200
Current liabilities		**85 572**	**68 102**	**82 042**
Trade and other payables		38 488	20 249	28 714
Accrued compensation and benefits	21	29 589	30 046	29 973
Property, production and franchise taxes payable		13 790	13 908	15 830
Income taxes payable	13	495	–	–
Current portion of borrowings		–	657	2 144
Interest payable		1 225	1 229	1 467
Other liabilities	22	1 985	2 013	3 914
Total liabilities		**558 587**	**425 868**	**623 008**
Total equity and liabilities		**1 380 132**	**1 328 756**	**1 429 619**
Net asset value per share		**$6.78**	**$7.46**	**$6.70**
Net tangible asset value per share		**$6.78**	**$7.46**	**$6.70**

The accompanying notes form an integral part of this Historical Financial Information.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the Year Ended 31 December

	Notes	Share capital	Share-based payments and other reserves[1]	Accumulated loss	Equity attributable to owners of Stillwater	Non-controlling interest	Total equity
				(US$ thousands)			
Particulars							
Balance at 1 January 2015		1 204	1 024 073	(237 146)	788 131	18 480	806 611
Total comprehensive income for the year		–	–	103 304	103 304	(11 808)	91 496
Profit for the year		–	–	103 520	103 520	(11 808)	91 712
Other comprehensive income		–	–	(216)	(216)	–	(216)
Share-based payments	5	6	9 991	–	9 997	–	9 997
Transaction with non-controlling interests	18	–	1 456	–	1 456	(6 672)	(5 216)
Balance at 31 December 2015		**1 210**	**1 035 520**	**(133 842)**	**902 888**	**–**	**902 888**
Total comprehensive income for the year		–	–	(83 789)	(83 789)	–	(83 789)
Loss for the year		–	–	(83 772)	(83 772)	–	(83 772)
Other comprehensive income		–	–	(17)	(17)	–	(17)
Share-based payments	5	2	2 444		2 446	–	2 446
Balance at 31 December 2016		**1 212**	**1 037 964**	**(217 631)**	**821 545**	**–**	**821 545**

Note:

(1) Share-based payments and other reserves include transactions with shareholders and equity settled share-based payments.

The accompanying notes form an integral part of this Historical Financial Information.

CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Year Ended 31 December

	Notes	2016	2015
		(US$ thousands)	
Particulars			
Cash flows from operating activities			
Cash generated from operations	23	125 464	127 304
Change in working capital	24	(22 526)	10 590
Interest received		4 216	2 955
Interest paid		(18)	(381)
Taxation paid		(3 107)	(13 392)
Net cash provided by operating activities		**104 029**	**127 838**
Cash flows from investing activities			
Capital expenditures		(114 525)	(124 850)
Proceeds from disposal of property, plant and equipment		279	386
Proceeds from sale of long-term investments		1 099	–
Purchases of investments		(281 303)	(286 380)
Proceeds from maturities and sales of investments		268 590	218 475
Net cash used in investing activities		**(125 860)**	**(192 369)**
Cash flows from financing activities			
Purchase of non-controlling interest		–	(5 216)
Excess tax benefit (shortfall) from share-based compensation		108	(154)
Payments of tax obligations for share-based compensation		(1 752)	–
Payments on debt and finance lease obligations		(657)	(63 109)
Proceeds from issuance of shares		34	60
Net cash used in financing activities		**(2 267)**	**(68 419)**
Cash and cash equivalents			
Net (decrease) in cash and cash equivalents		(24 098)	(132 950)
Cash and cash equivalents at the beginning of the year	16	147 336	280 286
Cash and cash equivalents at the end of the year	**16**	**123 238**	**147 336**

The accompanying notes form an integral part of this Historical Financial Information.

NOTES TO THE HISTORICAL INFORMATION
For the Year Ended 31 December

1. ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the Historical Financial Information are set out below. Where an accounting policy is specific to a note, the policy is described in the note which it relates to. These policies have been consistently applied to all the periods presented, except for the adoption of new and revised standards and interpretations.

1.1 Reporting Entity

The Stillwater Group is a company based in the United Stated of America (US) and is engaged in the development, extraction, processing, smelting, and refining of palladium, platinum and associated metals (platinum group metals or PGMs) from a geological formation in south-central Montana known as the J-M Reef and from the recycling of spent catalytic converters and other industrial sources. Stillwater is listed on the New York Stock Exchange (NYSE) under the symbol SWC.

1.2 Basis of Preparation

The Historical Financial Information of the Stillwater Group has been prepared in accordance with International Financial Reporting Standards (IFRSs). The Historical Financial Information of the Stillwater Group is Stillwater Group's first consolidated financial information prepared in accordance with IFRSs and IFRS 1, First-Time Adoption of International Financial Reporting Standards, has been applied, as issued by the International Accounting Standards Board.

An explanation of how the transition to IFRSs has affected the Historical Financial Information of the Stillwater Group is provided in note 30.

The Historical Financial Information of the Stillwater Group has been prepared under the historical cost convention, except for certain financial assets and financial liabilities (including derivative instruments), which are measured at fair value. The Historical Financial Information of the Stillwater Group is presented in US Dollars and all values are rounded to the nearest thousand (US$ thousand), except where otherwise indicated.

Standards, interpretations and amendments to published standards effective for the year-ended 31 December 2016

During the financial year, the following new and revised accounting standards and amendments to standards became effective and had no impact on Stillwater Group's Historical Financial Information:

Pronouncement	Title	Effective date
IAS 1 (Amendment)	Disclosure Initiative	1 January 2016

Standards, interpretations and amendments to published standards which are not yet effective

Certain new standards, amendments and interpretations to existing standards have been published that apply to Stillwater Group's accounting periods beginning on or after 1 January 2017 and have not been applied in preparing the Historical Financial Information. Stillwater Group is currently assessing the potential impact of adopting these new standards and interpretations.

Pronouncement	Title	Effective date[1]
Amendments to IAS 7	IAS 7 disclosure initiative	1 January 2017
Amendments to IAS 12	IAS 12 Recognition of deferred tax assets for unrealised losses The amendments provide additional guidance on the existence of deductible temporary differences, which depend solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments also provide additional guidance on the methods used to calculate future taxable profit to establish whether a deferred tax asset can be recognised.	1 January 2017
Amendments to IFRS 2	IFRS 2 Classification and measurement of share-based payment transactions Currently, there is ambiguity over how a company should account for certain types of share-based payment arrangements. The IASB has responded by publishing amendments to IFRS 2 Share-based Payment. The amendments cover three accounting areas: *Measurement of cash-settled share-based payments* – The new requirements do not change the cumulative amount of expense that is ultimately recognised, because the total consideration for a cash-settled share-based payment is still equal to the cash paid on settlement. *Classification of share-based payments settled net of tax withholdings* – The amendments introduce an exception stating that, for classification purposes, a share-based payment transaction with employees is accounted for as equity-settled if certain criteria are met. *Accounting for a modification of a share-based payment from cash-settled to equity-settled*. The amendments clarify the approach that companies are to apply.	1 January 2018

Pronouncement	Title	Effective date[1]
IFRS 15 (New standard)	Revenue from Contracts with Customers IFRS 15 replaces IAS 11 Construction contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC-31 Revenue – Barter Transactions Involving Advertising Services. IFRS 15 specifies how and when an IFRS reporter will recognise revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard provides a single, principles-based five-step model to be applied to all contracts with customers. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.	1 January 2018

Pronouncement	Title	Effective date[1]
IFRS 9 (New standard)	Financial Instruments	1 January 2018
	Debt instruments are subsequently measured at fair value through profit or loss (FVTPL), amortised cost, or fair value through other comprehensive income (FVOCI), on the basis of their contractual cash flows and the business model under which the debt instruments are held. Equity instruments are generally measured at FVTPL. However, entities have an irrevocable option on an instrument-by-instrument basis to present changes in the fair value of non-trading instruments in other comprehensive income (OCI) without subsequent reclassification to profit or loss. The impairment requirements are based on an expected credit loss (ECL) model that replaces the IAS 39 incurred loss model. The ECL model applies to debt instruments accounted for at amortised cost or at FVOCI, most loan commitments, financial guarantee contracts, and contract assets under IFRS 15 Revenue from Contracts with Customers and lease receivables under IAS 17 Leases or IFRS 16 Leases. Entities are generally required to recognise 12-month ECL on initial recognition (or when the commitment or guarantee was entered into) and thereafter as long as there is no significant deterioration in credit risk. However, if there has been a significant increase in credit risk on an individual or collective basis, then entities are required to recognise lifetime ECL. For trade receivables, a simplified approach may be applied whereby the lifetime ECL are always recognised. Except for hedge accounting, retrospective application is required, but the provision of comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.	
IFRS 16 (New standard)	Leases	1 January 2019
	IFRS 16 requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of "low-value" assets (e.g. personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset).	

Note:

(1) Effective date refers to annual period beginning on or after said date.

IFRS 16, IFRS 15 and IFRS 9, when effective, will change the existing accounting standards and guidance applied by Stillwater Group in accounting for leases, revenue and financial instruments, these standards are expected to be relevant to Stillwater Group. Stillwater Group does not plan to adopt these standards early and is in the process of evaluating the impact of these new standards as well as the amendments listed above.

1.3 Significant Accounting Judgements and Estimates

Use of estimates: The preparation of the Historical Financial Information requires Stillwater Group's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Historical Financial Information, and the reported amounts of revenues and expenses during the reporting period. The determination of estimates requires the exercise of judgement based on various assumptions and other factors such as historical experience, current and expected economic conditions, and in some cases actuarial techniques. Actual results could differ from those estimates.

The more significant areas requiring the use of management estimates and assumptions relate to Mineral Reserves that are the basis of future cash flow estimates and unit-of-production depreciation, depletion and amortisation calculations; impairments, reversal of impairments, write-downs of inventory to net realisable value; deferred tax; borrowings; environmental, reclamation and closure obligations; and contingent liabilities.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the financial year are discussed under the relevant note of the item affected.

1.4 Consolidation

Subsidiaries

List of Subsidiaries	Jurisdiction of Organisation
Stillwater Metals Company	Delaware
SWC Trading Inc.	Delaware
Stillwater Canada Holdings Inc	Canada
Stillwater Canada Inc	Canada
Stillwater Canada LLC	Delaware
Peregrine Metals Ltd.	Canada
Minera Peregrine Argentina S.A.	Argentina
Minera Peregrine Chile S.C.M.	Minera Peregrine Chile S.C.M.

Subsidiaries are all entities over which Stillwater Group exercises control. Stillwater Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is obtained by Stillwater Group until the date on which control ceases. Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by Stillwater Group.

Transactions with Shareholders of Stillwater

Transactions with owners in the capacity as equity participants are not recognised in profit or loss, but instead are recognised in equity with a corresponding change in assets or liabilities.

1.5 Foreign currencies

Functional and presentation currency

Items included in the Historical Financial Information of each of Stillwater Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency) which is US Dollars. The Historical Financial Information is presented in US Dollars, which is Stillwater Group's presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Translation of monetary assets and liabilities into the functional currency is done as at 31 December. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in profit or loss.

2. SEGMENT REPORTING

Accounting Policy

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker and is based on individual mining operations. The chief operating decision-maker ("CODM"), who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Committee that makes strategic decisions.

Stillwater Group operates five reportable business segments based on its products and services: Mine Production, PGM Recycling, Canadian Properties, South American Properties and All Other. These segments are managed separately based on fundamental differences in their operations and geographic separation.

The Mine Production segment consists of two business components: the Stillwater Mine and the East Boulder Mine. The Mine Production segment is engaged in the development, extraction, processing and refining of PGMs. Stillwater sells PGMs from mine production under short-term and long-term sales agreements. The financial results for the Stillwater Mine and the East Boulder Mine have been aggregated, as both have similar products, processes, customers, distribution methods and economic characteristics.

The PGM Recycling segment is engaged in the recycling of spent catalyst material to recover the PGMs contained in the material. Stillwater either purchases the catalyst material processed by the PGM Recycling segment from third-party suppliers for its own account or sells the recovered metals directly, or it accepts catalyst material supplied from third parties on a tolling basis, processing it for a fee and returning the recovered metals to the supplier. Stillwater allocates costs of Stillwater's smelting and base metal refining facilities to both the Mine Production segment and to the PGM Recycling segment for internal and segment reporting purposes because these facilities support the PGM extraction requirements of both business segments.

The Canadian Properties segment consists mainly of the Marathon mineral property assets. The exploration-stage Marathon mineral properties include a large PGM and copper deposit located near the town of Marathon, Ontario, Canada, as well as additional mineral properties located adjacent to the Marathon properties. In the second quarter of 2015, Stillwater recorded an impairment charge of $46.8 million (before-tax) against the carrying value of the Marathon mineral properties in Canada (Refer to note 8).

The South American Properties segment consists of the Peregrine Metals Ltd. assets. The principal Peregrine asset is the Altar property, an exploration-stage copper-gold resource located in the San Juan province of Argentina.

The All Other group primarily consists of assets, including investments, revenues, and expenses of various corporate and support functions. Stillwater evaluates performance and allocates resources based on income or loss before income taxes.

The CODM reviews the segment information as prepared in terms of US GAAP.

The following financial information relates to Stillwater's business segments:

	Year ended 31 December 2016						
	Mine Production	**PGM Recycling**	**Canadian Properties**	**South American Properties**	**All other**	**Reconciling adjustment**	**Total**
				(US$ thousands)			
Revenues	405 070	305 865	–	–	400	–	711 335
Depletion, depreciation and amortisation	(73 080)	(728)	–	–	–	(13 676)	(847 484)
General and administrative expenses	–	–	(695)	(577)	(33 392)	3 221	(31 443)
Interest income	–	2 105	2	1	2 108	–	4 216
Interest expense	–	–	–	–	(16 491)	664	(15 827)
Income/(loss) before impairment charge and income taxes	52 716	12 392	(1 082)	(3 126)	(47 747)	(86 431)	(73 277)
Impairment charge	–	–	–	–	–	(3 864)	(3 864)
Income/(loss) after impairment charge, before income taxes	52 716	12 392	(1 082)	(3 126)	(47 747)	(90 294)	(77 141)
Capital expenditures	87 967	28	–	41	660	14 249	102 945
Total assets	**636 310**	**87 553**	**24 988**	**102 980**	**475 206**	**53 095**	**1 380 132**
Total liabilities	**(228 058)**	**(21 455)**	**(42)**	**(7 497)**	**(151 661)**	**(149 874)**	**(558 587)**

	Year ended 31 December 2015						
	Mine Production	**PGM Recycling**	**Canadian Properties**	**South American Properties**	**All other**	**Reconciling adjustment**	**Total**
				(US$ thousands)			
Revenues	415 774	310 156	–	–	400	–	726 330
Depletion, depreciation and amortisation	(64 200)	(949)	–	–	–	(13 334)	(78 483)
General and administrative expenses	–	–	(1 146)	(504)	(32 383)	4 786	(29 247)
Interest income	–	1 653	7	27	1 268	–	2 955
Interest expense	–	–	–	–	(20 187)	2 058	(18 129)
Income/(loss) before impairment charge and income taxes	57 618	10 151	(1 910)	2 218	(57 374)	143 027	153 730
Impairment charge	–	–	(46 772)	–	–	(2 316)	(49 088)
Income/(loss) after impairment charge, before income taxes	57 618	10 151	(48 682)	2 218	(57 374)	140 711	104 642
Capital expenditures	100 725	327	46	–	6 336	16 236	123 670
Total assets	**613 498**	**40 757**	**26 517**	**103 774**	**497 664**	**46 546**	**1 328 756**
Total liabilities	**(200 357)**	**(11 102)**	**(198)**	**(10 403)**	**(150 921)**	**(52 887)**	**(425 868)**

Significant Customers

Total sales to significant customers as a percentage of total revenues were as follows:

Segment	Customer	2016	2015
Mine Production	Customer A	70%	75 %
	Customer B	10%	–

3. REVENUE

Accounting Policy

Revenue comprises of Mine Production revenue, PGM Recycling revenue and other sales revenue. Mine Production revenue consists of the sales of palladium and platinum extracted by Stillwater's mining operations, including any realised hedging gains or losses. Mine Production revenue also consists of the sales of by-products (rhodium, gold, silver, copper and nickel) extracted by mining operations. PGM Recycling revenue consists of the sales of recycled palladium, platinum and rhodium derived from spent catalytic materials, including any unrealised and realised hedging gains or losses. PGM recycling revenue also includes revenue from toll processing. Other sales revenue consists of sales of PGMs that are acquired periodically in the open market and simultaneously resold to third parties.

Revenue is recognised to the extent that it is probable that economic benefits will flow to Stillwater and the amount of revenue can be reliably measured. Revenue arising from the sale of goods is recognised at the fair value of the consideration received or receivable, once the significant risks and rewards of ownership have passed to the buyer. Under the terms of sales contracts and purchase orders received from customers, Stillwater recognises revenue when the product is in a refined and saleable form and title passes, which is typically when the product is transferred from the account of Stillwater to the account of the customer. Under certain of its sales agreements, Stillwater instructs a third-party refiner to transfer metal from Stillwater's account to the customer's account; at this point, Stillwater's account at the third-party refinery is reduced and the purchaser's account is increased by the number of ounces of metal sold. These transfers are irrevocable and Stillwater has no further responsibility for the delivery of the metals. Under other sales agreements, physical conveyance occurs by Stillwater arranging for shipment of metal from the third-party refinery to the purchaser. In these cases, revenue is recognised at the point when title passes contractually to the purchaser. Sales discounts are recognised when the related revenue is recorded. Stillwater classifies any sales discounts as a reduction in revenue.

Stillwater recognises revenue from its toll processing services at the time the contained metals are returned to the supplier at the third-party refinery.

Stillwater mines and processes ores containing palladium, platinum, rhodium, gold, silver, copper and nickel into intermediate and final products for sale to customers. Palladium, platinum, rhodium, gold and silver are sent to a third-party refiner for final processing from which they are sold to customers with whom Stillwater has established trading relationships. Refined PGMs in sponge form are transferred upon sale from Stillwater's account at the third-party refiner to the account of the purchaser. By-product metals are normally sold at market price to customers, brokers or outside refiners. Sales of copper and nickel by-products typically reflect a discount from market prices. By-product sales are included in revenues from Mine Production. For the respective years 2016, 2015, sales of by-products (gold, nickel, mined rhodium, copper and silver) totalled $23.7 million and $23.1 million.

Stillwater purchases spent catalyst and other industrial source materials from third parties and processes this material within its facilities in Columbus, Montana USA to recover palladium, platinum and rhodium for sale. It also accepts material supplied from third parties on a tolling basis, processing it for a fee and returning the recovered metals to the supplier. Stillwater has entered into sourcing arrangements for recycling material with various suppliers. Under these sourcing arrangements as currently structured, Stillwater may advance cash against a shipment of material shortly before actually receiving the physical shipment at Stillwater's processing facilities in Columbus, Montana, US. These advances are included in other assets on Stillwater Group's Statement of Financial Position until such time as the material has been physically received and title has transferred to Stillwater, at which time it is reclassified into Inventories.

Finance charges collected on advances and inventories prior to being earned are included in other liabilities on Stillwater Group's Statement of Financial Position. Finance charges are reclassified from other liabilities to interest income from the time the cash advance was made until the out-turn date of the inventory from the final refiner.

	2016	2015
	(US$ thousands)	
Particulars		
Mine production	405 070	415 774
PGM recycling	305 865	310 156
Other	400	400
Total revenue	**711 335**	**726 330**

4. COST OF SALES

	2016	2015
	(US$ thousands)	
Particulars		
Costs of metals sold		
Mine production	268 020	280 505
PGM recycling	294 850	300 710
Depletion, depreciation and amortisation		
Mine production	83 889	71 453
PGM recycling	728	950
Total	**647 487**	**653 618**

5. OTHER COSTS

Accounting Policy

The following accounting policies relates to certain costs that are included in Other Costs:

Short-Term Employee Benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if Stillwater Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be reliably estimated.

Restructuring Costs

Restructuring costs are expensed at the earlier of when the Stillwater Group can no longer withdraw the offer of those benefits and when the Stillwater Group recognises costs for restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

Pension and Provident Funds

Stillwater Group operates a defined contribution retirement plan and contributes to a number of industry-based defined contribution retirement plans. The retirement plans are funded by payments from employees and Group companies. Contributions to defined contribution funds are expensed as incurred.

Workers Compensation

The Stillwater Group is self-insured for workers compensation claims. The obligation is the amount of future benefits that employees will receive and is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise. The Stillwater Group recognises an asset for any amounts receivable under related insurance contracts.

Share-Based Payment

The compensation expense of equity-settled transactions is recognised in other costs, together with a corresponding increase in Equity over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). For cash-settled transactions, the amount payable is recognised as an expense with a corresponding increase in liabilities, over the period during which the awards vest. The liability is remeasured at the reporting date based on the fair value of the shares and changes are recognised in profit or loss.

The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and Stillwater's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Stillwater estimates the fair value of performance-based restricted share awards using a Monte Carlo simulation valuation model. The fair value of time-based restricted share awards is determined by the market value of the underlying shares on the date of grant. Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of Stillwater's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance conditions and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

	2016	**2015**
	(US$ thousands)	
Particulars		
Salaries and wages (including employee benefits)	17 575	16 370
Other general and administrative expenses	13 859	12 877
Total	**31 433**	**29 247**

Employee benefit plans

Stillwater has two savings plans, which qualify under section 401(k) of the US Internal Revenue Code, covering essentially all non-bargaining and bargaining employees. Employees may elect to contribute up to 60% of their eligible compensation, subject to the Employee Retirement Income Security Act of 1974 (ERISA) limitations. Stillwater is required to make matching contributions equal to 100% of the employee's contribution, up to 8% of the employee's compensation. There is no further obligation to make any additional payments during and beyond the service period. Prior to 1 September 2015 matching contributions were made with shares of Stillwater. During 2015, Stillwater issued approximately 0.6 million shares, with a market value on the respective grant dates of $7.5 million, to match employees' contributions. Effective 1 September 2015, Stillwater began matching contributions in cash.

Stillwater made cash contributions of $2.7 million and $3.9 million into the plans in 2016 and 2015.

Share-Based Payment

Equity Plans

Stillwater sponsors equity plans (the "Plans") that enable Stillwater to grant equity-based compensation to employees and non-employee Directors. In total, approximately 11.6 million shares have been authorised under the Plans, including approximately 5.0 million, 5.2 million and 1.4 million authorised shares for the 2012 Equity Incentive Plan, 2004 Equity Incentive Plan and the General Employee Plan, respectively. Approximately 3.9 million shares were available and reserved for grant under the 2012 Equity Incentive Plan at 31 December 2016. The Compensation Committee of the Board administers the Plans and determines the type of equity awards to be issued, the exercise period, vesting period and all other terms of instruments issued under the Plans. Employees' options and restricted stock units vest in equal annual instalments over a three-year period after date of grant. Options expire ten years after the date of grant.

Non-Vested Shares

Time-based restricted share unit awards

Time-based restricted share unit awards provide the participant with the right to receive a number of shares of Stillwater's ordinary share capital upon vesting of the awards provided the participant is employed by Stillwater on the vesting date. Time-based awards are valued using Stillwater's ordinary share price on the date of grant. Time-based awards are not entitled to any dividend equivalents with respect to the restricted share units nor any dividends on share that may be delivered in settlement of the restricted stock units unless and until the share is issued in settlement of restricted share units.

Non-vested time-based share activity is detailed in the following table:

	Non-vested shares	Weighted average – Grant date fair value
Particulars		
Non-vested time-based shares at 1 January 2015	184 747	13.80
Granted	127 407	14.17
Vested	(114 129)	13.91
Forfeited	(11 370)	14.21
Non-vested time-based shares at 31 December 2015	186 655	13.97
Granted	213 525	10.00
Vested	(180 082)	11.76
Forfeited	(8 294)	11.27
Non-vested time-based shares at 31 December 2016	211 804	10.25

Total compensation expense, included within salaries and wages in Stillwater's Consolidated Statement of Profit or Loss related to grants of time-based non-vested shares for the years ended 31 December 2016 and 2015 was $2.0 million and $1.6 million, respectively.

Performance-based restricted share unit awards

A performance-based restricted share unit award provides the participant with the right to receive a number of ordinary share capitals depending on achievement of specific measurable performance criteria. The number of shares earned is determined at the end of each performance period, generally three years, based on the actual performance criteria predetermined by the Compensation Committee at the time of grant. In the period it becomes probable that the performance criteria will be achieved, Stillwater recognises an expense for the proportionate share of the total fair value of the grant related to the vesting period that has already lapsed. The remaining cost of the grant is expensed over the balance of the vesting period. In the event Stillwater determines it is no longer probable that it will achieve the minimum performance criteria specified in the Plan, Stillwater reverses all of the previously recognised compensation expense in the period such a determination is made. In 2014, Stillwater began granting performance-based share unit awards under its Long-Term Incentive Plan (LTIP).

Market-based performance shares are valued using a Monte Carlo simulation valuation model on the date of grant. The existence of a market condition requires recognition of compensation cost for the performance share awards over the requisite period regardless of whether the market condition is satisfied.

The following tables list the inputs to the Monte Carlo simulation valuation model used for the performance-based restricted share unit awards for the years ended 31 December 2016 and 31 December 2015:

	2016	2015
Particulars		
Grant date	22 March 2016	23 February 2015
Performance Period	1 January 2016 – 31 December 2018	1 January 2015 – 31 December 2017
Stillwater company grant date price	$10.68	$14.36
Historical volatility	44.67%	42.02%
Risk-free interest rate (annualised)	1.04%	0.98%

	2016	2015
Platinum		
Grant date price	$991.00	$1 163.00
Starting measurement price	$926.54	$1 228.21
Volatility	18.31%	16.52%
Correlation to Stillwater company	0.1907	0.2369
Risk-free interest rate (annualised)	1.04%	0.98%
Palladium		
Grant date Price	$605.00	$783.00
Starting measurement price	$604.63	$788.55
Volatility	25.35%	21.85%
Correlation to Stillwater company	0.2263	0.2213
Risk-free interest rate (annualised)	1.04%	0.98%

Total compensation expense, included within salaries and wages in Stillwater's Consolidated Statement of Profit or Loss related to grants of performance-based shares for the years ended 31 December 2016 and 2015 was $1.7 million and $1.3 million, respectively.

Performance-based awards are not entitled to any dividend equivalents with respect to the restricted shares nor any dividends on shares that may be delivered in settlement of the restricted stock units unless and until the shares is issued in settlement of restricted stock units.

Non-vested performance-based share activity during 2016 and 2015 is detailed in the following table:

	Non-vested shares	Weighted average – Grant date Fair value
Particulars		
Non-vested performance-based shares at 1 January 2015	214 236	15.69
Granted	170 078	14.92
Vested	–	–
Forfeited	(5 037)	15.34
Non-vested performance-based shares at 31 December 2015	379 277	15.34
Granted	186 285	10.13
Vested	(115 314)	14.32
Forfeited	(9 894)	12.85
Non-vested performance-based shares at 31 December 2016	440 354	14.32

The number of performance-based shares granted is based on the target award amounts in the performance share grant agreements.

The following table presents the compensation expense of the non-vested shares outstanding at 31 December 2016, to be recognised over the remaining vesting periods:

	Time-based restricted share unit awards	Performance-based restricted share unit awards
	(US$ thousands)	
Particulars		
2017	1 200	2 041
2018	587	1 125
2019	13	–
Total	**1 800**	**3 166**

Share options

Effective March 2011, Stillwater ceased offering share options as incentive compensation to employees and non-employee Directors. Stillwater continues to have previously issued share options that remain outstanding under the General Employee Plan and the 2004 Equity Incentive Plan.

Share option activity for the years ended 31 December 2016 and 2015, is summarised as follows:

	Shares	Weighted average exercise price
Particulars		
Options outstanding and exercisable at 1 January 2015	81 144	14.03
2015 Activity		
Options exercised	(6 492)	9.16
Options cancelled/forfeited	(17 542)	11.01
Options outstanding and exercisable at 31 December 2015	57 110	15.51
2016 Activity		
Options exercised	(3 317)	10.43
Options cancelled/forfeited	(2 450)	14.22
Options outstanding and exercisable at 31 December 2016	51 343	15.90

The following table summarises additional share option activity:

	2016	2015
	(US$ thousands)	
Particulars		
Intrinsic value of exercisable options	103	9
Cash received from options exercised	34	60
Intrinsic value of options exercised	12	25

The following table summarises information for outstanding and exercisable options at 31 December 2016:

	Number outstanding and exercisable	Weighted average remaining contract life	Weighted average exercise price
Range of exercise price			
5.05 –11.97	9 834	2.0	9.48
11.98 – 14.12	10 125	1.9	12.81
14.13 – 18.56	10 359	3.1	16.33
18.57 – 19.55	10 600	3.9	19.05
19.56 – 24.55	10 425	3.3	21.34
	51 343	2.8	15.90

	2016	2015
	(US$ thousands)	
Particulars		
Common shares issued under share-based plans	48	7 228
Income tax shortfall on share-based plans	108	(154)
Compensation expense under share-based plans	3 755	2 904
Shares withheld to cover employee tax obligations	(1 752)	–
Assessed loss deferred tax impact related to share-based plan	285	13
Total share-based payment reserve movement for the period	**2 444**	**9 991**

Independent Director Deferred Share Unit Plan (DSU Plan)

Stillwater's DSU Plan was approved in August 2014. Each year, an independent Director may irrevocably elect to defer up to 100% of annual fees (annual cash fees payable by Stillwater to an independent Director with respect to service as a member of the Board). A deferred share unit (DSU) is a compensatory unit which represents a promise by Stillwater to deliver cash equal to the fair market value of one share of Stillwater's ordinary share capital for each awarded DSU. The DSUs are revalued at the end of each reporting period using the closing price of Stillwater's ordinary shares on the last trading day of the reporting period. Upon separation of service from the Board, an independent Director's entire account balance is distributed in a lump sum cash payment. Stillwater recognised compensation expense of approximately $1.2 million and $0.6 million in 2016 and 2015, respectively.

The following table summarises the activity for the DSU Plan for the years ended 31 December 2016 and 2015:

Particulars	DSUs	Fair market value of DSUs	Closing share price
		(US$ in thousands)	
Liability at 1 January 2015	25 350	373 637	14.74
Granted	37 053	–	13.22
Liability at 31 December 2015	62 403	534 804	8.57
Granted	46 242	–	10.12
Liability at 31 December 2016	108 645	1 750 302	16.11

Fair market value of DSUs includes effect of fractional shares.

Non-Qualified Deferred Compensation Plan (NQDC Plan)

Stillwater's NQDC Plan allows certain key personnel of Stillwater to defer up to 60% of their salaries and up to 100% of other cash compensation and vested restricted stock units in accordance with the provisions of section 409A of the Internal Revenue Code and associated Treasury regulations. All amounts deferred under this plan are fully vested, and each participant elects the deferral period and form of the compensation (Company ordinary shares or cash). For each Plan year, Stillwater matches the amount of compensation deferred during that year up to a maximum of 8% of the participant's total compensation for the calendar year. There is no further obligation to make any additional payments during and beyond the service period. Compensation expense deferred in cash was approximately $0.6 million and $0.3 million, in 2016 and 2015, respectively. Compensation expense deferred upon the vesting of ordinary shares was $0.013 and $0.012 million for the years ended 31 December 2016 and 2015, respectively.

6. FINANCE EXPENSE

Accounting Policy

Finance expense comprises interest on long-term debt and environmental rehabilitation obligation offset by borrowing costs capitalised on qualifying assets.

Interest payable on long-term debt is recognised in profit or loss over the term of the debt using the effective interest rate method. Cash flows from interest paid are classified under operating activities in the statement of cash flows.

	2016	2015
	(US$ thousands)	
Particulars		
Interest charge on:		
Long-term debt	15 585	18 596
Environmental rehabilitation obligation	228	152
Other	14	(619)
Total	**15 827**	**18 129**

7. EARNINGS PER SHARE

Accounting Policy

Earnings per share (EPS) is calculated based on the profit attributable to owners of Stillwater divided by the weighted average number of ordinary shares in issue during the period. A diluted EPS is presented when the inclusion of ordinary shares that may be issued in the future has a dilutive effect on EPS.

Headline EPS is calculated by dividing the headline earnings attributable to owners of Stillwater by the weighted average number of ordinary shares in issue during the year.

Basic Earnings Per Share

Basic EPS is calculated by dividing the profit attributable to owners of Stillwater by the weighted average number of ordinary shares in issue during the year.

	2016	2015
Particulars		
Weighted average number of shares ('000)	121 072	120 809
(Loss)/Profit attributable to owners of Stillwater (US Dollars thousands)	(83 772)	103 520
Basic EPS (cents)	(0.69)	0.86

Diluted Earnings Per Share

Diluted EPS is calculated by dividing the profit attributable to owners of Stillwater by the diluted number of ordinary shares in issue during the year.

Dilutive shares are the number of potentially dilutive ordinary shares that could be issued as a result of share options granted to employees under the share option schemes referred to in note 5. Potential dilutive shares include those associated with outstanding share options, restricted stock units, performance shares and Convertible Debentures. For periods in which Stillwater Group reports a net loss attributable to shareholders, potential dilutive common shares are excluded, as their conversion and exercise would be anti-dilutive. Stillwater Group reported a net loss attributable to common shareholders for the year-ended 31 December 2016.

	2016	2015
Particulars		
Diluted weighted average number of shares ('000)	121 072	151 599
(Loss)/Profit attributable to owners of Stillwater (US Dollars thousands)	(83 772)	103 520
Diluted EPS (cents)	(0.69)	0.68

Headline Earnings Per Share

Reconciliation of profit attributable to owners of Stillwater to headline earnings:

	Gross	Net of Tax
	(US$ thousands)	
Particulars		
31 December 2016		
Loss attributable to owners of Stillwater		(83 772)
Profit on disposal of property, plant and equipment	(148)	(92)
Impairments	3 864	2 409
Headline earnings/(loss)	–	(81 455)
Headline EPS (cents)	–	(0.67)
31 December 2015		
Profit attributable to owners of Stillwater	–	103 520
Profit on disposal of property, plant and equipment	(216)	(136)
Impairments	49 088	30 533
Headline earnings	–	133 917
Headline EPS (cents)	–	1.11

Diluted headline earnings per share

Diluted headline EPS is calculated by dividing the headline earnings attributable to owners of Stillwater by the diluted weighted average number of ordinary shares in issue during the year.

	2016	2015
Particulars		
Diluted headline EPS (cents)	(0.67)	0.88

8. PROPERTY PLANT AND EQUIPMENT

Accounting Policy

Mineral and surface rights

Mineral and surface rights are recorded at cost less accumulated amortisation and accumulated impairment losses. When there is little likelihood of a mineral right being exploited, or the carrying amount has exceeded its recoverable amount, impairment is recognised in profit or loss in the year that such determination is made.

Mine development and infrastructure

Mining assets, including mine development and infrastructure costs and mine plant facilities, are recorded at cost less accumulated depreciation and accumulated impairment losses.

These costs which include the purchase price of assets used in the construction of the mine, expenditure incurred to evaluate and develop new ore bodies, to define mineralisation in existing ore bodies and to establish or expand productive capacity, are capitalised until commercial levels of production are achieved, at which time the costs are depreciated as set out below.

Development of ore bodies, includes the development of shaft systems and waste rock removal that allows access to reserves that are economically recoverable in the future. Subsequent to this, costs are capitalised if the criteria for recognition as an asset are met. Access to individual ore bodies by Stillwater Group is limited to the time span of the respective mining leases.

Land

Land is shown at cost and is not depreciated.

Other assets

Non-mining assets are recorded at cost less accumulated depreciation and accumulated impairment losses. These assets include the assets of the mining operations not included in mine development and infrastructure, borrowing costs, mineral and surface rights, land and all the assets of the non-mining operations.

Exploration and evaluation expenditure

All exploration and evaluation expenditure, prior to obtaining the legal rights to explore a specific area, is recognised in profit or loss. After the legal rights to explore are obtained, exploration and evaluation expenditure, comprising the costs of acquiring prospecting rights and directly attributable exploration expenditure, is capitalised as a separate class of property, plant and equipment or intangible assets, on a project-by-project basis, pending determination of the technical feasibility and commercial viability.

The technical feasibility and commercial viability of extracting a mineral resource is generally considered to be determinable through a feasibility study and when proven reserves are determinable to exist. Upon determination of proven reserves, exploration and evaluation assets attributable to those reserves are first tested for impairment and then reclassified from exploration and evaluation assets to another appropriate class of property, plant and equipment. Subsequently, all cost directly incurred to prepare an identified mineral asset for production is capitalised to mine development assets. Amortisation of these assets commences once these assets are available for use, which is expected to be when the mine is in commercial production. These assets will be measured at cost less accumulated amortisation and impairment losses.

Amortisation and depreciation of mining assets

Amortisation and depreciation is determined to give a fair and systematic charge in profit or loss taking into account the nature of a particular ore body and the method of mining that ore body. To achieve this, the following calculation methods are used:

- Mining assets, including mine development and infrastructure costs, mine plant facilities and evaluation costs, are amortised over the life of the mine using the units-of-production method, based on estimated proved and probable Mineral Reserves.
- Proved and probable Mineral Reserves reflect estimated quantities of economically recoverable reserves, which can be recovered in future from known mineral deposits.
- Certain mining plant and equipment included in mine development and infrastructure are depreciated on a straight-line basis over their estimated useful lives.

Depreciation of non-mining assets

Non-mining assets are recorded at cost and depreciated on a straight-line basis over their current expected useful lives to their residual values ranging from one to 15 years.

The assets' useful lives, depreciation methods and residual values are reassessed at each reporting date and adjusted if appropriate.

Impairment

Recoverability of the carrying values of long-term assets or cash-generating units (CGU) of Stillwater Group are reviewed whenever events or changes in circumstances indicate that such carrying value may not be recoverable. To determine whether a long-term asset or CGU may be impaired, the higher of value-in-use (defined as: the present value of future cash flows expected to be derived from an asset or CGU) or fair value less costs to sell (defined as: the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date, less the costs of disposal) is compared to the carrying value of the asset/CGU. A CGU is defined by Stillwater Group as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Impairment losses are recognised in profit or loss. Impairment recognised in respect of a CGU is allocated to the individual assets in the CGU. When the review of the events or changes in circumstances of an asset or CGU that was previously impaired indicate that such historical carrying value is recoverable, the impairment is reversed. The impairment is only reversed to such an amount that the new carrying amount does not exceed the historical carrying amount (taking into account depreciation not recognised as a result of the impairment loss). Reversal of impairment losses are recognised in profit or loss. Reversal of impairment recognised in respect of a CGU is allocated to the individual assets in the CGU.

Gain or loss on disposal

Any gain or loss on disposal on an item of property, plant and equipment (calculated as the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

	Notes	Total	Mineral properties, mine development and land	Machinery, equipment and building infrastructure	Exploration and evaluation assets
			(Figures in US$ thousands)		
Particulars					
31 December 2016:					
Cost					
Balance at beginning of the year		1 470 867	967 906	340 046	162 915
Additions		118 103	92 188	20 443	5 474
Change in estimate of rehabilitation asset	20	2 157	2 157	–	–
Disposals		(1 416)	–	(1 416)	–
Balance at end of the year		**1 589 713**	**1 062 251**	**359 073**	**168 389**

	Notes	Total	Mineral properties, mine development and land	Machinery, equipment and building infrastructure	Exploration and evaluation assets
			(Figures in US$ thousands)		
Accumulated amortisation, depreciation and impairment					
Balance at beginning of the year		760 442	514 508	241 594	4 340
Amortisation and depreciation	4	87 484	69 045	18 439	–
Impairment		3 864	–	–	3 864
Disposals		(1 285)	–	(1 285)	–
Balance at end of the year		**850 505**	**583 553**	**258 748**	**8 204**
Carrying value at end of the year		**739 208**	**478 698**	**100 325**	**160 185**

	Notes	Total	Mineral properties, mine development and land	Machinery, equipment and building infrastructure	Exploration and evaluation assets
			(Figures in US$ thousands)		
Particulars					
31 December 2015:					
Cost					
Balance at beginning of the year		1 345 649	857 985	328 338	159 326
Additions		128 885	110 782	14 514	3 589
Change in estimate of rehabilitation asset	20	(861)	(861)	–	–
Disposals		(2 806)	–	(2 806)	–
Balance at end of the year		**1 470 867**	**967 906**	**340 046**	**162 915**
Accumulated amortisation, depreciation and impairment					
Balance at beginning of the year		635 507	414 539	218 944	2 024
Amortisation and depreciation	4	78 483	53 197	25 286	–
Impairment		49 088	46 772	–	2 316
Disposals		(2 636)	–	(2 636)	–
Balance at end of the year		**760 442**	**514 508**	**241 594**	**4 340**
Carrying value at end of the year		**710 425**	**453 398**	**98 452**	**158 575**

	Notes	Total	Mineral properties, mine development and land	Machinery, Equipment and Building Infrastructure	Exploration and evaluation assets
			(Figures in US$ thousands)		
Particulars					
1 January 2015:					
Cost					
Balance at beginning of the year		1 192 976	765 791	267 859	159 326
Additions		143 332	82 853	60 479	–
Change in estimate of rehabilitation asset	20	11 694	11 694	–	–
Disposals		(2 353)	(2 353)	–	–
Balance at end of the year		**1 345 649**	**857 985**	**328 338**	**159 326**
Accumulated amortisation, depreciation and impairment					
Balance at beginning of the year		560 798	365 398	195 400	–
Amortisation and depreciation	4	74 878	49 141	25 737	–
Impairment		2 024	–	–	2 024
Disposals		(2 193)	–	(2 193)	
Balance at end of the year		**635 507**	**414 539**	**218 944**	**2 024**
Carrying value at end of the year		**710 142**	**443 446**	**109 394**	**157 302**

Impairments

Marathon Project

Stillwater Group performed an analysis that indicated the carrying value of the Marathon mineral properties exceeded its recoverable amount (which is the higher of the fair value less costs of disposal or the value-in-use) at 30 June 2015. Stillwater Group undertook an assessment of the fair value less costs of disposal of its Marathon mineral properties, which included the examination of recent comparable sales transactions. At 30 June 2015, Stillwater recorded an impairment charge of $46.8 million (before-tax) against the carrying value of the Marathon mineral properties in Canada, reducing its carrying value to an estimated fair value of $8.6 million. The cash-generating unit is part of South American Properties Segment. As Stillwater used market comparable transactions to determine the Fair Value, it is considered as a Level 3 fair value determination.

Altar Exploration

During 2014, 2015 and 2016 Stillwater recorded impairment losses of $2.0 million; $2.3 million and $3.9 million on the mineral exploration properties situated in Argentina due to the effects of the continuing deterioration in the legal and business climate in Argentina, coupled with industry announcements of investment cutbacks and the deferral of certain projects in the vicinity of the Altar property, a significant shift away from large greenfields projects by the global mining industry, and the ongoing technical review of the Altar project. Stillwater determined the fair value of the Altar assets with the assistance of a qualified third-party valuation expert through a process that included examining recent comparable transactions for similar undeveloped mineral properties and market multiples for similar projects. Subsequently, Stillwater reviewed the recoverability of the Altar carrying value for each reporting period thereafter and has concluded that no further reduction to the carrying value is required. However, the future cashflows do not support an increase in the carrying value related to the subsequent exploration costs capitalised, and therefore these costs were impaired in full during the periods incurred.

9. INVESTMENTS

Accounting Policy

Investment securities at 31 December 2016 and 2015, consist of mutual funds, federal agency notes, commercial paper and other marketable securities. All securities are reported at fair value. Unrealised holding gains and losses on available-for-sale securities are excluded from profit or loss and are reported as a separate component of other comprehensive income/(loss) until realised. Realised gains and losses are based on the carrying value (cost, net of discounts or premiums) of the sold investment and recorded as a component of other income.

Stillwater's long-term investments in several junior exploration companies are measured at fair value unless fair value cannot be reliably determined. In such cases these investments are measured at cost less impairment. A decline in the market value of these long-term investments that is deemed to be other-than-temporary will result in a reduction of the carrying amount of the investment to fair value. The resulting impairment is recognised in profit or loss and a new cost basis for the investment is established.

Interest is earned whilst holding available-for-sale financial assets is reported as interest income using the effective interest rate method.

Dividends are recognised when Stillwater Group's right to receive payment is established, which is generally when shareholders approve the dividend. Dividends are recognised in other income.

At the end of each reporting date, Stillwater Group assesses whether there is objective evidence that an investment in securities is impaired. When there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of profit or loss – is removed from Other Comprehensive Income and recognised in the statement of profit or loss. Impairment losses on equity investments are not reversed through profit or loss; increases in their fair value after impairment are recognised in Other Comprehensive Income.

The amortised cost, gross unrealised gains, gross unrealised losses, and fair market value of available-for-sale investment securities by major security type and class of security are as follows:

	2016	2015	1 January 2015
		(US$ thousands)	
Particulars			
Federal agency notes	292 580	284 757	143 139
Commercial paper	34 304	31 672	108 115
Other marketable securities	91	524	896
Total investments	**326 975**	**316 953**	**252 150**
Total non-current investments	**82 685**	**76 467**	**109 744**
Total current investments	**244 290**	**240 486**	**142 406**

The maturities of available-for-sale securities at 31 December 2016, are as follows:

	Fair market value
	(US$ thousands)
Particulars	
Federal agency notes	
Due in one year or less	232 462
Due after one year through two years	60 118
Total	**292 580**
Commercial paper	
Due in one year or less	11 737
Due after one year through two years	22 567

	Fair market value
	(US$ thousands)
Total	**34 304**
Other marketable securities	
Due in one year or less	91
Due after one year through two years	–
Total	**91**

10. RESTRICTED CASH

Accounting Policy

Restricted cash are amounts that have been pledged as collateral on outstanding undrawn letters of credit (associated with reclamation obligations). Stillwater reviews the letters of credit and the nature of the collateral annually. The restrictions on the balances lapse upon expiration of the letters of credit.

	2016	2015	1 January 2015
		(US$ thousands)	
Particulars			
Restricted Cash	35	124	121

Restricted cash represents amount for East Boulder Mine bond reclamation and IPEEM – Altar.

11. OTHER FINANCIAL ASSETS

	2016		2015		1 January 2015	
	Non-current	Current	Non-current	Current	Non-current	Current
			(US$ thousands)			
Particulars						
Notes receivable	1 003	–	1 003	–	–	–
Investment in Rabbi trust	1 234		742		623	
Interest receivable	–	1 166	–	1 227	–	671
Total	**2 237**	**1 166**	**1 745**	**1 227**	**623**	**671**

12. OTHER ASSETS

	2016		2015		1 January 2015	
	Non-current	Current	Non-current	Current	Non-current	Current
			(US$ thousands)			
Particulars						
Prepaid insurance	115	–	349		13	
Miscellaneous prepayments	517	3 240	41	2 821	981	2 547
Worker's compensation	1 394	–	1 332		1 379	
Advance payments	–	6 805		4 447		7 276
Special deposits	–	63		63		63
Statutory dues receivable	–	2 264		2 719		1 504
Total	**2 026**	**12 372**	**1 722**	**10 050**	**2 373**	**11 390**

13. INCOME TAXES

Accounting Policy

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where Stillwater Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and current tax liabilities are offset if a legally enforceable right exists to set off the recognised amounts and the intention is to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Stillwater determines income taxes using the asset and liability method which results in the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of those assets and liabilities, as well as operating losses and tax credit carryforwards, using enacted or substantially enacted tax rates in effect in the years in which the differences are expected to reverse. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in profit or loss in the period that includes the enacted or substantially enacted date. Deferred tax assets and liabilities are recorded on a jurisdictional basis.

In assessing the recoverability of US and foreign deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realised. Each quarter, management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. In assessing the recognition of a deferred tax asset on the alternative minimum tax credit in the U.S., management considered a tax planning opportunity relating to a potential sale and leaseback transaction over certain business assets.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The components of Stillwater's deferred tax liabilities (assets) are comprised of the following temporary differences and carry forwards are as follows.

	2016	2015	1 January 2015
		(US$ thousands)	
Particulars			
Mine development and mineral interests – US	(90 248)	(93 415)	(102 629)
Total deferred tax liabilities	**(90 248)**	**(93 415)**	**(102 629)**
Non-current liabilities	12 071	5 669	12 239
Property and equipment	14 675	14 361	13 533
Current liabilities	20 089	18 890	21 275
Inventory	1 783	993	933
Alternative minimum tax credit and other carry-forwards	39 314	34 381	30 956
Assessed loss and other carry-forwards	21 915	36 824	46 965
Total deferred tax assets	**109 847**	**111 118**	**125 901**
Net deferred tax assets	19 599	17 703	23 272
Deferred tax asset	23 951	23 130	35 121
Deferred tax liability	(4 352)	(5 427)	(11 849)

Below is a summary of the income tax (payable)/receivable at 31 December:

Particulars	2016	2015	1 January 2015
		(US$ thousands)	
Income tax (payable)	(495)	–	–
Income tax receivable	8 650	13 172	5 158

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Stillwater Group can use the benefits therefrom:

Particulars	2016	2015	1 January 2015
		(US$ thousands)	
Deductible temporary differences (never expire)	118 216	119 239	40 353
Tax losses (foreign operations)	63 200	57 100	54 900
Other tax credits	3 234	–	–
Total	**184 650**	**176 339**	**95 253**

Unrecognised tax losses carried forward expire as follows:

Particulars	2016	Expiry date	2015	Expiry Date	1 January 2015	Expiry date
Expire	3 300	2020 – 2029	3 300	2020 – 2029	3 300	2020 – 2029
Expire	23 500	2017 – 2021	20 500	2016 – 2020	19 400	2015 – 2019
Expire	26 700	2024 – 2036	25 000	2024 – 2035	23 400	2024 – 2034
Never expire	9 700	N/A	8 300	N/A	8 800	N/A
Total	**63 200**		**57 100**		**54 900**	

The recognised deferred tax asset on assessed losses and other carry forwards amounts to $21.9 million, $36.8 million, and $47.0 million for 2016, 2015, and 1 January 2015, respectively, and are all from the US operations.

Income tax

The components of income tax are the following:

	2016	2015
	(US$ thousands)	
Particulars		
Current tax	8 124	5 378
Deferred tax	(1 493)	7 552
Total income tax	**6 631**	**12 930**

Reconciliation of the income tax (benefit) expense at the applicable statutory income tax rates to the effective rate is as follows:

	2016	2015
	(US$ thousands)	
Particulars		
(Loss)/profit before income taxes	(77 141)	104 642
Income tax (benefit)/expense at statutory rates	(26 996)	36 625
State income tax (benefit)/expense, net of federal benefit	(2 092)	3 873
Percentage depletion	(6 098)	(5 366)
Foreign exchange gains or losses	2 200	5 360
Compensation-related adjustment	834	59
Deferred tax asset not recognised	1 837	13 554
Correction of prior year tax	(561)	(1 259)
Impact of foreign operations	(3 372)	(2 981)
Impact of non-deductible Convertible Debentures fair value adjustments	27 979	(46 210)
Other	12 900	9 275
Net income tax (benefit)/expense	**6 631**	**12 930**

Stillwater Group's policy is to recognise interest and penalties on income taxes in the income tax line in Stillwater Group's Consolidated Income Statement. Interest and penalties of $0.1 million have been accrued at 31 December 2016. There were no interest and penalties accrued at 31 December 2015 or 2014.

Significant judgement is required in determining the liability for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Stillwater Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Stillwater Group recorded a provision related to an uncertain tax position of $3.7 million for the year-ended 31 December 2016 of which $1.1 million has been included in Note 22 Other liabilities. No amount was recorded for the years ended 31 December 2015 and 2014. The Stillwater Group does not anticipate that the amount of unrecognised tax benefits as of 31 December 2016 will significantly change within the next twelve months.

14. INVENTORIES

Accounting Policy

Inventories are carried at the lower of cost and net realisable value. Production costs include the cost of direct labour and materials, depletion, depreciation and amortisation, and overhead costs relating to mining and processing activities. The value of recycled inventories is determined based on the acquisition cost of the recycled material and includes all direct costs, including direct labour, direct materials, depreciation, transportation and third-party refining costs which relate to the processing activities. Materials and supplies inventories are valued at the lower of cost and net realisable value.

The costs of mined PGM inventories as of any date are determined based on combined production costs per ounce and include all direct production costs, including direct labour, direct materials, depletion, depreciation and amortisation and other overhead costs relating to mining and processing activities incurred as of such date. Costs are aggregated and averaged for mined material carried in inventory.

The costs of recycled PGM inventories as of any date are determined based on the acquisition cost of the recycled material and include all direct processing costs, including direct labour, direct materials, depreciation and third-party refining costs which relate to the processing activities incurred as of such date. Costs incurred are allocated and tracked separately for each specific lot of recycling material (including material tolled on behalf of others).

Net realisable value is estimated selling price of inventory in the ordinary course of business less estimated cost of completion and estimated cost necessary to make the sale.

Inventories reflected in the Statement of Financial Position consisted of the following:

	2016	2015	1 January 2015
		(US$ thousands)	
Particulars			
Metals inventory			
Raw ore	3 193	4 234	4 984
Concentrate and in-process	76 520	43 727	48 712
Finished goods	41 329	32 618	49 885
Total	**121 042**	**80 579**	**103 581**
Materials and supplies	17 611	21 493	26 726
Total inventories	**138 653**	**102 072**	**130 307**

No reduction to net realisable value was necessary during 2016, 2015 or 1 January 2015.

15. Trade and other receivables

Accounting Policy

Trade receivables balances are initially recognised at fair value. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the consolidated income statement.

Trade receivables balances are recorded, net of an allowance for doubtful accounts, if deemed necessary. Management evaluates the collectability of receivable account balances to determine the allowance, if any. Management considers the other party's credit risk and financial condition, as well as current and projected economic and market conditions, in determining the amount of the allowance. Receivable balances are written off when management determines that the balance is uncollectable.

	2016	2015	1 January 2015
		(US$ thousands)	
Particulars			
Trade receivables	1 621	800	1 277
Total	**1 621**	**800**	**1 277**

Stillwater determined that no allowance against its receivable balances at 31 December 2016, 31 December 2015 or 1 January 2015 was necessary.

16. CASH AND CASH EQUIVALENTS

Accounting Policy

Cash and cash equivalents consist of all cash balances and all highly liquid investments purchased with an original maturity of three months or less and are measured at amortised cost which is deemed to be fair value as they have a short-term maturity.

	2016	2015	1 January 2015
		(US$ thousands)	
Particulars			
Cash at the bank and on hand	123 238	147 336	280 286
Total	**123 238**	**147 336**	**280 286**

17. SHARE CAPITAL

Accounting Policy – Ordinary Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Reconciliation of ordinary share capital

	2016	2015	1 January 2015
		(US$ thousands)	
Particulars			
Authorised number of shares	200 000	200 000	200 000
Reconciliation of issued number of shares			
Number of shares in issue at beginning of the year	121 049	120 382	119 466
Ordinary share capital issued under share-based plans	185	667	916
Number of shares in issue at end of the year	121 234	121 049	120 382

18. NON-CONTROLLING INTEREST

Accounting Policy

Non-controlling interests

Stillwater Group recognises any non-controlling interests in an acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets on an acquisition-by-acquisition basis. Subsequently, the carrying amount of non-controlling interest is the amount of the interest at initial recognition plus the non-controlling interest's subsequent share of changes in equity.

Transactions with non-controlling interests

Stillwater Group treats transactions with non-controlling interests as transactions with equity owners of Stillwater Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests where control is not lost are also recorded in equity. Where control is lost over a subsidiary, the gains or losses are recognised in profit or loss.

Financial information of subsidiaries that have material non-controlling interests is provided below:

Proportion of equity interest held by non-controlling interests:

Name of Subsidiary	Country of incorporation	2016	2015	1 January 2015
Stillwater Canada Inc (SCI)	Canada	–	–	25%

Movement in balances of non-controlling interest:

	Stillwater Canada Inc (SCI)
	(US $ thousands)
Particulars	
Balance as on 1 January 2015	18 480
Add: Loss attributable to NCI	(11 808)
Less: Buy-back of shares from NCI[(1)]	(6 672)
Balance as on 31 December 2015	–

Note:

(1) Since 2012, a subsidiary of Mitsubishi Corporation (Mitsubishi) has held a 25% interest in Stillwater's subsidiary, Stillwater Canada Inc (SCI), which holds the Marathon PGM-copper assets. In the fourth quarter of 2015, Stillwater purchased Mitsubishi's 25% interest in SCI and related properties for a total cash consideration of $5.2 million. The total cash consideration was comprised of $1.0 million in cash and the equivalent of 25% of the total cash and cash equivalents held by SCI.

The summarised financial information of Stillwater Canada Inc (SCI) is provided below as at 1 January 2015. This information is based on amounts before inter-company eliminations.

	2015
	(US$ thousands)
Particulars	
Non-current assets	56 604
Current assets	18 646
Non-current liabilities	(89)
Current-liabilities	(2 068)
Net assets (100%)	**73 093**

19. LONG-TERM DEBT AND FINANCE LEASE OBLIGATIONS

Accounting Policy

Long-term debt is recognised initially at fair value, net of transaction costs incurred, where applicable and subsequently measured at amortised cost using the effective interest method, with the exception of the 1.75% Convertible Debenture. The 1.75% Convertible Debenture has been designated as at fair value through profit or loss. Transaction costs have been expensed along with any movements in fair value upon re-measurement at each reporting period. Long-term debt (loans) are classified as current liabilities unless Stillwater Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Group As a Lessee

Finance leases that transfer to Stillwater Group substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Consolidated Statement of Comprehensive Income.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that Stillwater Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life or the asset and the lease term.

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in the Consolidated Statement of Comprehensive Income on a straight-line basis over the lease term.

Stillwater Group's total current and long-term debt balances were as follows:

	2016		2015		1 January 2015	
	Non-current	Current	Non-current	Current	Non-current	Current
			(US$ thousands)			
Particulars						
1.75% Convertible debentures	429 290	–	319 257	–	491 855	–
1.875% Convertible debentures	524	–	524	–	2 245	–
Finance lease obligation	–	–	–	580	580	2 067
Small land purchase	–	–	–	77	82	77
Total debt balances	**429 814**	**–**	**319 781**	**657**	**494 762**	**2 144**

1.75% Convertible Debentures

In October 2012, Stillwater issued $396.75 million of 1.75% Convertible Debentures, due 15 October 2032. Each $1,000 principal amount of these 1.75% Convertible Debentures is initially convertible, under certain circumstances and during certain periods, into 60.4961 shares (subject to customary anti-dilution adjustments) of Stillwater's ordinary share capital, which represents an initial conversion price of $16.53 per share. The 1.75% Convertible Debentures also include an embedded conversion enhancement feature that is equivalent to including with each $1,000 of Convertible Debenture a warrant initially exercisable for 30.2481 shares initially at $16.53 per share (also subject to customary anti-dilution adjustments). Stillwater, at its election, may settle conversions of the 1.75% Convertible Debentures in cash, shares of its ordinary share capital or any combination of cash and shares of its ordinary share capital. Holders have the right to redeem their 1.75% Convertible Debentures at face value plus accrued and unpaid interest on 15 October of each of 2019, 2024, 2029, and upon the occurrence of certain corporate events. Holders may exercise the option to surrender the Convertible Bonds to Stillwater for conversion on a fundamental change, which includes a change in control.

In the third quarter of 2015, Stillwater elected to repurchase $61.6 million of the outstanding principal of the 1.75% Convertible Debentures, due 2032, paying cash of $59.4 million.

The fair value re-measurement to quoted price of the Convertible Debentures as at period-end resulted in a fair value gain of $131.79 million in 2015 and fair value loss of $94.45 million in 2016 recognised in the Consolidated Statement of Profit or Loss. Refer to Note 6 for interest recognised on the Convertible Debentures.

1.875% Convertible Debentures

In the third quarter of 2015, Stillwater repurchased $1.7 million of the outstanding principal of the 1.875% Convertible Debentures, due 2028, paying cash of $1.6 million. The resulting gain of approximately $0.1 million is included in the Loss on extinguishment of debt in Stillwater's Consolidated Statement of Profit or Loss. The outstanding balance of $0.5 million is reported as a long-term debt obligation at 31 December 2015 and 2016. Holders of the remaining $0.5 million of outstanding 1.875% Convertible Debentures may require Stillwater to redeem their 1.875% Convertible Debentures at face value on 15 March 2018 or 15 March 2023, or at any time before 15 March 2028 upon the occurrence of certain corporate events. Stillwater has the right at its discretion to redeem the remaining outstanding 1.875% Convertible Debentures for cash at any time prior to maturity.

Asset-Backed Revolving Credit Facility

In December 2011, Stillwater signed a $100.0 million asset-backed revolving credit agreement, incurring debt issuance costs of $1.1 million. In January 2012, Stillwater completed the syndication of this facility and simultaneously expanded the maximum line of credit to $125.0 million, incurring additional debt issuance costs of $0.2 million. Stillwater paid an unused line fee on the committed but unutilised balance under the facility at a rate per annum of 0.375% or 0.5%, depending on utilisation of the facility. Stillwater terminated its $125.0 million asset-backed revolving credit facility on 31 December 2015, incurring expenses and fees of approximately $0.2 million.

Finance Lease Obligations

Stillwater is party to a lease agreement with General Electric Capital Corporation (GECC) covering the acquisition of a tunnel-boring machine for use on the Blitz development adjacent to the Stillwater Mine. The transaction is structured as a finance lease with a four-year term maturing in 2016; lease payments are due quarterly in advance. This finance lease contains an end of lease bargain purchase option for $1 provided that rent, all other sums due and unpaid have been paid in full. Stillwater made cash payments of $0.6 million (2015: $2.2 million) on its finance lease obligations for the year-ended 31 December 2016. These cash payments included interest of $0.1 million. At 31 December 2015, the outstanding principal balance under the finance lease was $0.6 million. Stillwater paid the lease off in the second quarter of 2016.

The following is a schedule of the future minimum lease payments for the finance lease together with the present value of the net minimum lease payments:

	2016	2015	1 January 2015
		(US$ thousands)	
Particulars			
2015 minimum lease payments	–		2 168
2016 minimum lease payments	–	589	589
Interest at rates ranging from 5.21% to 5.46% (before-tax)	–	(9)	(111)
Net minimum lease payments	–	580	2 646
Current	–	580	2 066
Non-current	–		580

20. ENVIRONMENTAL REHABILITATION OBLIGATION

Significant Accounting Judgements and Estimates

Stillwater Group's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. Stillwater Group recognises management's best estimate for asset retirement obligations in the period in which they are incurred. Actual costs incurred in future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life-of-mine estimates and discount rates could affect the carrying amount of this provision.

Accounting Policy

Provisions are recognised when Stillwater Group has a present obligation, legal or constructive resulting from past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Long-term environmental obligations are based on Stillwater Group's environmental management plans, in compliance with applicable environmental and regulatory requirements. The estimated costs of rehabilitation are reviewed annually and adjusted as appropriate for changes in legislation, technology or other circumstances. Cost estimates are not reduced by the potential proceeds from the sale of assets or from plant clean-up at closure.

Based on disturbances to date, the net present value of expected rehabilitation cost estimates is recognised and provided for in full in the Historical Financial Information. The estimates are reviewed annually and are discounted using a risk-free rate that is adjusted to reflect the current market assessments of the time value of money and the risks specific to the obligation.

Annual changes in the provision consist of finance costs relating to the change in the present value of the provision and inflationary increases in the provision estimate, as well as changes in estimates. Changes in estimates are capitalised or reversed against the relevant asset. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in profit or loss. The present value of environmental disturbances created are capitalised to mining assets against an increase in the environmental rehabilitation obligation. Costs related to restoration of site damage (subsequent to start of commercial production) that is created on an ongoing basis during production are provided for at their net present values and recognised in profit or loss as extraction progresses.

Rehabilitation projects undertaken, included in the estimates, are charged to the provision as incurred. The cost of ongoing current programmes to prevent and control environmental disturbances is charged against income as incurred. The unwinding of the discount due to the passage of time is recognised as finance cost, and the capitalised cost is depreciated over the remaining lives of the mines.

The following summary sets forth the annual changes to Stillwater's asset retirement obligation in 2016 and 2015:

	Stillwater Mine	East Boulder Mine	Total
		(US$ thousands)	
Particulars			
Balance as at 1 January 2015	14 773	6 322	21 095
Accretion expense	100	52	152
Additions and changes in estimates	754	(1 615)	(861)
Balance as at 31 December 2015	15 627	4 759	20 386
Accretion expense	167	61	228
Additions and changes in estimates	245	1 912	2 157
Balance as at 31 December 2016	16 039	6 732	22 771

Adjustments related to changes in the life of the mines and additional rehabilitation required. As at 31 December 2016 the estimated mine life of the Stillwater Mine and the East Boulder Mine are up to the years 2035 and 2065, respectively. The above liabilities were discounted at 0.82% and 0.99%, respectively.

At 31 December 2016, Stillwater had posted surety bonds with the State of Montana and the United States Forest Services ("USFS") in the amount of $42.6 million to satisfy the current financial guarantee requirements determined by the regulatory agencies. These financial guarantees are reviewed in five-year increments. The East Boulder financial guarantee was updated in 2014, whereas the Stillwater Mine financial guarantee was updated in 2016.

21. ACCRUED WORKERS COMPENSATION

	2016		2015		1 January 2015	
	Non-current	Current	Non-current	Current	Non-current	Current[1]
			(US$ thousands)			
Particulars						
Balance at start of the period	6 070	5 776	6 060	4 613	6 031	4 054
Actuarial adjustments on open claims	356	(808)	10	1 163	29	559
Balance at end of the period	**6 426**	**4 968**	**6 070**	**5 776**	**6 060**	**4 613**

Note:

(1) Included in accrued compensation and benefits on the Statement of Financial Position (refer Note 5 for accounting policy).

22. OTHER LIABILITIES

	2016		2015		1 January 2015	
	Non-current	Current	Non-current	Current	Non-current	Current
			(US$ thousands)			
Particulars						
Accrued board of director fees	–	138	–	–	–	111
Deferred revenues	–	321	–	125	–	190
Royalties payable	–	1 064	–	1 400	–	2 006
Royalties withholding tax	–	336	–	268	–	437
Accrued termination cost	–	126	–	220	256	1 170
Compensation liability	1 345	–	160	–	260	–
Statutory dues payable[1]	6 472	–	5 407	–	6 310	–
Deferred Directors' plan	1 750	–	535	–	374	–
Sundry payable	85	–	–	–	–	–
Total	**9 652**	**1 985**	**6 102**	**2 013**	**7 200**	**3 914**

Note:

(1) This balance includes $1.1 million related to the uncertain tax position recognised as at 31 December 2016, as described in Note 11, Income Tax.

23. CASH GENERATED FROM OPERATIONS

	2016	2015
	(US$ thousands)	
Particulars		
Net (loss)/profit for the year	(83 772)	91 712
Adjustments to reconcile net (loss)/income to net cash provided by operating activities:		
Depletion, depreciation and amortisation	87 484	78 483
Profit on disposal of property, plant and equipment	(148)	(216)
Impairments	3 864	49 088
(Gain)/loss on long-term investments	(678)	372
Deferred income taxes	(1 493)	7 552
Current tax	8 124	5 378
Loss on foreign exchange	577	1 451
Loss/(gain) on FV measurement of long-term debt	94 448	(131 794)
Share-based compensation and other benefits	3 803	10 132
Loss on extinguishment of debt	–	4 010
Finance expense	15 827	18 129
Interest income	(4 216)	(2 955)
Excess tax (benefit)/shortfall from share-based compensation	(108)	155
Other non-cash items	1 752	(4 193)
Total	**125 464**	**127 304**

24. CHANGE IN WORKING CAPITAL

	2016	2015
	(US$ thousands)	
Particulars		
Inventories	(36 581)	28 235
Trade receivables	(821)	477
Trade and other payable	14 630	(12 500)
Accrued compensation and benefits and workers compensation	(101)	83
Property, production and franchise taxes payable	(118)	(3 019)
Other financial assets	(431)	(1 678)
Other assets	(2 626)	1 991
Other liabilities	3 522	(2 999)
Total	**(22 526)**	**10 590**

25. COMMITMENT AND CONTINGENT LIABILITIES

Stillwater manages risk through insurance coverage, credit monitoring and diversification of suppliers and customers. Stillwater also seeks to maintain adequate liquidity to offset the risk of pricing cycles.

Refining Agreement and Supply Agreement

Under the terms of Stillwater's agreements with Johnson Matthey ("JM"), Stillwater utilises JM for all of its precious metals refining services. In addition, with the exception of platinum sales commitments to Tiffany & Co., all of Stillwater's current mined palladium and platinum is committed for sale to JM. This significant concentration of business with JM could leave Stillwater without precious metal refining services should JM experience significant financial or operating difficulties during the contract period. Under such circumstances, it is not clear that sufficient alternate processing capacity would be available to cover Stillwater's requirements, nor that the terms of any such alternate processing arrangements as might be available would be financially acceptable to Stillwater. Any such disruption in refining services could have a negative effect on Stillwater's ability to generate revenues, profits, and cash flows.

Operating Leases

Stillwater has operating leases for various mining equipment, office equipment and office space expiring at various dates through 30 November 2019. Total rental expense for cancellable and non-cancellable operating leases was $1.7 million and $1.8 million in 2016 and 2015, respectively. Future minimum lease payments for operating leases with terms in excess of one year are as follows:

	2016	2015
	(US$ thousands)	
Year ended		
Within one year	148	150
Within two and five years	186	334
More than five years	–	–
Total	**334**	**484**

Labor Union Contracts

Stillwater's represented workforce is covered under two separate collective bargaining agreements. Approximately 54% and 22% of its active labour force are covered by collective bargaining agreements expiring on 1 June 2019 and 31 December 2019, respectively, with re-negotiation (for wages only) in 2017.

Legal Proceedings

Stillwater is involved in various claims and legal actions arising in the ordinary course of business, primarily employee lawsuits. In the opinion of management, the ultimate disposition of these matters is not expected to have a material adverse effect on Stillwater's consolidated financial position, results of operations or liquidity.

26. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Accounting Policy

Financial instruments recognised in the Statement of Financial Position include cash and cash equivalents, investments, trade receivables, long-term debt, trade and other payables.

Stillwater Group initially recognises loans and receivables on the date they originate. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on trade date, which is the date that Stillwater Group becomes a party to the contractual provisions of the instrument. Stillwater Group derecognises a financial asset when the contractual rights to the cash flows in a transaction in which substantially all the risks and rewards of the ownership of the financial asset are transferred. Stillwater Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired. Any interest in such transferred financial asset that is created or retained by Stillwater Group is recognised as a separate asset or liability. The particular recognition and measurement methods adopted are disclosed in the individual policy statements associated with each item.

A financial asset not classified at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and those event(s) had an impact on the estimated future cash flows of that asset, that can be estimated reliably. Impairment losses are recognised through profit or loss.

On derecognition of a financial asset or liability, the difference between the carrying amount of the asset or liability and the sum of the consideration received and cumulative gains recognised in equity is recognised in profit or loss.

Refer to the relevant notes for the accounting policies of the following financial assets and financial liabilities:

- Trade receivables (Note 15)
- Cash and cash equivalents (Note 16)
- Long-term debt (loans) (Note 19)
- Trade and other payables – recognised initially at fair value less transaction costs and subsequently at amortised cost.

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

- Trade receivables/payables, cash and cash equivalents:

  The carrying amounts approximate fair values due to the short maturity of these instruments.
- Long-term debt:

  The fair value of long-term debt other than finance leases, small land purchase and the 1.875% Convertible Debentures is determined based on quoted prices.
- Financial instruments:

The fair value of financial instruments is estimated based on ruling market prices, volatilities and interest rates at 31 December 2016. All derivatives are carried on the Statement of Financial Position at fair value.

The money market fund is recorded in Cash and cash equivalents on Stillwater Group's Statement of Financial Position. The fair values of the investments are valued indirectly using observable data, quoted prices for similar assets or liabilities in active markets. Stillwater determined the fair value of the liability of its outstanding 1.75% Convertible Debentures at 31 December 2016 and 2015, by using the quoted market price.

The fair value of Stillwater's long-term investments in certain Canadian junior exploration companies at 31 December 2016, and 2015 is based on quoted market prices which are readily available. The carrying value of trade receivables/payables, other financial assets and cash and cash equivalents approximates its fair value due to the short-term nature.

Stillwater Group uses the following hierarchy for determining and disclosing the fair value of financial instruments:

- Level 1: unadjusted quoted prices in active markets for identical asset or liabilities;
- Level 2: inputs other than quoted prices in level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets and liabilities measured at fair value on a recurring basis consisted of the following:

		Fair value measurement		
	Total	**Level 1**	**Level 2**	**Level 3**
		(US$ thousands)		
At 31 December 2016				
Money market fund	35 131	35 131	–	
Investments				
Federal agency notes	292 580	–	292 580	
Commercial paper	34 304	–	34 304	
Other marketable securities	91	91	–	
1.75% Convertible debentures	429 920	429 920	–	

		Fair value measurement		
	Total	**Level 1**	**Level 2**	**Level 3**
		(US$ thousands)		
At 31 December 2015				
Money market fund	54 761	54 761	–	
Investments				
Federal agency notes	284 757	–	284 757	
Commercial paper	31 672	–	31 672	
Other marketable securities	524	524	–	
1.75% Convertible debentures	319 257	319 257	–	

		Fair value measurement		
	Total	**Level 1**	**Level 2**	**Level 3**
		(US$ thousands)		
At 1 January 2015				
Money market fund	120 000	120 000	–	
Investments				
Federal agency notes	143 139	–	143 139	
Commercial paper	108 115	–	108 115	
Other marketable securities	896	896	–	
1.75% Convertible debentures	491 855	491 855	–	

Assets and liabilities measured at fair value on a non-recurring basis at 31 December 2016, and 2015 consisted of the following:

		Fair value measurement		
	Total	**Level 1**	**Level 2**	**Level 3**
		(US$ thousands)		
At 31 December 2016				
1.875% Convertible debentures	524	–	–	524

		Fair value measurement		
	Total	**Level 1**	**Level 2**	**Level 3**
		(US$ thousands)		
At 31 December 2015				
1.875% Convertible debentures	524	–	–	524

		Fair value measurement		
	Total	**Level 1**	**Level 2**	**Level 3**
		(US$ thousands)		
At 1 January 2015				
Certain Marathon real estate properties	754	–	–	754
1.875% Convertible debentures	2 245	–	–	2 245

Stillwater used the book value of its outstanding 1.875% Convertible Debentures to represent the fair value at 31 December 2016 and 2015.

27. RISK MANAGEMENT ACTIVITIES

In the normal course of its operations, Stillwater Group is exposed to market risks, including commodity price, foreign currency, interest rate, liquidity and credit risk associated with underlying assets, liabilities and anticipated transactions. In order to manage these risks, Stillwater Group has developed a comprehensive risk management process to facilitate control and monitoring of these risks.

Controlling and Managing Risk in Stillwater Group

Stillwater Group has policies in areas such as counterparty exposure, hedging practices and prudential limits which have been approved by Stillwater's Board of Directors (the Board). Management of financial risk is centralised at Stillwater's treasury department (Treasury), which acts as the interface between Group's Operations and counterparty banks. Treasury manages financial risk in accordance with the policies and procedures established by the Board and Executive Committee.

The Board has an approved investment policy for money market, foreign exchange and commodity transactions, which Treasury is required to adhere to. Among other restrictions, these limits describe which instruments may be traded and demarcate open position limits for each category as well as indicating counterparty credit-related limits. The investment policy is renewed and approved by the Audit Committee periodically.

The objective of Treasury is to manage all financial risks arising from Stillwater Group's business activities in order to protect profit and cash flows. Treasury activities of Stillwater Group are guided by the Investment Policy as well as domestic and international financial market regulations.

The financial risk management objectives of Stillwater Group are defined as follows:

- **Liquidity risk management:** the objective is to ensure that Stillwater Group is able to meet its short-term commitments through the effective and efficient management of cash and usage of credit facilities.
- **Currency risk management:** the objective is to maximise Stillwater Group's profits by minimising currency fluctuations.
- **Funding risk management:** the objective is to meet funding requirements timeously and at competitive rates by adopting reliable liquidity management procedures.
- **Investment risk management:** the objective is to achieve optimal returns on surplus funds.
- **Interest rate risk management:** the objective is to identify opportunities to prudently manage interest rate exposures.
- **Counterparty exposure:** the objective is to only deal with approved counterparties that are of a sound financial standing and who have an official credit rating. Stillwater Group is limited to a maximum investment of 2.5% of the financial institutions' equity, which is dependent on the institutions' credit rating. The credit rating used is Fitch Ratings' short-term credit rating for financial institutions.
- **Commodity price risk management:** commodity risk management takes place within limits and with counterparts as approved in the treasury framework.

- **Operational risk management:** the objective is to implement controls to adequately mitigate the risk of error and/or fraud.
- **Banking relations management:** the objective is to maintain relationships with credible financial institutions and ensure that all contracts and agreements related to risk management activities are co-ordinated and consistent throughout Stillwater Group and that they comply where necessary with all relevant regulatory and statutory requirements.

27.1 Credit Risk

Credit risk represents risk when an entity will suffer a financial loss due to the other party of a financial instrument not discharging its obligation.

Stillwater Group has reduced its exposure to credit risk by dealing with a number of counterparties. Stillwater Group approves these counterparties according to its Investment policy and ensures that they are of good credit quality.

Trade receivables are reviewed on a regular basis and an allowance for impairment is raised when they are not considered recoverable. The calculation is based on actual incurred historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. Stillwater Group does not hold collateral as security.

The combined maximum credit risk exposure is as follows:

	Notes	2016	2015	1 January 2015
		(US$ thousands)		
Particulars				
Trade receivables		1 621	800	1 277
Cash and cash equivalents		123 238	147 336	280 286
Other financial assets		1 166	1 227	671

These receivables are in a sound financial position and no impairment has been recognised.

Concentration of credit risk on cash and cash equivalents and non-current assets is considered minimal due to the abovementioned investment risk management and counterparty exposure risk management policies.

27.2 Liquidity Risk

For 2016, net cash provided by operating activities was $104.0 million compared to $127.8 million for 2015. Stillwater's net cash flow from operating activities is affected by several key factors, including net realised prices for its products, cash costs of production, and the level of PGM production from the mines. Mining productivity rates and ore grades in turn can affect both the level of PGM production and cash costs of production.

Including highly-liquid investments with cash and cash equivalents, Stillwater's liquidity at 31 December 2016 was $450.1 million (including 18.5 million of investments which have been reserved as collateral on undrawn letters of credit) and as at 31 December 2015 $463.8 million (including $18.5 million of investments which have been reserved as collateral on undrawn letters of credit).

Stillwater's total principal debt of $429.8 million includes approximately $429.2 million of 1.75% Convertible Debentures (measured at fair value) and $0.5 million of 1.875% Convertible Debentures (measured at amortised cost). Stillwater's $0.5 million of outstanding 1.875% Convertible Debentures are redeemable at par at the discretion of the holders on 15 March 2018. Stillwater expects all of the outstanding 1.875% Convertible Debentures to be redeemed at that time.

Stillwater will be required to fund approximately $5.9 million in total cash interest payments during 2017 related to its outstanding debt obligations. Stillwater's financial performance is affected by changes in PGM prices. Absent separate hedging arrangements, a 1% change in the price of palladium would affect annual cash generated from mining operations by approximately $3.3 million, and a corresponding change in the price of platinum would affect annual cash generation from mining operations by approximately $1.8 million. The sensitivity of the recycling business to changes in palladium and platinum prices is more muted and varies according to the provisions

in the various recycling agreements. In Stillwater's recycling activities, upon purchasing recycled material for processing Stillwater simultaneously enters into a fixed forward contract that determines the future selling price of the contained PGMs, effectively locking in a sales margin. During 2016, the average (before-tax) margin realised on recycling revenues (including financing income) was approximately 9%.

Changes in Stillwater's cash costs of production generally flow through dollar-for-dollar into cash flows from operations. A reduction due to grade in total mine production of 10%, or approximately 51 500 ounces per year, would reduce cash flows from operations by an estimated $35.9 million per year at the price and cost levels prevailing at 31 December 2016.

Net cash used in investing activities was $125.9 million and $192.3 million in 2016 and 2015 respectively. Stillwater's investing activities primarily consist of capital spending and net sales and purchases of marketable security. Cash utilised for capital expenditures total $114.5 million in 2016 and $124.8 million in 2015.

Net cash used in financing activities was $2.2 million and $68.4 million in 2016 and 2015 respectively.

Financing activity of 2016 included the remaining of $0.6 million of TBM capital leases, $1.8 million of payments related to tax withholding for share-based payments and offsetting these financing activities were proceeds of less than $0.1 million from exercise of share options. Financing activities in 2015 included the repurchase of $61.6 million principal amount of the 1.75%. Convertible Debentures due 2032 and $1.7 million principal amount of the 1.875%. Convertible Debentures due 2028 for total consideration of $61 million. Refer to "*Note 19 – Long-term debt and Finance Lease obligations*", in the Historical Financial Information for a more complete discussion of the repurchase of a portion of Stillwater's Convertible Debentures.

Stillwater is obligated to make future payments under various debt agreements, regulatory obligations, and contractual obligations (employee benefits and operating leases).

The following table represents significant contractual future cash obligations and other commercial commitments and regulatory commitments, including related interest payments, at 31 December 2016:

	2017	2018	2019	2020	Thereafter	Total
			(US$ thousands)			
Particulars						
Non-derivative financial liabilities						
1.875% Convertible debentures	–	524	–	–	–	524
1.75% Convertible debentures	–	–	429 290	–	–	429 290
Operating lease obligations	148	120	66	–	–	334
Asset retirement obligations	–	–	–	–	119 387	119 387
Payments of interest[(1)]	5 875	5 870	5 865	–	–	17 610
Total	**6 023**	**6 514**	**435 221**	**–**	**119 387**	**567 145**

Note:

(1) Interest payments on the 1.875% Convertible Debentures noted in the above table are calculated up to 15 March 2018, the next date when the holders of the 1.875% Convertible Debentures can exercise their put option. Interest payments on the 1.75% Convertible Debentures noted in the above table are calculated up to 15 October 2019, the first date the holders of the 1.75% Convertible Debentures can exercise their put option (absent a "fundamental change" prior to that date). Interest payments noted in the table above all are based on fixed rates of interest.

27.3 Market Risk

Stillwater Group is exposed to market risks, including foreign currency, commodity price, equity securities price and interest rate risk associated with underlying assets, liabilities and anticipated transactions. Following periodic evaluation of these exposures, Stillwater Group may enter into derivative financial instruments to manage some of these exposures.

Sensitivity Analysis

The sensitivity analysis shows the effects of reasonable possible changes of relevant risk variables on profit or loss or shareholders' equity. Stillwater Group is exposed to commodity price, currency and interest rate risks. The effects are determined by relating the reasonable possible change in the risk variable to the balance of financial instruments at period-end date.

The amounts generated from the sensitivity analysis are forward-looking estimates of market risks assuming certain adverse or favourable market conditions occur. Actual results in the future may differ materially from those projected results and therefore should not be considered a projection of likely future events and gains/losses.

27.3.1 **Foreign currency sensitivity**

General and policy

In the ordinary course of business, Stillwater Group enters into transactions denominated in foreign currencies. Although this exposes Stillwater Group to transaction from fluctuations in foreign currency exchange rates, Stillwater Group does not generally hedge this exposure, although it could be considered for significant expenditures based in foreign currency or those items which have long lead times to produce or deliver.

Currency risk only exists on account of financial instruments being denominated in a currency that is not the functional currency and being of a monetary nature.

As at 31 December 2016 Stillwater Group's operations and revenues are in US Dollars, with minimal costs in foreign currencies.

Foreign currency sensitivity analysis

A sensitivity analysis of the mark-to-market valuation has not been performed as there were no material foreign currency contracts as of 31 December 2016 and 2015.

27.3.2 **Commodity price risk**

Stillwater produces and sells palladium, platinum and associated by-product metals directly to its customers and through third parties. As a result, financial performance can be materially affected when prices for these commodities fluctuate. In order to manage commodity price risk and to reduce the impact of fluctuation in prices, Stillwater has entered into supply agreements with suppliers and customers, from time to time has employed various derivative financial instruments and attempts to maintain adequate liquidity to sustain operations during a downturn in PGM prices.

In its PGM recycling activities, Stillwater customarily enters into fixed forward sales, and from time to time in the past has entered into financially settled forward sales transactions to mitigate pricing exposure. Under these fixed forward transactions, typically metals contained in the spent catalytic materials are sold forward at the time the materials are purchased and then are delivered against the fixed forward contracts when the finished ounces are recovered. Because the forward price is also used to determine the acquisition price, this arrangement significantly reduces exposure to PGM price volatility. Stillwater believes such transactions qualify for the exception to hedge accounting treatment and so has elected to account for these transactions as normal purchases and normal sales.

Stillwater's revenue and earnings depend significantly on world palladium and platinum market prices. Stillwater has no direct control over these prices, and PGM prices can fluctuate widely. Stillwater does have the ability to hedge prices in order to mitigate some of Stillwater's price exposure, although management believes that in general Stillwater's shareholders prefer to accept its unhedged PGM price exposure for mined production. Except for materials purchased in its recycling activities, Stillwater does not currently hedge any of its mined PGM production and is fully exposed to fluctuations in PGM prices.

The volatility of palladium and platinum prices is illustrated in the following table of the London market of annual high, low and average prices per ounce since 2007.

The accompanying chart also demonstrates this volatility.

	Palladium			Platinum		
Year	**High**	**Low**	**Average**	**High**	**Low**	**Average**
2007	$382	$320	$355	$1 544	$1 118	$1 303
2008	$582	$164	$352	$2 273	$763	$1 576
2009	$393	$179	$264	$1 494	$918	$1 204
2010	$797	$395	$526	$1 786	$1 475	$1 610
2011	$858	$549	$734	$1 887	$1 354	$1 720
2012	$722	$565	$644	$1 729	$1 390	$1 552
2013	$774	$643	$725	$1 736	$1 317	$1 487
2014	$911	$702	$803	$1 512	$1 178	$1 385
2015	$831	$524	$692	$1 285	$827	$1 053
2016	$770	$470	$614	$1 182	$814	$989

History has shown that the market price of palladium can be extremely volatile. During the last 10 years the price of palladium has fluctuated from a low of $164 per ounce in December 2008 to a high of $911 per ounce in September 2014. During 2016 palladium averaged $989 per ounce for the year overall, ending the year quoted in the London market at $898 per ounce. On 12 February 2016, the London market price for platinum was $1012 per ounce.

Volatility in the market price of the metals sold by Stillwater, and changes in the supply and demand of these metals could reduce profitability.

Because Stillwater's primary source of revenue is the sale of PGMs, changes in the market price of PGMs will affect Stillwater's profitability. Many factors beyond Stillwater's control influence the market prices of these metals. These factors include global supply and demand, speculative activities, international political and economic developments, currency exchange rates, and production levels and costs in other PGM-producing countries, principally South Africa and Russia. The aggregate effect of these factors on the palladium and platinum price, all of which are beyond the control of Stillwater Group, is impossible for Stillwater Group to predict.

A prolonged or significant economic contraction in North America, Europe or in any of several other key regions worldwide can put downward pressure on market prices of PGMs, particularly if demand for PGMs declines in connection with reduced automobile demand and more restricted availability of investment credit. If investors release substantial volumes of PGMs into the market from stockpiles, exchange-traded fund holdings or otherwise, the increased supply can reduce the prices of palladium and platinum. Changes in currency exchange rates, and particularly the significant weakening of the South African Rand or Russian Rouble, can reduce relative costs of production and improve the competitive cost position of South African and Russian PGM producers. This in turn could reduce the worldwide competitiveness of Stillwater's North American operations and make new PGM investment more attractive in South Africa and Russia.

Exchange-traded funds for palladium and platinum have been introduced in recent years that enable more investors to participate in the PGM markets, potentially resulting in more metal being held in inventory. The overhang from these significant investment holdings of palladium and platinum makes it more difficult to predict accurate future supply and demand for these metals and may contribute to added PGM price volatility.

Reductions in PGM prices would adversely affect Stillwater's revenues, profits and cash flows. Protracted periods of low metal prices could significantly reduce revenues and the availability of required development funds to levels that could cause portions of Stillwater's ore reserves and production plan to become uneconomical. This could lead to substantial reductions in PGM production or to suspension of mining operations, as well as to impairment of asset values and reductions in Stillwater's proven and probable ore reserves.

Extended periods of high commodity prices may create economic dislocations that may be destabilising to PGM supply and demand and ultimately to the broader markets. Periods of high PGM market prices generally are beneficial to Stillwater's financial performance.

However, strong PGM prices also create economic pressure to identify or create alternate technologies that ultimately could depress future long-term demand for PGMs, and at the same time may incentivise development of otherwise marginal mining properties.

27.3.3 **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of Stillwater Group's and Stillwater's financial instruments will fluctuate because of changes in market interest rates. Stillwater Group's exposure to interest rate risk arises primarily from Stillwater Group's long-term debt obligations.

As at 31 December 2016, Stillwater Group's long-term borrowings are at fixed rates of interest and a change in the interest rates at the reporting date would not affect profit or loss.

28. RELATED-PARTY TRANSACTIONS

Stillwater has not entered into any related-party transactions during the year.

Following are the details of the key management remuneration:

Compensation of Key Management personnel of Stillwater Group

	2016
	(US$ thousands)
Particulars	
Short-term employee benefits: Basic salary	1 766
Short-term employee benefits: Bonus	130
RSUs earned above 114% of base	494
Share awards	3 042
Non-equity incentive plan compensation	1 733
All other compensation	384
Total compensation paid to key management personnel	**7 549**

Annual bonus programme

Annual cash bonuses are paid pursuant to our STI Plan and are set each year relative to our annual business plan. For 2016, the total annual bonus was based upon a quantitative formula, with 8% based on the Compensation Committee's discretionary evaluation of individual and group performance. For 2016, each NEO had a threshold, target (the median) and maximum annual bonus opportunity, expressed as a percentage of year-end salary (with linear interpolation between opportunity percentages) as follows:

	2016
	Bonus at Threshold
	(US$ thousands)
Particulars	
Bonus at threshold performance level	643
Bonus at target performance level	1 285
Bonus at maximum performance level	2 570

Share Ownership Of Directors And Prescribed Officers

The following sets forth, to the knowledge of Stillwater's management, the total amount of ordinary shares (ordinary share capital) of Stillwater directly or indirectly owned by all the Directors and Executive Officers as at 31 December 2016:

Name	Securities
BlackRock, Inc.	14 024 579
George M. Bee	24 354
Standard Life Investments Ltd	10 246 782
The Vanguard Group, Inc.	9 130 750
Franklin Resources, Inc.	7 683 112
Contrarius Investment Management Limited	6 066 352
Bray, Dee L	5 045
Lawrence Peter O'Hagan	–
Michael J McMullen	131 248
Patrice E Merrin	22 586
Michael S Parrett	22 586
Brian Schweitzer	30 703
Gary Sugar	11 703
Kristen K. Koss	19 807
Brent R Wadman	17 085
Christopher M Bateman	11 722

29. CAPITAL MANAGEMENT

Stillwater Group's primary objective with regards to managing its capital is to ensure that there is sufficient capital available to support the funding requirements of Stillwater Group, including capital expenditure, in a way that: optimises the cost of capital; maximises shareholders' returns; and ensures that Stillwater Group remains in a sound financial position.

There were no changes to Stillwater Group's overall capital management approach during the current year.

Stillwater Group manages and makes adjustments to the capital structure as and when borrowings mature or as and when funding is required. This may take the form of raising equity, market or bank debt or hybrids thereof. Opportunities in the market are also monitored closely to ensure that the most efficient funding solutions are implemented.

Stillwater Group monitors capital using the ratio of net external debt (Convertible Debentures, short-term finance lease and financing of a small instalment land purchase less cash and cash equivalents) to earnings (operating profit) before interest, taxes (EBIT), but does not set absolute limits for this ratio. Stillwater Group is comfortable with a ratio of net debt-to-EBITDA of one times or lower.

	Notes	2016	2015
		(U.S.$ thousands)	
Particulars			
Long-term debt	19	429 814	319 781
Cash and cash equivalents	16	123 238	147 336
Net debt		306 576	172 445
EBIT		(65 530)	119 814
Net debt to EBIT (ratio)		(4.7)	1.4

30. EXPLANATION OF TRANSITION TO IFRSS

As stated in note 1.2, this is Stillwater Group's first Historical Financial Information prepared in accordance with IFRSs. The accounting policies set out in each note have been applied in preparing the Historical Financial Information for the year-ended 31 December 2016, the comparative information presented in the Historical Financial Information for the year-ended 31 December 2015 and in the preparation of an opening IFRS Statement of Financial Position at 1 January 2015 (Stillwater Group's date of transition to IFRS).

Stillwater has not prepared IFRS financial information under their local reporting requirements, and therefore, for the purpose of inclusion in the Circular, determined the adjustments required in order to present IFRS financial information. In preparing its opening IFRS Statement of Financial Position, Stillwater Group has adjusted amounts reported previously in financial statements prepared in accordance with US GAAP. An explanation of how the transition from US GAAP to IFRSs has affected Stillwater Group's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

Exemptions Applied

IFRS 1 allows first-time adopters certain exemptions from retrospective application of certain requirements under IFRS. Stillwater Group has applied the following exemptions:

- **IFRS 2 *Share-based Payment*** has not been applied to equity instruments in share-based payment transactions that were granted before 7 November 2002, nor has it been applied to equity instruments granted after 7 November 2002 that vested before 1 January 2015. For cash-settled share-based payment transactions, Stillwater Group has not applied IFRS 2 to liabilities that were settled before 1 January 2015.
- **Estimates –** The estimates at 1 January 2015 and at 31 December 2015 are consistent with those made for the same dates in accordance with US GAAP after adjustments to reflect any differences in accounting policies.
- **Long-term debt –** Stillwater Group has elected to apply the exemption per IFRS 1.D19b allowing it to designate the 1.75% Convertible Debenture as a financial liability at fair value through profit or loss as at the date of transition, measuring the fair value as at 1 January 2015.
- **Decommissioning asset –** Stillwater Group has elected to apply the exemption allowed per IFRS 1.D21 to the measurement of the decommissioning asset related to the asset retirement obligation, by measuring the liability as at the date of transition in accordance with IFRS and not applied historical rate adjustments to the related asset.

	Note	US GAAP as at 1 January 2015	Effect of transition to IFRS	IFRS as at 1 January 2015
		(US Dollars (figures in thousands))		
Particulars				
Assets				
Non-current assets		**697 931**	**160 193**	**858 124**
Property, plant and equipment(*)	A, B, C	687 887	22 255	710 142
Investments	a	–	109 744	109 744
Restricted cash	b	–	121	121
Other financial assets	c	–	623	623
Other assets	a, b, c	4 012	(1 639)	2 373
Deferred debt issuance cost	D	6 032	(6 032)	–
Deferred tax assets	E	–	35 121	35 121
Current assets		**701 396**	**(129 901)**	**571 495**
Investments	a	251 254	(108 848)	142 406
Inventories		130 307	–	130 307
Trade receivables		1 277	–	1 277
Deferred tax	E	21 055	(21 055)	–

	Note	US GAAP as at 1 January 2015	Effect of transition to IFRS	IFRS as at 1 January 2015
		(US Dollars (figures in thousands))		
Cash and cash equivalents		280 286	–	280 286
Income tax receivable	d	–	5 158	5 158
Other financial assets	e	–	671	671
Prepaid expense	f	2 546	(2 546)	–
Other assets	d, e, f	14 671	(3 281)	11 390
Total assets		**1 399 327**	**30 292**	**1 429 619**
Equity and liabilities				
Equity attributable to owners		913 228	(125 097)	788 131
Share capital		1 204	–	1 204
Share-based payment and other reserves	D	1 091 146	(67 073)	1 024 073
Accumulated loss		(179 122)	(58 024)	(237 146)
Non-controlling interests		18 480	–	18 480
Total equity		**931 708**	**(125 097)**	**806 611**
Non-current liabilities		**385 580**	**155 386**	**540 966**
Deferred tax liabilities	E	68 896	(57 047)	11 849
Long-term debt and capital lease obligations	D	294 023	200 739	494 762
Environmental rehabilitation obligation	C	9 401	11 694	21 095
Accrued workers compensation		6 060	–	6 060
Other liabilities		7 200	–	7 200
Current liabilities		**82 039**	**1**	**82 040**
Trade and other payables	g	26 806	1 908	28 714
Accrued compensation and benefits		29 973	–	29 973
Property, production and franchise taxes payable		15 828	–	15 828
Current portion of borrowings		2 144	–	2 144
Other financial liabilities	h	–	1 467	1 467
Other liabilities	g, h	7 288	(3 374)	3 914
Total liabilities		**467 619**	**155 387**	**623 007**
Total equity and liabilities		**1 399 327**	**30 290**	**1 429 619**

Note:

* Disclosed in the US GAAP financial statements (refer Form 10-K) as Mineral Properties ($159m), Mine Development ($410m) and Property, plant and equipment ($119m).

	Note	US GAAP as at 31 December 2015	Effect of transition to IFRS	IFRS as at 31 December 2015
		(US Dollars (figures in thousands))		
Particulars				
Assets				
Non-current assets		**691 124**	**122 489**	**813 613**
Property, plant and equipment(*)	A, B, C	683 188	27 237	710 425
Deferred debt issuance cost	D	3 821	(3 821)	–

	Note	US GAAP as at 31 December 2015	Effect of transition to IFRS	IFRS as at 31 December 2015
		(US Dollars (figures in thousands))		
Investments	a	–	76 467	76 467
Restricted cash	b	–	124	124
Other financial assets	c	–	1 745	1 745
Other assets	a, b, c	4 115	(2 393)	1 722
Deferred tax assets	E	–	23 130	23 130
Current assets		**591 086**	**(75 943)**	**515 143**
Investments	a	316 429	(75 493)	240 486
Inventories		102 072	–	102 072
Trade receivables		800	–	800
Cash and cash equivalents		147 336	–	147 336
Income tax receivable	d	–	13 172	13 172
Other financial assets	e	–	1 227	1 227
Prepaid expenses	f	2 821	(2 821)	–
Other assets	d, e, f	21 628	(11 578)	10 050
Total assets		**1 282 210**	**46 546**	**1 328 756**
Equity and liabilities				
Equity attributable to owners		909 229	(6 341)	902 888
Share capital		1 210	–	1 210
Share-based payment and other reserves	D	1 099 283	(63 763)	1 035 520
Accumulated loss		(191 264)	57 422	(133 842)
Non-controlling interests		–	–	–
Total equity		**909 229**	**(6 341)**	**902 888**
Non-current liabilities		**304 880**	**52 887**	**357 766**
Deferred tax liabilities	E	22 761	(17 334)	5 427
Long-term debt and capital lease obligations	D	258 920	60 861	319 781
Environmental rehabilitation obligation	C	11 027	9 359	20 386
Accrued workers compensation		6 070	–	6 070
Other liabilities		6 102	–	6 102
Current liabilities		**68 101**	**1**	**68 102**
Trade and other payables	g	18 205	2 044	20 249
Accrued compensation and benefits		30 046	–	30 046
Property, production and franchise taxes payable		13 907	1	13 908
Current portion of borrowings		657	–	657
Other financial liabilities	h	–	1 229	1 229
Other liabilities	g, h	5 286	(3 273)	2 013
Total liabilities		**372 981**	**52 888**	**425 868**
Total equity and liabilities		**1 282 210**	**46 547**	**1 328 756**

Note:

* Disclosed in the US GAAP financial statements (refer Form 10-K) as Mineral Properties ($112m), Mine Development ($461m) and Property, plant and equipment ($110m).

	Note	US GAAP as at 31 December 2015	Effect of transition to IFRS	IFRS as at 31 December 2015
		(US Dollars (figures in thousands))		
Particulars				
Revenue		726 330	–	726 330
Cost of sales	A, C	(659 814)	6 196	(653 618)
Net operating profit		**66 516**	**6 196**	**72 712**
Finance expense	C	(20 187)	2 058	(18 129)
Interest income		2 955	–	2 955
Loss on financial instruments		(372)	–	(372)
(Loss)/gain on foreign exchange differences	E	3 947	(5 398)	(1 451)
Other income		920	–	920
General and administrative costs	D	(34 033)	4 786	(29 247)
Loss on extinguishment of debt, net		(4 010)	–	(4 010)
Impairments	B	(46 772)	(2 316)	(49 088)
Exploration costs	B	(3 591)	3 591	0
Profit on disposal of property, plant and equipment		216	–	216
Reorganisation costs		(1 658)	–	(1 658)
(Loss) before tax and (loss)/gain on fair value measurement of long-term debt		(36 069)	8 917	(27 152)
(Loss)/gain on fair value measurement of long-term debt	D	–	131 794	131 794
(Loss) before tax for the year		**(36 069)**	**140 711**	**104 642**
Income taxes	E	12 333	(25 263)	(12 930)
Profit/(loss) for the year		**(23 736)**	**115 448**	**91 712**
Attributable to:				
Owners of Stillwater		(11 928)	115 448	103 520
Non-controlling interests		(11 808)	–	(11 808)
Other comprehensive income:				
Items that may be reclassified to profit or loss (net of tax)				
Net unrealised (loss)/gain on investments available-for-sale and deferred compensation		(214)	(2)	(216)
Other comprehensive income/(loss) for the year, (net of tax)		**(23 950)**	**115 446**	**91 496**
Total comprehensive income/(loss) for the year, (net of tax)				
Attributable to:				
Owners of Stillwater		(12 142)	115 446	103 304
Non-controlling interests		(11 808)	–	(11 808)

Notes to the reconciliation of the Statement of Financial Position as at 1 January 2015 and 31 December 2015 and Statement of Profit or Loss and Statement of Other Comprehensive Income for the year-ended 31 December 2015

A: Property, plant and equipment: Mine development and infrastructure cost

Under US GAAP, Stillwater recognised all expenditures incurred to sustain existing production and directly access specific ore reserve blocks or stopes that provide benefit to ore reserve production over limited periods of time, as operational expenses in profit and loss. The adjustment was made to align to IFRS policies, and where costs meet the criteria for recognition as an asset, these costs are capitalised to the mine development and infrastructure class under property, plant and equipment. Depreciation is charged on units of production basis.

The net impact arising from the change is summarised as follows:

	Notes	1 January 2015	31 December 2015
		(US$ thousands)	
Particulars			
Consolidated statement of comprehensive income			
Cost of sales		–	(5 585)
Adjustment before income tax		**–**	**(5 585)**
Related tax effect		–	1 650
Adjustment after income tax		**–**	**(3 935)**
Consolidated Statement of Financial Position			
Property plant and equipment		10 795	16 380
Related tax effect		(4 523)	(6 172)
Adjustment to accumulated loss		**6 272**	**10 208**

B: Property, plant and equipment: Exploration and evaluation (E&E) expenditure

Under US GAAP, Stillwater expensed all exploration and evaluation costs as incurred. In terms of Stillwater's elected IFRS policy, IFRS allows for the capitalisation of exploration and evaluation costs. The adjustment has been made to capitalise all costs that meet the definition of exploration and evaluation incurred post the acquisition of legal mineral rights to a separate class of property, plant and equipment.

The net impact arising from the change is summarised as follows:

	Notes	1 January 2015	31 December 2015
		(US$ thousands)	
Particulars			
Consolidated statement of comprehensive income			
Exploration expenses		–	(3 591)
Impairment of property, plant and equipment		–	2 316
Adjustment before income tax		**–**	**(1 275)**
Related tax effect		–	253
Adjustment after income tax		**–**	**(1 022)**
Consolidated Statement of Financial Position			
Property plant and equipment E&E		2 024	3 589
Accumulated amortisation, depreciation and impairment		(2 024)	(2 316)
Related tax effect		–	(253)
Adjustment to accumulated loss		**–**	**1 020**

C: Asset retirement obligation, decommissioning liability and related adjustments

Under US GAAP, the entity measured the liability of asset retirement obligation at the fair value of future estimated cost to complete final reclamation work required to comply with existing laws and regulations of each mining operation at date of initial recognition of respective layers, discounted at a rate calculated inclusive of a credit risk adjustment. To adjust to the IFRS policy as required by IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, the present value of the expected rehabilitation cost estimates was discounted using a risk-free rate while cash flows were adjusted to reflect the risks specific to the obligation. Any accretion costs were also reclassified from operating costs as accounted for under US GAAP to finance expense as required by IFRS.

Furthermore, the guidance of IFRIC 1 *Changes in Existing Decommissioning, Restoration and Similar Liabilities*, was applied to adjust the value of the associated decommissioning asset with changes associated with the changes in the expected future cashflows as well as changes in discount rate as reassessed at each period-end. The decommissioning asset is amortised over the remaining life of the mine.

The net impact arising from the change is summarised as follows:

	Notes	1 January 2015	31 December 2015
		(US$ thousands)	
Particulars			
Consolidated statement of comprehensive income			
Cost of sales, net impact		–	(612)
Finance expense		–	153
Adjustment before income tax		**–**	**459**
Related tax effect		–	(183)
Adjustment after income tax		**–**	**276**
Consolidated Statement of Financial Position			
Asset retirement obligation		(11 694)	(9 360)
Property, plant and equipment: Decommissioning asset		11 460	9 585
Related tax effect		98	(85)
Adjustment to accumulated loss		**(136)**	**140**

D: 1.75% Convertible Debenture reclassification and related adjustments

The 1.75% Convertible Debentures were bifurcated under US GAAP into separate debt and equity components. Upon issuance, a debt discount was recorded as part of share premium and subsequently accreted as an additional non-cash interest charge to profit over the expected life. Debt and equity issuance cost was deducted from gross proceeds and the debt portion amortised over seven years, being the period up to the first possible redemption date. The debt balance was accounted for on an amortised cost basis. The entire instrument has been reclassified for the purposes of IFRS as a debt instrument and designated as fair value through profit or loss upon transition date. Revaluations to fair value are based upon the quoted price of the bond and accounted for as gain or loss in the Statement of Profit or Loss. As part of the adjustment, the debt issuance cost was derecognised upon transition date through Profit or Loss and previous discounts included in share-based payments and other reserves was also derecognised against the balance of long-term debt.

The net impact arising from the change is summarised as follows:

	1 January 2015: Reserves	1 January 2015: Accumulated loss	31 December 2015
		(US$ thousands)	
Particulars			
Consolidated statement of comprehensive income			
Gain of fair value re-measurement of debt	–	–	131 794
General and administrative costs	–	–	4 786
Interest expense	–	–	2 211
Adjustment before income tax	**–**	**–**	**138 791**
Related tax effect (refer to E6 – E8)	–	–	–
Consolidated Statement of Financial Position			
Deferred debt issuance cost	–	(6 032)	(3 821)
Long-term debt	(137 173)	(63 566)	(60 861)
Related tax effect	57 526	(12 012)	24 119
Adjustment to equity	**(79 647)**	**81 610**	**(40 563)**

E: Taxation adjustments

The following is a summary of the changes relating to the underlying principles applied in the taxation provision calculations to convert from US GAAP to IAS 12 Income Tax.

The net impact arising from the change is summarised as follows:

	(US$ thousands)	
	1 January 2015	**31 December 2015**
Consolidated statement of comprehensive income		
Income adjustments:		
E3: Application of initial recognition exemption as per IAS12.15b on mineral properties for Canada	–	1 068
E4: Impact of derecognition of exploration cost deferred tax asset for Argentina (#)	–	715
E6: Impact of fair value adjustment to establish deferred tax liability relating to convertible debt	–	5 989
E7: Impact of reversing the deferred tax related to the 1.75% Convertible Debentures	–	15 335
E8: Impact of debt issuance costs included in taxable income	–	71
Tax effect of adjustments (A – D)	–	2 085
Total adjustments to income taxes	**–**	**25 263**
E5: Adjustments to eliminate foreign currency re-measurement of deferred tax asset/liability of Argentina(**)		5 398
Total tax adjustments	**–**	**30 661**
Consolidated Statement of Financial Position		
E1: Recognition of share-based payment assessed losses deferred tax assets for IFRS purposes(*)	12 574	12 586
E2: Application of initial recognition exemption as per IAS12.15b on mineral properties for Argentina	30 643	30 643
E3: Application of initial recognition exemption as per IAS12.15b on mineral properties for Canada	1 068	–

	(US$ thousands)	
	1 January 2015	**31 December 2015**
E4: Derecognition of deferred tax asset on exploration cost not qualifying for recognition under IFRS for Argentina(#)	(7 816)	(8 530)
E5: Adjustments to eliminate foreign currency re-measurement of deferred tax asset/liability of Argentina(**)	(6 445)	(11 844)
Subtotal	**30 024**	**22 855**
Tax effect of adjustments (A – D)	41 089	17 609
Total	**71 113**	**40 464**
Deferred tax asset (Non-current)	**35 121**	**23 130**
Deferred tax asset (Current)	**(21 055)**	**–**
Deferred tax liability (Non-current)	**57 047**	**17 334**

Notes:

* Under US GAAP deferred tax relating to tax windfalls is deferred whereas under IFRS it is recognised immediately in equity.

\# Deferred tax asset reversed as a consequence of initial recognition exemption application under E2.

** Foreign currency movements on deferred tax asset/liability reversed as a consequence of initial recognition exemption (E2) and exploration asset not recognised for IFRS purposes (E5).

F. Statement of Cash Flows

The transition from US GAAP to IFRS had no material impact on the Statement of Cash Flows other than presentation format.

IFRS Reclassifications

Other non-current assets

Under US GAAP, the Statement of Financial Position disclosed other non-current assets as at transition date amounting to $4.012 million (31 December 2015: $4.115 million). Included in the balance are the following items required to be separately disclosed under the respective classes per IFRS and have been reclassified accordingly:

	Notes	**1 January 2015**	**31 December 2015**
		(US$ thousands)	
Particulars			
Investments(1)	a	895	524
Restricted cash	b	121	124
Other financial assets *(refer to Note 11 for full details)*	c	623	1 745
Total reclassification: other assets (non-current)		**1 639**	**2 393**

Note:

(1) Included in the total adjustment of Investments (non-current).

Investment reclassification

Under US GAAP, Stillwater Group classified the total investments as current assets as at transition date amounting to $251 million (31 December 2015: $316 million). The portions due after one year relating to the respective investments have been reclassified to non-current assets as below:

	Notes	1 January 2015	31 December 2016
		(US$ thousands)	
Particulars			
Investments (non-current)[1]	a	108 848	75 943
Total reclassification: from Investments (current)	**a**	**108 848**	**75 943**

Note:

(1) Included in the total adjustment of Investments (non-current).

Other current assets

Under US GAAP, the Statement of Financial Position disclosed other current assets as at transition date amounting to $14.671 million (31 December 2015: $21.628 million) and prepaid expenses as at transition date amounting to $2.546 million (31 December 2015: $2.821 million). Included in the balance are the following items required to be separately disclosed under the respective classes per IFRS and have been reclassified:

	Notes	1 January 2015	31 December 2015
		(US$ thousands)	
Particulars			
Income tax receivable	d	5 158	13 172
Other financial assets *(refer to Note 11 for full details)*	e	671	1 227
Prepaid expenses	f	(2 546)	(2 821)
Total reclassification: other assets (current)		**3 281**	**11 578**

Other current liabilities

Under US GAAP, the Statement of Financial Position disclosed other current liabilities as at transition date amounting to $7.288 million (31 December 2015: $5.286 million). Included in the balance are the following items required to be separately disclosed under the respective classes per IFRS and have been reclassified:

	Notes	1 January 2015	31 December 2015
		(US$ thousands)	
Particulars			
Trade and other payables	d	1 908	2 044
Interest payable	e	1 467	1 229
Total reclassification: other assets (current)		**3 375**	**3 273**

HISTORICAL FINANCIAL INFORMATION OF SIBANYE

Sibanye's historical financial statements for the years ended 31 December 2015 and 2014, including the notes thereto, are incorporated by reference into this Circular from Sibanye's Annual Financial Report 2015. Sibanye Shareholders are referred to "*Paragraph 23 – Documents Incorporated by Reference*" of this Circular for details on where information incorporated by reference can be located.

The 2016 financial information presented in this Circular has been derived from the condensed consolidated preliminary financial statements for the year-ended 31 December 2016. Sibanye Shareholders should note that this financial information was reviewed but not audited. Sibanye expects to publish its audited 2016 financial information on or around 24 March 2017, prior to the General Meeting. Sibanye Shareholders will be notified via SENS once the audited financial information is available. The condensed consolidated preliminary financial statements are prepared in accordance with the requirements of the JSE Listings Requirements for preliminary reports and the requirements of the Companies Act of South Africa. The JSE Listings Requirements require preliminary reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 *Interim Financial Reporting*.

CONDENSED CONSOLIDATED PRELIMINARY FINANCIAL STATEMENTS

Condensed consolidated income statement

		Year ended 31 December	
		Reviewed	Audited
	Notes	2016	2015
		(R in millions, unless otherwise stated)	
Revenue		31 240.7	22 717.4
Operating costs	2	(20 709.1)	(16 380.4)
Operating profit		10 531.6	6 337.0
Amortisation and depreciation		(4 041.9)	(3 636.6)
Net operating profit		6 489.7	2 700.4
Interest income		331.4	257.0
Finance expenses		(903.1)	(561.8)
Net other costs		(354.6)	(78.6)
Exploration and feasibility costs		(4.1)	(23.6)
Share of results of equity-accounted investees after tax		13.3	116.0
Share-based payments	3	(255.9)	(274.4)
Loss on financial instruments	4	(1 032.8)	(229.5)
Gain/(loss) on foreign exchange differences		219.6	(359.4)
Profit before non-recurring items		**4 503.5**	**1 546.1**
Gain on disposal of property, plant and equipment		95.4	58.7
Impairments	5	(1 381.1)	–
Share-based payment on BEE transaction	8	(240.3)	–
Gain on acquisition	8	2 428.0	–
Restructuring costs		(187.7)	(104.8)
Transaction costs		(157.0)	(25.7)
Net loss on derecognition of financial guarantee asset and liability		–	(158.3)
Profit before royalties and tax		**5 060.8**	**1 316.0**
Royalties		(546.6)	(400.6)
Profit before tax		**4 514.2**	**915.4**
Mining and income tax		(1 243.2)	(377.2)
– Current tax		(1 111.8)	(696.7)
– Deferred tax		(131.4)	319.5
Profit for the year		**3 271.0**	**538.2**
Profit for the year attributable to:			
– Owners of Sibanye		3 701.6	716.9
– Non-controlling interests		(430.6)	(178.7)
Earnings per ordinary share (cents)			
Basic earnings per share		402	79
Diluted earnings per share		401	78
Weighted average number of shares ('000)		921 733	912 038
Diluted weighted average number of shares ('000)		923 894	917 709
Headline earnings per ordinary share (cents)	6		
Headline earnings per share		270	74
Diluted headline earnings per share		269	74

Condensed consolidated statement of other comprehensive income

		Year ended 31 December	
		Reviewed	Audited
	Notes	2016	2015
		(R in millions, unless otherwise stated)	
Profit for the period		3 271.0	538.2
Other comprehensive income, net of tax		(131.4)	–
Foreign currency translation adjustments		(131.4)	–
Total comprehensive income		**3 139.6**	**538.2**
Total comprehensive income attributable to:			
– Owners of Sibanye		3 570.2	716.9
– Non-controlling interests		(430.6)	(178.7)

Condensed consolidated statement of financial position

		31 December	
		Reviewed	Audited
	Notes	2016	2015
		(R in millions, unless otherwise stated)	
Non-current assets		**34 018.1**	**25 515.0**
Property, plant and equipment		27 240.7	22 132.4
Goodwill		936.0	736.7
Equity-accounted investments	9	2 157.4	167.5
Environmental rehabilitation obligation funds		3 100.5	2 413.9
Non-current financial assets		355.3	1.3
Deferred tax		228.2	63.2
Current assets		**7 703.2**	**2 750.7**
Inventories		676.8	405.9
Trade and other receivables		5 747.9	1 627.4
Current financial assets		310.6	–
Cash and cash equivalents		967.9	717.4
Total assets		**41 721.3**	**28 265.7**
Shareholders' equity		**16 697.4**	**14 984.8**
Non-current liabilities		**18 787.3**	**7 933.6**
Deferred tax liabilities		4 707.1	3 561.4
Borrowings	10	8 221.5	1 808.3
Environmental rehabilitation obligation	11	3 982.2	2 411.0
Post-retirement healthcare obligation		16.3	16.3
Share-based payment obligations	3	246.5	136.6
Non-current financial liabilities	7, 8	1 613.7	–
Current liabilities		**6 236.6**	**5 347.3**
Trade and other payables		5 180.5	2 759.4
Tax and royalties payable		68.6	129.6
Current borrowings	10	752.3	1 995.3
Current share-based payment obligations	3	235.2	463.0
Total equity and liabilities		**41 721.3**	**28 265.7**
Net debt[1]		**6 292.8**	**1 361.9**

Note:

(1) Net debt represents borrowings and bank overdraft less cash and cash equivalents. Borrowings are only those borrowings that have recourse to Sibanye and therefore exclude the Burnstone Debt. Net debt excludes Burnstone cash and cash equivalents.

Condensed consolidated statement of changes in equity

	Total equity	Non-controlling interests	Accumulated loss	Other Reserves	Stated capital
		(R in millions, unless otherwise stated)			
Balance at 31 December 2014 (Audited)	**14 985.9**	**329.6**	**(9 897.4)**	**2 819.1**	**21 734.6**
Total comprehensive income for the year	538.2	(178.7)	716.9	–	–
Profit for the year	538.2	(178.7)	716.9	–	–
Other comprehensive income, net of tax	–	–	–	–	–
Dividends paid	(658.4)	–	(658.4)	–	–
Share-based payments	119.1	–	–	119.1	–
Transactions with non-controlling interests	–	(41.1)	41.1	–	–
Balance at 31 December 2015 (Audited)	**14 984.8**	**109.8**	**(9 797.8)**	**2 938.2**	**21 734.6**
Total comprehensive income for the year	3 139.6	(430.6)	3 701.6	(131.4)	–
Profit for the year	3 271.0	(430.6)	3 701.6	–	–
Other comprehensive income, net of tax	(131.4)	–	–	(131.4)	–
Dividends paid	(1 611.9)	(1.3)	(1 610.6)	–	–
Share-based payments	172.0	–	–	172.0	–
Transactions with non-controlling interests[1]	–	326.9	(326.9)	–	–
Acquisition of subsidiary with non-controlling interests	12.9	12.9	–	–	–
Balance at 31 December 2016 (Reviewed)	**16 697.4**	**17.7**	**(8 033.7)**	**2 978.8**	**21 734.6**

Note:

(1) On acquisition of the Cooke Operations, the amount recognised as non-controlling interests represented the BEE consortium's proportionate share of the net assets at acquisition date after considering the loan amount due and payable to Sibanye. As the recoverable amount of the Cooke cash-generating unit (CGU) is lower than its carrying value, the BEE consortium's proportionate share of the net fair value at 31 December 2016 is not sufficient to fund the BEE consortium's attributable loss, and therefore the non-controlling interest was limited to zero.

Condensed consolidated statement of cash flows

	Year ended 31 December	
	Reviewed	**Audited**
	2016	**2015**
Cash flows from operating activities		
Cash generated by operations	9 835.1	6 130.3
Cash-settled share-based payments paid	(1 518.6)	(42.2)
Change in working capital	(237.6)	(668.0)
	8 078.9	**5 420.1**
Interest received	112.2	117.3
Interest paid	(441.1)	(260.2)
Royalties paid	(555.9)	(395.4)
Tax paid	(1 176.7)	(656.3)
Dividends paid	(1 611.9)	(658.4)
Guarantee release fee paid	–	(51.8)
Net cash from operating activities	**4 405.5**	**3 515.3**
Cash flows from investing activities		
Additions to property, plant and equipment	(4 151.1)	(3 344.8)
Proceeds on disposal of property, plant and equipment	99.4	65.1
Contributions to funds and payment of environmental rehabilitation obligation	(74.7)	(78.1)
Investment in subsidiaries	(5 801.5)	–
Cash acquired on acquisition of subsidiaries	494.2	–
Loan advanced to equity-accounted investee	(10.1)	(3.0)
Loan repaid by equity-accounted investee	–	20.9
Net cash used in investing activities	**(9 443.8)**	**(3 339.9)**
Cash flows from financing activities		
Loans raised	17 280.5	1 552.0
Loans repaid	(11 834.7)	(1 572.9)
Net cash from/(used in) financing activities	5 445.8	(20.9)
Net increase/(decrease) in cash and cash equivalent	407.5	154.5
Effect of exchange rate fluctuations on cash held	(157.0)	–
Cash and cash equivalents at beginning of year	717.4	562.9
Cash and cash equivalents at end of year	**967.9**	**717.4**

Notes to the Condensed Consolidated Financial Statements

1. BASIS OF ACCOUNTING AND PREPARATION

The condensed consolidated preliminary financial statements are prepared in accordance with the requirements of the JSE Listings Requirements for preliminary reports and the requirements of the Companies Act of South Africa. The JSE Listings Requirements require preliminary reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 *Interim Financial Reporting*. The accounting policies applied in the preparation of the condensed consolidated preliminary financial statements are in terms of IFRS and are consistent with those applied in the previous consolidated annual financial statements. The accounting policies (including significant accounting judgements and estimates), however, have been expanded for the PGM assets (due to the Aquarius and the Rustenburg Operations acquisitions) mainly relating to:

- Revenue arising from PGM concentrate sales is recognised when risks and rewards of ownership of the mine product has passed to the buyer pursuant to a sales contract. The sales price is determined on a provisional basis at the date of delivery. Adjustments to the sales price occur based on movements in the metal market price up to the date of final pricing. Revenue on provisionally priced sales is initially recorded at the estimated fair value of the consideration receivable, determined with reference to estimated forward prices using consensus forecasts. The fair value of the final sales price adjustment is re-estimated continuously and changes in fair value recognised as an adjustment to revenue in profit or loss and trade receivables in the Statement of Financial Position.
- Judgement is required to determine when the Group has joint control, which requires an assessment of the relevant activities and when the decisions in relation to those activities require unanimous consent. The Group has determined that the relevant activities for its joint arrangements are those relating to the operating and capital decisions of the arrangement. The considerations made in determining joint control are similar to those necessary to determine control over subsidiaries. Judgement is also required to classify a joint arrangement as either a joint operation or a joint venture. Classifying the arrangement requires the Group to assess their rights and obligations arising from the arrangement.
- The consideration transferred for the acquisition of a business includes any liability resulting from a contingent arrangement. The contingent consideration for the Rustenburg Operations acquisition includes a deferred payment and is measured at fair value.

In terms of the Group's accounting policies:

- Joint ventures are accounted for using the equity method; and
- Joint operations are accounted for by recognising the proportionate share of assets, liabilities and transactions incurred jointly.

2. OPERATING COSTS

A net realisable value write-down on uranium finished goods and uranium-in-process has been recognised in operating costs as follows:

	Year ended 31 December	
	2016	**2015**
	(R in millions, unless otherwise stated)	
Net realisable value write-down	(93.3)	(24.0)

3. SHARE-BASED PAYMENTS

	Year ended 31 December	
	2016	**2015**
	(R in millions, unless otherwise stated)	
Sibanye Gold Limited 2013 Share Plan	(172.1)	(119.1)
Sibanye Gold Limited Phantom Share Scheme	(83.8)	(155.3)
Total share-based payments	**(255.9)**	**(274.4)**

Sibanye Gold Limited Phantom Share Scheme

On 14 May 2013 Sibanye's Remuneration Committee limited the issuance of share options for the 2013 allocation under the Sibanye Gold Limited 2013 Share Plan (SGL Share Plan) to senior management only. Middle and certain senior management, who previously participated in the equity-settled share option scheme, now participate in a cash-settled share scheme, the Sibanye Gold 2013 Phantom Share Scheme (SGL Phantom Scheme).

The fair value of the cash-settled instruments at reporting date, used to value the share-based payment obligation, is determined using the same assumptions as for the grant date valuation. However, the respective models take into account the actual share data of the peer group for the period from the grant date to the reporting date.

Reconciliation of the share-based payment obligations:

		Year ended 31 December	
	Notes	**2016**	**2015**
		(R in millions, unless otherwise stated)	
Balance at beginning of the year		599.6	399.2
Share-based payments expensed		83.8	155.3
Share-based payment on BEE transaction	8	240.3	–
Fair value adjustment of obligation[(1)]	4	1 076.6	87.3
Cash-settled share-based payments paid[(2)]		(1 518.6)	(42.2)
Balance at end of the year		**481.7**	**599.6**
Current share-based payment obligations		**(235.2)**	**(463.0)**
Non-current share-based payment obligations		**246.5**	**136.6**

Notes:

(1) The fair value adjustment at reporting date is included in loss on financial instruments in profit or loss and not as part of share-based payments expense. The appreciation in Sibanye's share price for the six-month period-ended 30 June 2016 of approximately 120%, resulted in a fair value loss of R1 181.1 million. The depreciation in share price for the six-month period-ended 31 December 2016 of approximately 49% resulted in a fair value gain of R110.7 million.

(2) Payments made during the period relate to vesting of shares to employees and proportionate vesting of shares to employees that have left the Group in good faith. Bonus Share (BS) options under the SGL Share Plan are issued on grant date and thus dividends are paid when the Company declares a dividend. Similarly, the BS holders under the SGL Phantom Scheme receive share-based payments to the equivalent of dividends paid, which were also paid during the period.

4. LOSS ON FINANCIAL INSTRUMENTS

		Year ended 31 December	
	Notes	2016	2015
		(R in millions, unless otherwise stated)	
Fair value adjustment of share-based payment obligations	3	(1 076.6)	(87.3)
Loss on revised cash flows of the Burnstone Debt	8	(29.3)	(162.5)
Other[1]		73.1	20.3
Total loss on financial instruments		**(1 032.8)**	**(229.5)**

Note:

(1) The other gain on financial instruments for the year-ended 31 December 2016 includes fair value gains of R40.8 million of the Cooke hedges and R21.0 million on the "purchase of concentrate" debtor acquired on acquisition of the Rustenburg Operations.

5. IMPAIRMENTS

	Year ended 31 December	
	2016	2015
	(R in millions, unless otherwise stated)	
Impairment of goodwill[1]	(201.3)	–
Impairment of property, plant and equipment[1][2]	(1 171.7)	–
Impairment of loan to equity-accounted investee	(8.1)	–
Total impairments	**(1 381.1)**	**–**

Notes:

(1) The gold price decreased from R628 000/kg at 30 June 2016 to R510 000/kg at 31 December 2016. As a result a decision was taken during the six-months ended 31 December 2016, to impair the goodwill allocated to the Cooke CGU by R201.3 million and the Cooke 1, 2 and 3 mining assets by R355.0 million. The impairment was based on the estimated fair value less cost to sale over the life-of-mine calculated as expected discounted cash flows from the expected gold reserves and costs to extract the gold.

(2) Despite intense monitoring and interventions, the Cooke 4 Operation continued to fall short of production targets and losses continued to accumulate. As a result a decision was taken during the six-months ended 30 June 2016 to impair the Cooke 4 Operation's mining assets by R816.7 million. This impairment was based on negative cash flow projections for the remainder of the life-of-mine.

6. RECONCILIATION OF HEADLINE EARNINGS WITH PROFIT FOR THE PERIOD

	Year ended 31 December	
	2016	2015
	(R in millions, unless otherwise stated)	
Profit attributable to owners of Sibanye	3 701.6	716.9
Gain on disposal of property, plant and equipment	(95.4)	(58.7)
Impairments	1 381.1	–
Gain on acquisition	(2 428.0)	–
Taxation effect of re-measurement items	(72.7)	16.4
Headline earnings	**2 486.6**	**674.6**

7. AQUARIUS ACQUISITION

On 6 October 2015 Sibanye announced a cash offer of US$0.195 per share for the entire issued share capital of Aquarius Platinum Limited (Aquarius) (the Aquarius Transaction), valuing Aquarius at US$294 million. The transaction was subject to the fulfilment of various conditions precedent which were completed on 12 April 2016.

On 12 April 2016, Sibanye paid R4 302 million to the Aquarius shareholders and obtained control (100%) of Aquarius.

The acquisition has a strong strategic and financial rationale for Sibanye, both as a stand-alone transaction and when considered in conjunction with the announcement on 9 September 2015 of the conditional acquisition of the Rustenburg PGM operations from Anglo American Platinum Limited. These acquisitions will result in significant value creation through the realisation of synergies between the PGM assets in the Rustenburg area, thereby enhancing Sibanye's platinum portfolio.

The Aquarius operations are efficiently managed, mechanised and low-cost operations that will consolidate Sibanye's position in the South African PGM sector and also provide Sibanye with additional PGM operational experience.

For the nine months ended 31 December 2016, Aquarius contributed revenue of R2 104.4 million and a profit of R223.6 million to the Group's results.

Consideration

	31 December 2016
	(R in millions, unless otherwise stated)
Cash	4 301.5
Total consideration	**4 301.5**

Acquisition-related costs

The Group incurred acquisition-related costs of R93.1 million on advisory and legal fees. These costs are recognised as transaction costs in profit or loss.

Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

	Notes	31 December 2016
		(R in millions, unless otherwise stated)
Property, plant and equipment		1 680.8
Equity-accounted investments	9	2 066.7
Environmental rehabilitation obligation funds		151.9
Non-current financial assets		108.4
Inventories		155.0
Trade and other receivables		908.9
Cash and cash equivalents		494.1
Deferred tax		49.2
Environmental rehabilitation obligation	11	(630.0)
Non-current financial liabilities		(32.4)
Trade and other payables		(1 025.6)
Tax and royalties payable		(13.2)
Total fair value of identifiable net assets acquired		**3 913.8**

The fair value of assets and liabilities excluding property, plant and equipment, and environmental rehabilitation obligation approximate their carrying value. The fair value of property, plant and equipment was based on the expected discounted cash flows of the expected PGM reserves and costs to extract the PGMs discounted at a discount rate of 9% for Kroondal and Platinum Mile, and 15% for Mimosa, and an average PGM (4E) basket price of R14 700/kg.

Goodwill

Goodwill arising from the acquisition has been recognised as follows:

	31 December 2016
	(R in millions, unless otherwise stated)
Consideration paid	4 301.5
Fair value of identifiable net assets	(3 913.8)
Non-controlling interests, based on their proportionate interest in the recognised amounts of the assets and liabilities	12.9
Goodwill	**400.6**

The goodwill is attributable to the synergies between the PGM assets in the Rustenburg area. The allocation of goodwill has been provisionally allocated to the Kroondal and Rustenburg Operations CGUs. None of the goodwill recognised is expected to be deducted for tax purposes.

8. RUSTENBURG PLATINUM MINES ACQUISITION

On 9 September 2015, Sibanye announced that it had entered into written agreements with Rustenburg Platinum Mines Limited (RPM), a wholly owned subsidiary of Anglo American Platinum Limited (Anglo Platinum) to acquire the Bathopele, Siphumelele (including Khomanani), and Thembelani (including Khuseleka) mining operations, two concentrating plants, an on-site chrome recovery plant, the Western Limb Tailings Retreatment Plant, associated surface infrastructure and related assets and liabilities on a going concern basis (the Rustenburg Operations) (the Rustenburg Operations Transaction).

The purchase consideration comprises an upfront payment of R1.5 billion at the closing of the Rustenburg Operation Transaction (Closing) and a deferred payment calculated as being equal to 35% of the distributable free cash flow generated by the Rustenburg Operations over a six-year period from the later of Closing or 1 January 2017 (Deferred Payment), subject to a minimum payment of R3.0 billion. In addition to the Deferred Payment, which allows for a favourable extended payment period; should the Rustenburg Operations generate negative distributable free cash flows in any of 2016, 2017 or 2018, RPM will be required to pay up to R267 million per annum to ensure that the free cash flows for the relevant year is equal to zero.

On 19 October 2016, Sibanye obtained consent in terms of section 11 of the Mineral and Petroleum Resources Development Act for the transfer of the mining right and prospecting right pursuant to the Rustenburg Operations Transaction. Sibanye obtained control (88.4%) of the Rustenburg Operations on this date.

For the two months ended 31 December 2016, the Rustenburg Operations contributed revenue of R1 656.0 million and a loss of R242.6 million to the Group's results.

The purchase price allocation has been prepared on a provisional basis in accordance with IFRS 3. The values measured on a provisional basis include, *inter alia*, deferred tax and the process to determine the effective date tax valuations.

If new information obtained within one year of the acquisition date, about facts and circumstances that existed at the acquisition date, identifies adjustments to the below amounts, or any additional provisions that existed at the date of acquisition, then the accounting for the acquisition will be revised.

Consideration

	31 December 2016
	(R in millions, unless otherwise stated)
Cash	1 500.0
Deferred payment (included in non-current financial liabilities)	1 553.3
True-up amount	65.1
Total consideration	**3 118.4**

Acquisition-related costs

The Group incurred acquisition-related costs of R72.4 million on advisory and legal fees. These costs are recognised as transaction costs in profit or loss.

Identifiable assets acquired and liabilities assumed

The following table summarises the provisional fair value of assets acquired and liabilities assumed at the acquisition date:

	Notes	31 December 2016
		(R in millions, unless otherwise stated)
Property, plant and equipment		4 021.5
Environmental rehabilitation obligation funds		280.7
Non-current financial assets		220.9
Inventories		80.4
Trade and other receivables		2 991.6
Current financial assets		242.0
Cash and cash equivalents		0.1
Deferred tax		(898.5)
Environmental rehabilitation obligation	11	(79.8)
Trade and other payables		(1 312.5)
Total fair value of identifiable net assets acquired		**5 546.4**

The fair value of assets and liabilities excluding property, plant and equipment, and environmental rehabilitation obligation approximate their carrying value. The fair value of property, plant and equipment was based on the expected discounted cash flows of the expected PGM reserves and costs to extract the PGMs discounted at a discount rate of 9.2% and an average PGM (4E) basket price of R14 725/kg.

Share-based payment on BEE transaction

The share-based payment on BEE transaction amounted to R240.3 million. In terms of the Rustenburg Operations Transaction a 26% equity stake in Sibanye Rustenburg Platinum Mines Proprietary Limited (SRPM) was acquired by the BBBEE SPV (the BBBEE Transaction) by a vendor financed facility from Sibanye Platinum Proprietary Limited (Sibanye Platinum), on the following terms:

- Interest at up to 0.2% above Sibanye's highest cost of debt;
- Post-payment of the annual Deferred Payment to RPM and in respect of any repayment by SRPM of shareholder loans or the distribution of dividends, 74% will be paid to Sibanye Platinum and 26% to BBBEE SPV;
- Of the 26% payment to BBBEE SPV, 85% will be used to service the facility owing by BBBEE SPV to Sibanye Platinum;
- The remaining 15% of any such payment or 100%, once the facility owing by BBBEE SPV to Sibanye Platinum is repaid, will be declared by BBBEE SPV as a dividend to the BBBEE SPV shareholders; and
- The facility will be capped at R3 500 million.

The IFRS 2 *Share-based Payment* expense has been limited to 44.8% of the 26% interest relating to the Bakgatla-Ba-Kgafela Investment Holdings, as the Rustenburg Mine Community Trust and Rustenburg

Mine Employees Trust are controlled and consolidated by Sibanye. The 44.8% interest was based on the expected discounted future cash flows of the expected PGM reserves and costs to extract the PGMs.

Gain on acquisition

Gain on acquisition has been recognised as follows:

	31 December 2016
	(R in millions, unless otherwise stated)
Consideration	3 118.4
Fair value of net identifiable assets	(5 546.4)
Gain on acquisition	**(2 428.0)**

The excess of the fair value of the net assets acquired over the consideration is recognised immediately in profit or loss as a gain on acquisition. The gain on acquisition is attributable to the fact the Rustenburg Operations were considered non-core operations by Anglo Platinum.

9. EQUITY-ACCOUNTED INVESTMENTS

The Group holds the following equity-accounted investments:

	Year ended 31 December	
	2016	**2015**
	(R in millions, unless otherwise stated)	
Rand Refinery	72.4	148.7
Mimosa	2 049.3	–
Other equity-accounted investments	35.7	18.8
Total equity-accounted investments	**2 157.4**	**167.5**

Rand Refinery

Sibanye has a 33.1% interest in Rand Refinery Proprietary Limited (Rand Refinery) which is accounted for using the equity method.

Rand Refinery recognised losses during the period as a result of inefficiencies in processing by-product stockpiles.

The carrying value of Rand Refinery remains an area of estimation and uncertainty.

The equity-accounted investment in Rand Refinery movement for the period is as follows:

	Year ended 31 December	
	2016	**2015**
	(R in millions, unless otherwise stated)	
Balance at beginning of the year	148.7	55.1
Share of results of equity-accounted investee after tax	(116.5)	114.5
Interest on the loan to equity-accounted investee capitalised	40.2	–
Loan repaid by equity-accounted investee	–	(20.9)
Balance at end of the year	**72.4**	**148.7**

Mimosa

Sibanye has a 50% interest in Mimosa Investments Limited, which owns and operates the Mimosa mine.

The equity-accounted investment in Mimosa movement for the period is as follows:

	Notes	Year ended 31 December 2016	2015
		(R in millions, unless otherwise stated)	
Balance at beginning of the year		–	–
Share of results of equity-accounted investee after tax		114.9	–
Foreign currency translation		(132.3)	–
Equity-accounted investment on acquisition of subsidiaries	7	2 066.7	–
Balance at end of the year		**2 049.3**	**–**

10. BORROWINGS

	Year ended 31 December 2016	2015
	(R in millions, unless otherwise stated)	
Balance at beginning of the year	3 803.6	3 170.0
Loans raised	17 280.5	1 552.0
R6.0 billion Facilities	5 100.0	–
R4.5 billion Facilities	1 936.4	1 000.0
US$350 million revolving credit facility	2 771.5	–
Other uncommitted facilities	7 472.6	552.0
Loans repaid	(11 834.7)	(1 527.9)
R4.5 billion Facilities	(3 900.0)	(1 020.9)
US$350 million revolving credit facility	(1 211.6)	–
Other uncommitted facilities	(6 723.1)	(552.0)
Franco-Nevada settlement (non-cash)	(29.1)	(34.6)
Unwinding of loans recognised at amortised cost	141.4	102.3
Loss on revised estimated cash flows[1]	29.3	162.5
(Gain)/loss on foreign exchange difference	(417.2)	424.3
Balance at end of the year	**8 973.8**	**3 803.6**
Borrowings consist of:		
R6.0 billion Facilities	5 100.0	–
US$350 million revolving credit facility	1 369.0	–
R4.5 billion Facilities	–	1 961.6
Franco-Nevada	2.7	33.7
Burnstone Debt	1 752.6	1 808.3
Other borrowings	749.5	–
Borrowings	**8 973.8**	**3 803.6**
Current portion of borrowings	**(752.3)**	**(1 995.3)**
Non-current borrowings	**8 221.5**	**1 808.3**

Note:

(1) At 31 December 2016, the expected free cash flows expected to repay the Burnstone loan was revised as a result of revised cash flows over the life-of-mine plan updated for revised gold prices, exchange rates, forecast cost and capital expenditure. In terms of IAS 39 AG8 the carrying value of the Burnstone Debt increased by R29.3 million, disclosed as part of loss on financial instruments in profit or loss.

11. ENVIRONMENTAL REHABILITATION OBLIGATION

	Notes	Year ended 31 December 2016	2015
		(R in millions, unless otherwise stated)	
Balance at beginning of the year		2 411.0	2 486.8
Interest charge		291.4	197.9
Payment of environmental rehabilitation obligation		–	(0.3)
Change in estimates[1]		568.9	(273.4)
Charge to profit or loss		1.1	–
Environmental rehabilitation obligation assumed on acquisition of subsidiaries	7, 8	709.8	–
Balance at end of the year		**3 982.2**	**2 411.0**

Note:

(1) Changes in estimates are defined as changes in reserves and corresponding changes in life-of-mine, changes in discount rates, and changes in laws and regulations governing environmental matters. At acquisition the environmental rehabilitation obligation acquired was calculated based on the weighted average cost of capital in terms of IFRS 3 for acquisition purposes. Subsequent to initial recognition the provision was recalculated based on the risk free rate of interest in terms of IAS 37. The resulting change in estimate for Aquarius and Rustenburg Operations was R157.4 million and R197.6 million, respectively.

12. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The fair value of financial instruments is estimated based on ruling market prices, volatilities and interest rates at 31 December 2016.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices in level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following tables set out the Group's significant financial instruments measured at fair value by level within the fair value hierarchy:

	31 December 2016			31 December 2015		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	(R in millions, unless otherwise stated)					
Financial assets measured at fair value						
Environmental rehabilitation obligation funds	3 100.5	–	–	2 413.9	–	–
Financial assets	–	–	665.9	–	–	1.3
Financial liabilities measured at fair value						
Non-current financial liabilities	–	–	(1 613.7)	–	–	–

13. CONTINGENT LIABILITIES

As previously indicated, the claims relating to silicosis and other occupational lung diseases are being defended.

On 13 May 2016, the High Court ruled in favour of the applicants and found that there were sufficient common issues to certify two industry-wide classes: (i) a silicosis class comprising current and former mine workers who have contracted silicosis and the dependents of mine workers who have died of silicosis; and (ii) a tuberculosis class comprising current and former mine workers who have worked on the mines for a period of not less than two years and who have contracted pulmonary tuberculosis and

the dependents of deceased mine workers who died of pulmonary tuberculosis. The High Court ordered a two-stage process in the class action: (i) resolve common issues and allow individuals to opt out, and (ii) allow the individuals to opt in to the class to make claims against the Respondents. The High Court also decided that claims for general damages will transmit to the estate of any deceased mine worker who dies after the date of filing of the certification application.

On 3 June 2016, Sibanye and the other Respondents filed an application with the High Court for leave to appeal to the Supreme Court of Appeal. Arguments in the application for leave to appeal were heard on 23 June 2016. On 24 June 2016, leave to appeal was (i) granted in respect of the transferability of general damages claims but (ii) denied in respect of certification of silicosis and tuberculosis classes. On 15 July 2016, Sibanye and the other Respondents each filed petitions with the Supreme Court of Appeal for leave to appeal against the certification of the two separate classes for silicosis and tuberculosis.

At this stage, Sibanye can neither quantify the potential liability from the action due to the inherent legal and factual uncertainties with respect to the pending claims and other claims not yet filed against the Group nor can the length of time until finalisation be estimated.

14. EVENTS AFTER THE REPORTING DATE

There were no events that could have a material impact on the financial results of the Group after 31 December 2016, other than those disclosed below:

Dividend declared

A final dividend in respect of the six-months ended 31 December 2016 of 60 cents per share (ZAR) was approved by the Board. This dividend is not reflected in these financial statements. The final dividend will be subject to Dividend Withholding Tax.

Stillwater

Good progress has been made regarding the proposed acquisition of Stillwater Mining Company Limited (Stillwater), which was announced on 9 December 2016. Ultimately, this transaction will attractively position Sibanye's Platinum Division on the global cost curve, enhancing Sibanye's ability to sustain and pay industry-leading dividends.

15. MINERAL RESERVES AND RESOURCES

Reserves and Resources as at 31 December 2016 are in the process of being updated and reviewed. Included in this update will be added 4E reserves and resources from the recent Platinum acquisitions.

16. REVIEW REPORT OF THE INDEPENDENT AUDITOR

These condensed consolidated preliminary financial statements for the year-ended 31 December 2016, have been reviewed by the Company's auditor, KPMG Inc., who expressed an unmodified review conclusion.

The auditor's report does not necessarily report on all of the information contained in these financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's report together with the accompanying financial information from the Company's registered office.

SEGMENT REPORTING
Segment results

	For the year-ended 31 December 2016												
	Group	Total Gold	Driefontein	Kloof	Beatrix	Cooke	Corporate	Total Platinum[1]	Kroondal	Platinum Mile	Mimosa	Rusten-burg	Corporate
	(R in millions unless otherwise stated)												
Revenue	**31 240.7**	**27 501.3**	**9 401.1**	**8 890.9**	**5 883.9**	**3 362.2**	**(36.8)**	**3 739.4**	**1 973.3**	**131.1**	**1 223.2**	**1 656.0**	**(1 244.2)**
Underground	**28 026.5**	**24 608.4**	8 105.3	8 012.6	5 626.9	2 900.4	(36.8)	**3 418.1**	1 973.3	–	1 223.2	1 465.8	(1 244.2)
Surface	**3 214.2**	**2 892.9**	1 295.8	878.3	257.0	461.8	–	**321.3**	–	131.1	–	190.2	–
Operating costs	**(20 709.1)**	**(17 346.0)**	**(5 566.6)**	**(5 041.0)**	**(3 753.4)**	**(2 985.0)**	**–**	**(3 363.1)**	**(1 689.8)**	**(90.8)**	**(969.0)**	**(1 582.5)**	**969.0**
Underground	**(18 800.6)**	**(15 655.1)**	(4 852.1)	(4 609.4)	(3 567.4)	(2 626.2)	–	**(3 145.5)**	(1 689.8)	–	(969.0)	(1 455.7)	969.0
Surface	**(1 908.5)**	**(1 690.9)**	(714.5)	(431.6)	(186.0)	(358.8)	–	**(217.6)**	–	(90.8)	–	(126.8)	–
Operating profit	**10 531.6**	**10 155.3**	**3 834.5**	**3 849.9**	**2 130.5**	**377.2**	**(36.8)**	**376.3**	**283.5**	**40.3**	**254.2**	**73.5**	**(275.2)**
Underground	**9 225.9**	**8 953.3**	3 253.2	3 403.2	2 059.5	274.2	(36.8)	**272.6**	283.5	–	254.2	10.1	(275.2)
Surface	**1 305.7**	**1 202.0**	581.3	446.7	71.0	103.0	–	**103.7**	–	40.3	–	63.4	–
Amortisation and depreciation	**(4 041.9)**	**(3 814.7)**	(1 012.9)	(1 190.7)	(818.0)	(770.8)	(22.3)	**(227.2)**	(136.2)	(1.2)	(223.7)	(58.6)	192.5
Net operating profit	**6 489.7**	**6 340.6**	**2 821.6**	**2 659.2**	**1 312.5**	**(393.6)**	**(59.1)**	**149.1**	**147.3**	**39.1**	**30.5**	**14.9**	**(82.7)**
Investment income	**331.4**	**289.6**	70.8	62.3	34.1	32.5	89.9	**41.8**	12.0	(9.0)	0.5	(2 918.8)	2 957.1
Finance expenses	**(903.1)**	**(806.2)**	(143.1)	(156.0)	(77.6)	(75.8)	(353.7)	**(96.9)**	(1.4)	–	(11.2)	(26.2)	(58.1)
Share-based payments	**(255.9)**	**(255.9)**	(16.5)	(13.7)	(9.1)	–	(216.6)	**–**	–	–	–	–	–
Exploration and feasibility costs	**(4.1)**	**(4.1)**	–	–	(4.1)	–	–	**–**	–	–	–	–	–
Net other costs	**(1 154.5)**	**(1 025.2)**	(226.1)	(187.9)	(166.4)	(115.0)	(329.8)	**(129.3)**	(65.8)	(0.6)	187.7	(92.2)	(158.4)
Non-recurring items	**557.3**	**(1 548.5)**	(20.8)	15.7	(12.6)	(1 423.9)	(106.9)	**2 105.8**	(1.3)	–	–	2 354.6	(247.5)
Royalties	**(546.6)**	**(528.0)**	(204.8)	(194.3)	(113.2)	(15.7)	–	**(18.6)**	–	–	(82.9)	(8.3)	72.6
Current tax	**(1 111.8)**	**(1 111.3)**	(472.3)	(422.0)	(223.0)	(1.1)	7.1	**(0.5)**	–	–	(22.8)	–	22.3
Deferred tax	**(131.4)**	**(164.5)**	(64.3)	(148.5)	19.4	35.3	(6.4)	**33.1**	–	(11.6)	13.1	27.0	4.6
Profit for the period	**3 271.0**	**1 186.5**	**1 744.5**	**1 614.8**	**760.0**	**(1 957.3)**	**(975.5)**	**2 084.5**	**90.8**	**17.9**	**114.9**	**(649.0)**	**2 509.9**
Profit attributable to:													
Owners of Sibanye	**3 701.6**	**1 619.4**	1 744.5	1 614.8	760.0	(1 523.5)	(976.4)	**2 082.2**	90.8	15.6	114.9	(649.0)	2 509.9
Non-controlling interests	**(430.6)**	**(432.9)**	–	–	–	(433.8)	0.9	**2.3**	–	2.3	–	–	–
Capital expenditure													
Total expenditure	**(4 151.2)**	**(3 824.2)**	**(1 051.6)**	**(1 304.2)**	**(628.4)**	**(249.2)**	**(590.8)**	**(327.0)**	**(175.8)**	**(1.3)**	**(159.8)**	**(148.7)**	**158.6**
Sustaining capital	**(1 010.5)**	**(683.5)**	(218.5)	(261.2)	(84.8)	(48.9)	(70.1)	**(327.0)**	(175.8)	(1.3)	(159.8)	(148.7)	158.6
Ore reserve development	**(2 394.4)**	**(2 394.4)**	(779.0)	(912.9)	(542.9)	(159.6)	–	**–**	–	–	–	–	–
Growth projects	**(746.3)**	**(746.3)**	(54.1)	(130.1)	(0.7)	(40.7)	(520.7)	**–**	–	–	–	–	–

Note:

(1) The Platinum Division's results for the year-ended 31 December 2016 include Aquarius for nine months since acquisition and the Rustenburg Operations for two months since acquisition.

	For the year-ended 31 December 2015					
	Group	**Driefontein**	**Kloof**	**Beatrix**	**Cooke**	**Corporate**
	(R in millions unless otherwise stated)					
Revenue	**22 717.4**	**8 236.0**	**6 691.4**	**4 815.5**	**2 974.5**	**–**
Underground	**20 515.0**	7 284.1	6 112.8	4 555.7	2 562.4	–
Surface	**2 202.4**	951.9	578.6	259.8	412.1	–
Operating costs	**(16 380.4)**	**(5 234.2)**	**(4 777.2)**	**(3 391.0)**	**(2 978.0)**	**–**
Underground	**(14 940.8)**	(4 681.2)	(4 454.9)	(3 184.5)	(2 620.2)	–
Surface	**(1 439.6)**	(553.0)	(322.3)	(206.5)	(357.8)	–
Operating profit	**6 337.0**	**3 001.8**	**1 914.2**	**1 424.5**	**(3.5)**	**–**
Underground	**5 574.2**	2 602.9	1 657.9	1 371.2	(57.8)	–
Surface	**762.8**	398.9	256.3	53.3	54.3	–
Amortisation and depreciation	**(3 636.6)**	(1 142.6)	(1 029.3)	(739.4)	(704.6)	(20.7)
Net operating profit	**2 700.4**	**1 859.2**	**884.9**	**685.1**	**(708.1)**	**(20.7)**
Investment income	**257.0**	67.5	50.6	31.3	27.1	80.5
Finance expenses	**(561.8)**	(147.7)	(150.1)	(57.2)	(61.3)	(145.5)
Net other costs	**(551.5)**	(64.0)	(59.8)	(46.4)	(28.2)	(353.1)
Share-based payments	**(274.4)**	(35.1)	(27.6)	(23.5)	–	(188.2)
Exploration and feasibility costs	**(23.6)**	(13.9)	(0.6)	(0.9)	(1.9)	(6.3)
Non-recurring items	**(230.1)**	(2.9)	7.2	(8.4)	(31.8)	(194.2)
Royalties	**(400.6)**	(196.8)	(98.4)	(88.7)	(16.7)	–
Current tax	**(696.7)**	(430.8)	(97.4)	(153.4)	–	(15.1)
Deferred tax	**319.5**	53.4	0.9	18.0	122.0	125.2
Profit for the period	**538.2**	**1 088.9**	**509.7**	**355.9**	**(698.9)**	**(717.4)**
Profit attributable to:						
Owners of Sibanye	**716.9**	1 088.9	509.7	355.9	(519.9)	(717.7)
Non-controlling interests	**(178.7)**	–	––	–	(179.0)	0.3
Capital expenditure						
Total expenditure	**(3 344.8)**	**(994.2)**	**(1 129.9)**	**(596.5)**	**(337.4)**	**(286.8)**
Sustaining capital	**(668.9)**	(249.2)	(225.6)	(86.1)	(92.9)	(15.1)
Ore reserve development	**(2 304.9)**	(727.0)	(840.6)	(510.4)	(226.9)	–
Growth projects	**(371.0)**	(18.0)	(63.7)	–	(17.6)	(271.7)

INDEPENDENT REPORTING ACCOUNTANTS' REPORTS ON THE HISTORICAL FINANCIAL INFORMATION OF STILLWATER MINING COMPANY

The Directors
Sibanye Gold Limited
Libanon Business Park
1 Hospital Street
Libanon, Westonaria
1780

14 March 2017

Independent Reporting Accountant's Report on the Report of Historical Financial Information of Stillwater Mining Company ("Stillwater") for the two years ended 31 December 2016 and 2015

The definitions commencing on page 11 of the Circular to which this letter is attached apply *mutatis mutandis* to this report (unless specifically defined where used or the context indicates a contrary intention).

Introduction

At your request, and for the purposes of the Circular, we have audited the Historical Financial Information of Stillwater and its subsidiaries ("Stillwater Group") for the year-ended 31 December 2016 and reviewed the Historical Financial Information of Stillwater Group for the year-ended 31 December 2015 presented in the Report of Historical Financial Information of Stillwater for the two years ended 31 December 2016 and 2015 (collectively "Historical Financial Information").

The Historical Financial Information comprises the consolidated statements of financial position, the consolidated statements of profit or loss, the consolidated statements of comprehensive income, the consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, a summary of significant accounting policies and other explanatory notes (collectively "the Historical Financial Information"), as presented in *"Annexure 1 – Historical Financial Information of Stillwater"* to the Circular, in compliance with IFRS and the JSE Listings Requirements.

KPMG Inc. is the independent reporting accountant to the Stillwater Group and KPMG LLP is the auditor to the Stillwater Group.

Part A – Historical Financial Information for the year-ended 31 December 2016

Unqualified Opinion on the Historical Financial Information for the year-ended 31 December 2016

In our opinion, the Historical Financial Information for the year-ended 31 December 2016, as set out in *"Annexure 1 – Historical Financial Information of Stillwater"* to the Circular, presents fairly, in all material respects, for the purpose of the Circular, the financial position of the Stillwater Group as at 31 December 2016 and its financial performance and cash flows for the for the year then ended in accordance with IFRS and the JSE Listings Requirements.

Basis for Unqualified Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Independent Reporting Accountant's Responsibilities for the Historical Financial Information for the year-ended 2016* section of our report. We are independent of the Stillwater Group in accordance with the Independent Regulatory Board for Auditors Code of *Professional Conduct for Registered Auditors (IRBA Code)* and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants* (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unqualified opinion on the Historical Financial Information for the year-ended 31 December 2016.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Historical Financial Information for the year-ended 31 December 2016. These matters were addressed in the context of our audit of the Historical Financial Information for the year-ended 31 December 2016 as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Transition from US GAAP to IFRS

Refer to Note 30 to the Historical Financial Information.

The key audit matter	***How the matter was addressed in our audit***
Stillwater is not required to prepare IFRS financial information under their local requirements, and therefore, for the purpose of inclusion in the Circular, adjustments were required to be made to previously reported financial statements prepared in accordance with U.S. Generally Accepted Accounting Principles (US GAAP) in order to present IFRS Historical Financial Information for the first time. In preparing the opening IFRS Statement of Financial Position, the Stillwater Group has adjusted amounts reported previously in their financial statements prepared in accordance with US GAAP and presented in Stillwater's Form 10-K report as filed with the United States Securities and Exchange Commission (SEC). As part of this conversion from US GAAP to IFRS, Stillwater was required to apply significant judgement in the identification of all differences between US GAAP and IFRS as applicable to Stillwater Group, as well as determining the impact of each difference on this Historical Financial Information. Significant judgements were especially applied to differences relating to the accounting treatment of property, plant and equipment, asset retirement obligation and decommissioning liability, the Convertible Debentures and deferred tax. Due to the significant judgements applied by the Directors of Sibanye Gold Limited ("the Company" or "Sibanye") in the transition from US GAAP to IFRS and the work effort required to be performed by the reporting accountants team this was considered a key audit matter.	Our procedures included the following: • We performed a detailed analysis of the differences identified between US GAAP and IFRS as applicable to the Stillwater Group and challenged the Directors of Sibanye and their external specialist's judgement on whether all differences were identified and whether the identified differences were appropriate and reasonable. • Our team included individuals with experience and knowledge of both US GAAP and IFRS, who assisted in challenging the assumptions used by the Directors of Sibanye in determining the identified differences, particularly related to the significant judgements applied to differences relating to property, plant and equipment, asset retirement obligation and decommissioning liability, the Convertible Debentures and deferred tax, as well as the appropriateness of the accounting treatment of these differences in accordance with IFRS.

Responsibilities of the Directors of Sibanye and the directors of Stillwater for the Historical Financial Information for the year-ended 31 December 2016

The Directors of Sibanye are responsible for the compilation, contents and preparation of the Circular including the Historical Financial Information for the year-ended 31 December 2016 in accordance with the JSE Listings Requirements.

The directors of Stillwater are responsible for the preparation and fair presentation of Stillwater's financial statements for the year-ended 31 December 2016 in accordance with US GAAP, and for such internal control as the directors of Stillwater determine is necessary to enable the preparation of the Stillwater financial statements in terms of US GAAP for the year-ended 31 December 2016 that is free from material misstatement, whether due to fraud or error.

The Directors of Sibanye are responsible for the preparation and fair presentation of the Historical Financial Information for the year-ended 31 December 2016 in accordance with the IFRS and the JSE Listing Requirements, and for such internal control as the Directors of Sibanye determine is necessary to enable the preparation of Historical Financial Information for the year-ended 31 December 2016 that is free from material misstatement, whether due to fraud or error.

In preparing the Historical Financial Information for the year-ended 31 December 2016, the directors of Stillwater are responsible for assessing the Stillwater Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of Stillwater either intend to liquidate the Stillwater Group or to cease operations, or have no realistic alternative but to do so.

Independent Reporting Accountant's Responsibilities for the Historical Financial Information for the year-ended 31 December 2016

Our objectives are to obtain reasonable assurance about whether the Historical Financial Information for the year-ended 31 December 2016 is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Historical Financial Information for the year-ended 31 December 2016.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Historical Financial Information for the year-ended 31 December 2016, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Stillwater Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors of Sibanye.
- Conclude on the appropriateness of the directors of Stillwater's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Stillwater Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our independent reporting accountant's report to the related disclosures in the Historical Financial Information for the year-ended 31 December 2016 or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent reporting accountant's report. However, future events or conditions may cause the Stillwater Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Historical Financial Information for the year-ended 31 December 2016, including the disclosures, and whether the Historical Financial Information for the year-ended 31 December 2016 represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Stillwater Group to express an opinion on the Historical Financial Information for the year-ended 31 December 2016. We are responsible for the direction, supervision and performance of the Stillwater Group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors of Sibanye and the directors of Stillwater regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors of Sibanye and the directors of Stillwater with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors of Sibanye and the directors of Stillwater, we determine those matters that were of most significance in the audit of the Historical Financial Information of the current period and are therefore the key audit matters. We describe these matters in our independent reporting accountant's report unless law or regulation precludes public disclosure about the matter or when, in extremely

rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Part B – Historical Financial Information for the year-ended 31 December 2015

Responsibilities of the Directors of Sibanye and the directors of Stillwater for the Historical Financial Information for the year-ended 31 December 2015

The Directors of Sibanye are responsible for the compilation, contents and preparation of the Circular including the Historical Financial Information for the year-ended 31 December 2015 in accordance with IFRS and the JSE Listings Requirements.

The directors of Stillwater are responsible for the preparation and fair presentation of the Stillwater financial statements for the year-ended 31 December 2015 in accordance with US GAAP, and for such internal control as the directors of Stillwater determine is necessary to enable the preparation of Stillwater's financial statements in terms of US GAAP for the year-ended 31 December 2015 that is free from material misstatement, whether due to fraud or error.

The Directors of Sibanye are responsible for the preparation and fair presentation of the Historical Financial Information for the year-ended 31 December 2015 in accordance with the IFRS and the JSE Listing Requirements, and for such internal control as the Directors determine is necessary to enable the preparation of Historical Financial Information for the year-ended 31 December 2015 that is free from material misstatement, whether due to fraud or error.

Independent Reporting Accountant's Responsibilities for the Historical Financial Information for the year-ended 31 December 2015

Our responsibility is to express review conclusions on the Historical Financial Information for the year-ended 31 December 2015 based on our reviews in accordance with International Standard on Review Engagements ISRE 2400 (Revised), which applies to a review of Historical Financial Information. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the Historical Financial Information for the year-ended 31 December 2015, taken as a whole, is not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

Scope of review

A review of the Historical Financial Information for the year-ended 31 December 2015 in accordance with ISRE 2400 (Revised) is a limited assurance engagement in terms of which we perform procedures, primarily consisting of making enquiries of management and other within the entity, as appropriate, and applying analytical procedures and evaluating the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly we do not express an audit opinion on the Historical Financial Information for the year-ended 31 December 2015.

Conclusion on the Historical Financial Information for the year-ended 31 December 2015

Based on our reviews, nothing has come to our attention that causes us to believe that the Historical Financial Information for the year-ended 31 December 2015, as set out in "*Annexure 1 – Historical Financial Information of Stillwater*" to the Circular is not prepared, in all material respects, in accordance with IFRS and the JSE Listings Requirements.

Henning Opperman
Director

Registered Auditor
14 March 2017
KPMG Crescent
85 Empire Road
Johannesburg
2193
(Private Bag 9, Parkview, 2122)

PRO FORMA FINANCIAL INFORMATION

Basis of preparation

The definitions and interpretations commencing on page 11 of the Circular have been used throughout this Annexure 4 (unless specifically defined where used or the context indicates a contrary intention).

The *pro forma* financial information of Sibanye ("*Pro forma* Financial Information") has been prepared for illustrative purposes only and because of its nature may not fairly present Sibanye's financial position, changes in equity and results of operations.

The *Pro forma* Financial Information is based on the Historical Financial Information of Sibanye as at and for the year-ended 31 December 2016 included as Annexure 2 to this Circular and the Historical Financial Information of Stillwater as at and for the year-ended 31 December 2016, included as Annexure 1, and converted to ZAR as detailed in Note (b) to this *Pro forma* Financial Information.

The *Pro forma* Financial Information has been prepared to illustrate the impact of the Transaction on the Historical Financial Information of Sibanye on the assumption that the Transaction occurred on 1 January 2016 for statement of profit or loss and other comprehensive income purposes and on 31 December 2016 for Statement of Financial Position purposes.

The *Pro forma* Financial Information has been prepared using the accounting policies of Sibanye which comply with IFRS and are consistent with those applied in the Historical Financial Information.

The *Pro forma* Financial Information is prepared by management and is the responsibility of the Board.

KPMG's independent reporting accountant's report on the *Pro forma* Financial Information is set out in Annexure 5 to this Circular.

Pro forma Statement of Profit or Loss and other Comprehensive Income

	Before the Transaction[a] Reviewed	Adjustments due to the Transaction: Stillwater's results[b]	Adjustments due to the Transaction: Consolidation and other journals *Pro forma*	After the Transaction[m]
	(R in millions, unless otherwise stated)			
Revenue	31 240.7	10 442.4	–	41 683.1
Operating costs	(20 709.1)	(8 220.8) [c]	–	(28 929.9)
Operating profit	**10 531.6**	**2 221.6**	**–**	**12 753.2**
Amortisation and depreciation	(4 041.9)	(1 284.3) [c]	(1 005.6) [f]	(6 331.8)
Net operating profit	**6 489.7**	**937.3**	**(1 005.6)**	**6 421.4**
Interest income	331.4	61.9	–	393.3
Finance expenses	(903.1)	(232.3)	(3 357.8) [g]	(4 493.2)
Net other costs	(354.6	(405.4) [d]	–	(760.0)
Exploration and feasibility costs	(4.1)	–	–	(4.1)
Share of results of equity-accounted investees after tax	13.3	–	–	13.3
Share-based payments	(255.9)	(54.3) [d]	–	(310.2)
Loss on financial instruments	(1 032.8)	(1 376.5) [e]	(790.6) [h]	(3 199.9)
Gain on foreign exchange differences	219.6	(8.5)	–	211.1
Gain on disposal of property, plant and equipment	95.4	2.2	–	97.6
Impairments	(1 381.1)	(56.7)	–	(1 437.8)
Share-based payment on BEE transaction	(240.3)	–	–	(240.3)
Gain on acquisition	2 428.0	–	–	2 428.0
Restructuring costs	(187.7)	–	–	(187.7)
Transaction costs	(157.0)	–	(353.8) [i]	(510.8)
Profit before royalties and tax	**5 060.8**	**(1 132.3)**	**(5 507.8)**	**(1 579.3)**
Royalties	(546.6)	–	–	(546.6)
Profit before tax	**4 514.2**	**(1 132.3)**	**(5 507.8)**	**(2 125.9)**
Mining and income tax				
– Current tax	(1 111.8)	(119.2)	(85.3) [j]	(1 316.3)
– Deferred tax	(131.4)	21.9	379.0 [k]	269.5
Profit for the period	3 271.0	(1 229.6)	(5 214.1)	(3 172.7)

	Before the Transaction[a] Reviewed	Adjustments due to the Transaction: Stillwater's results[b]	Adjustments due to the Transaction: Consolidation and other journals *Pro forma*	After the Transaction[m]
	(R in millions, unless otherwise stated)			
Profit for the period attributable to:				
– Owners of Sibanye	3 701.6	(1 229.6)	(5 214.1)	(2 742.1)
– Non-controlling interests	(430.6)	–	–	(430.6)
Earnings per ordinary share (cents)				
Basic EPS	402			(297)
Diluted EPS	401			(297)
HEPS	270			(423)
Diluted HEPS	269			(423)
Weighted average number of shares ('000)	921 733			921 733
Diluted weighted average number of shares ('000)	923 894			923 894
Reconciliation of headline earnings with profit for the period				
Profit attributable to owners of Sibanye	3 701.6	(1 229.6)	(5 214.1)	(2 742.1)
Gain on disposal of property, plant and equipment	(95.4)	(2.2)	–	(97.6)
Impairments	1 381.1	56.7	–	1 437.8
Gain on acquisition	(2 428.0)	–	–	(2 428.0)
Taxation effect of re-measurement items	(72.7)	(20.5)	–	(72.7)
Headline earnings	**2 486.6**	**(1 195.6)**	**(5 214.1)**	**(3 902.6)**

Other comprehensive income

	Before the Transaction[a] Reviewed	Adjustments due to the Transaction: Stillwater's results[b]	Adjustments due to the Transaction: Consolidation and other journals *Pro forma*	After the Transaction[m]
	(R in millions, unless otherwise stated)			
Profit for the period	**3 271.0**	**(1 229.6)**	**(5 214.1)**	**(3 172.7)**
Other Comprehensive income items that may be reclassified to profit or loss, net of tax				
Foreign currency translation adjustments	(131.4)	–	2 855.3 [l]	2 723.9
Net unrealised loss on investments available-for-sale and deferred compensation	–	(0.2)	–	(0.2)
Other Comprehensive income for the year, net of tax	**3 139.6**	**(1 229.8)**	**(2 358.8)**	**(449.0)**
Other Comprehensive income for the year, net of tax attributable to:				
– Owners of Sibanye	3 570.2	(1 229.8)	(2 258.8)	(18.4)
– Non-controlling interests	(430.6)	–	–	(430.6)

Notes:

(a) The "Before the Transaction" financial information is based on Sibanye's condensed consolidated preliminary financial statements for the year-ended 31 December 2016, as contained in Annexure 2.

(b) The "Stillwater's results" financial information is based on Stillwater's consolidated financial statements for the year-ended 31 December 2016, as contained in Annexure 1, translated to South African Rand at the average exchange rate for the year ending 31 December 2016, being R14.68, as detailed below. This adjustment will have a continuing effect on the *pro forma* statement of profit or loss and other comprehensive income.

	Stillwater	
	US$ thousand	*R millions*
Consolidated Statement of Profit or Loss		
Revenue	711 335	10 442.4
Cost of sales	(647 487) [c]	(9 505.1)
Net operating profit	63 848	937.3
Finance expense	(15 827)	(232.3)
Interest income	4 216	61.9
Gain on financial instruments	678 [e]	10.0
Loss on foreign exchange differences	(577)	(8.5)
Other income	118 [d]	1.7
General and administrative costs	(31 433) [d]	(461.4)
Impairments	(3 864)	(56.7)
Profit on disposal of property, plant and equipment	148	2.2
Profit before tax and (loss)/gain on fair value measurement of long-term debt	**17 307**	**254.2**
Loss on fair value measurement of long-term debt	(94 448) [e]	(1 386.5)
Loss before tax	**(77 141)**	**(1 132.3)**
Income taxes	(6 631)	(97.3)
Loss before tax	**(83 772)**	**(1 229.6)**
Attributable to:		
Owners of Stillwater	(83 772)	(1 229.6)
Non-controlling interests	–	–
Consolidated Statement of other Comprehensive income		
Profit for the period	**(83 772)**	**(1 229.6)**
Other Comprehensive income items that may be reclassified to profit or loss, net of tax		
Net unrealised loss on investments available-for-sale and deferred compensation	(17)	(0.2)
Other Comprehensive income for the year, net of tax	**(83 789)**	**(1 230)**
Other Comprehensive income for the year, net of tax attributable to:		
– Owners of Sibanye	(83 789)	(1 229.8)
– Non-controlling interests	–	–

(c) Amortisation and depreciation has been reclassified from costs of sales to a separate line item in line with Sibanye's reporting principles.

(d) General and Administrative costs and other income has been classified as one line item, net other costs to align with Sibanye's reporting principles. Share-based payments has been reclassified from General and administrative costs to a separate line item in line with Sibanye's reporting principles.

(e) Gain on financial instruments and Loss on fair value adjustment of long-term debt has been classified as one line item, Loss on financial instruments to align with Sibanye's reporting principles.

(f) Amortisation and depreciation has been adjusted to include the additional depreciation of US$68 506 thousand translated at the average exchange rate for the year-ended 31 December 2016 of R14.68, relating to the IFRS 3 Business Combinations ("IFRS 3") fair value adjustment of property, plant and equipment (R24 383.5 million) for the year. The fair value adjustment is amortised on a straight-line basis over the life of the mine of 26 years. This adjustment will have a continuing effect on the *pro forma* statement of profit or loss and other comprehensive income.

(g) Finance expense has been adjusted to exclude interest expense (R228.8 million (US$15 585 thousand)) relating to the Convertible Debentures assumed to have been settled on 1 January 2016 and account for additional interest expense (R3 586.6 million) relating to the bridge loan facilities raised to settle the Purchase Price and Convertible Debentures. The interest on the Bridge loan facilities assumes that commitment fees and interest will be paid for the full year due to the uncertainty of when these facilities will be refinanced. Details of the fees and interest rates payable on the Acquisition Bridge Facilities are contained in Annexure 9. These adjustments are assumed for the purposes of the *pro forma* statement of profit or loss and other comprehensive to have a continuing effect, however the Bridge Loan Facilities will be refinanced as detailed in Note (n) of the *pro forma* Statement of Financial Position.

(h) Loss on financial instruments has been adjusted to exclude the loss on fair value adjustment of long-term debt (R1 386.5 million (US$94 448 thousand) relating to the Convertible Debentures assumed to have been settled on 1 January 2016 and account for the loss on extinguishment of the Convertible Debentures. The loss on extinguishment is determined as the difference between the fair value of the Convertible Debentures on 31 December 2015 (US$319 781 thousand) and the make-whole adjustment (US$0.5 billion), translated at R15.56/US$. This adjustment will not have a continuing effect on the *pro forma* statement of profit or loss and other comprehensive income.

(i) Transaction costs directly attributable to the Transaction (R353.8 million, being the middle of the range) have been expensed. This adjustment will not have a continuing effect on the *pro forma* statement of profit or loss and other comprehensive income.

(j) Current tax in respect of the finance expense relating to the Convertible Debentures has been reversed. This adjustment will not have a continuing effect on the *pro forma* statement of profit or loss and other comprehensive income.

(k) Deferred tax has been adjusted to include taxation on the additional depreciation relating to the fair value adjustment of property, plant and equipment in accordance with IFRS 3. This adjustment will have a continuing effect on the *pro forma* statement of profit or loss and other comprehensive income.

(l) Foreign currency translation adjustments has been adjusted for the difference between translating the net assets of Stillwater at the assumed acquisition date 1 January 2016 exchange rate (R15.56/US$) and reporting date 31 December 2016 exchange rate (R13.69). These adjustments will have a continuing effect on the *pro forma* statement of profit or loss and other comprehensive.

(m) The "After the Transaction" column reflects Sibanye's *pro forma* statement of profit or loss and other comprehensive income after the Transaction.

***Pro forma* Statement of Financial Position**

	Before the Transaction[a] Reviewed	Adjustments due to the Transaction: Stillwater's results[b]	Adjustments due to the Transaction: Consolidation and other journals *Pro forma*	After the Transaction[o]
	(R in millions unless otherwise stated)			
Property, plant and equipment	27 240.7	10 119.8	24 383.5 [h]	61 744.0
Goodwill	936.0	–	3 677.6 [i]	4 613.6
Equity-accounted investments	2 157.4	–	–	2 157.4
Environmental rehabilitation obligation funds	3 100.5	0.5	–	3 101.0
Non-current financial and other assets	355.3	1 190.3 [c]	–	1 545.6
Deferred tax	228.2	327.9	–	556.1
Non-current assets	**34 018.1**	**11 638.5**	**28 061.1**	**73 717.7**
Inventories	676.8	1 898.2	–	2 575.0
Trade and other receivables	5 747.9	22.2	–	5 770.1
Current financial and other assets	310.6	3 529.7 [d]	–	3 840.3
Tax receivable	–	118.4	–	118.4
Cash and cash equivalents	967.9	1 687.1	(353.8) [j]	2 301.2
Current assets	**7 703.2**	**7 255.6**	**(353.8)**	**14 605.0**
Total assets	**41 721.3**	**18 894.1**	**27 707.3**	**88 322.7**
Shareholders' equity	**16 697.4**	**11 247.0**	**(12 009.9) [k]**	**15 934.5**
Deferred tax liabilities	4 707.1	59.6	9 190.1 [l]	13 956.8
Borrowings	8 221.5	5 884.2	(5 884.2) [m]	8 221.5
Environmental rehabilitation obligation	3 982.2	311.7	–	4 293.9
Post-retirement healthcare obligation	16.3	–	–	16.3
Share-based payment obligations	246.5	–	–	246.5
Non-current financial and other liabilities	1 613.7	220.1 [e]	–	1 833.8
Non-current liabilities	**18 787.3**	**6 475.6**	**3 305.9**	**28 568.8**
Trade and other payables	5 180.5	732.4 [f]	–	5 912.9
Tax and royalties payable	68.6	6.8	–	75.4
Current borrowings	752.3	–	36 411.3 [n]	37 163.6
Current share-based payment obligations	235.2	–	–	235.2
Current financial and other liabilities	–	432.3 [g]	–	432.3
Current liabilities	**6 236.6**	**1 171.5**	**36 411.3**	**43 819.4**
Total equity and liabilities	**41 721.3**	**18 894.1**	**27 707.3**	**88 322.7**
NAV per share (cents)	1 797			1 715
TNAV per share (cents)	1 697			1 219
Number of shares issued ('000)	929 004			929 004

Notes:

(a) The "Before the Transaction" financial information is based on Sibanye's condensed consolidated preliminary financial statements for the year-ended 31 December 2016.

(b) The "Stillwater's results" financial information is based on Stillwater's consolidated financial statements for the year-ended 31 December 2016, as contained in Annexure 1, translated to South African Rand at the closing exchange rate at 31 December 2016, being R13.69, as detailed below:

	Stillwater	
	US$ thousands	*R millions*
Property, plant and equipment	739 208	10 119.8
Investments	82 685 (c)	1 132.0
Restricted cash	35	0.5
Other financial assets	2 237 (c)	30.6
Other assets	2 026 (c)	27.7
Deferred tax assets	23 951	327.9
Non-current assets	**850 142**	**11 638.5**
Investments	244 290 (d)	3 344.3
Inventories	138 653	1 898.2
Trade receivables	1 621	22.2
Cash and cash equivalents	123 238	1 687.1
Income tax receivable	8 650	118.4
Other financial assets	1 166 (d)	16.0
Other assets	12 372 (d)	169.4
Current assets	**529 990**	**7 255.6**
Total assets	**1 380 132**	**18 894.1**
Total equity	**821 545**	**11 247.0**
Deferred tax liabilities	4 352	59.6
Long-term debt and finance lease obligations	429 814	5 884.2
Environmental rehabilitation obligation	22 771	311.7
Accrued workers compensation	6 426 (e)	88.0
Other liabilities	9 652 (e)	132.1
Non-current liabilities	**473 015**	**6 475.6**
Trade and other payables	38 488 (f)	526.8
Accrued compensation and benefits	29 589 (g)	405.1
Property, production and franchise taxes payable	13 790 (f)	188.8
Income taxes payable	495	6.8
Interest payable	1 225 (f)	16.8
Other liabilities	1 985 (g)	27.2
Current liabilities	**85 572**	**1 171.5**
Total equity and liabilities	**1 380 132**	**18 894.1**

(c) Investments, other financial assets and other assets have been classified as one line item, non-current financial and other assets to align with Sibanye's reporting principles.

(d) Investments, other financial assets and other assets has been classified as one line item, current financial and other assets to align with Sibanye's reporting principles.

(e) Accrued workers compensation and other liabilities has been classified as one line item, non-current financial and other liabilities to align with Sibanye's reporting principles.

(f) Trade and other payables; property, production and franchise taxes and interest payable has been classified as one line item, trade and other payables to align with Sibanye's reporting principles.

(g) Accrued workers compensation and other liabilities has been classified as one line item, current financial and other liabilities to align with Sibanye's reporting principles.

(h) Property, plant and equipment has been adjusted to take into account the IFRS 3 fair value adjustment (R24 383.5 million) by which the fair value of net assets exceed their carrying value.

(i) Goodwill has been adjusted to account for the amount by which the Purchase Price exceeds the net identifiable assets acquired. In terms of Sibanye's accounting policy, goodwill is subsequently stated at cost less accumulated impairment losses.

(j) Cash and cash equivalents has been adjusted to take into account the payment of transactions costs (R353.8 million, being the middle of the range) directly attributable to the Transaction.

(k) Shareholder's equity has been adjusted to account for the elimination of the at acquisition reserves of Stillwater, the loss on settlement of the Convertible Debentures and transaction costs directly attributable to the Transaction.

(l) Deferred tax liability has been adjusted to take into account the tax on the IFRS 3 fair value adjustment of property, plant and equipment (R9 190.1 million).

(m) Non-current borrowings has been adjusted to account for the settlement of Stillwater's Convertible Debentures. Holders of the Convertible Debentures have a conversion right upon the occurrence of certain corporate events, which includes the Transaction. The 1.75% Convertible Debenture holders are entitled to receive an additional "make-whole" adjustment as a result of the Proposed Transaction, payable in the form of the merger consideration upon conversion which resulted in a loss on extinguishment of the Convertible Debentures.

(n) Current borrowings has been adjusted to account for the utilisation of the Bridge Loan Facilities to settle acquisition Purchase Price and settle the Convertible Debentures.

(o) Post-closing of the Transaction, Sibanye expects to refinance these Bridge Loan Facilities through capital markets new debt and between US$750 million and US$1.3 billion in equity primarily through the Proposed Rights Offer. The Rights Offer is envisaged to be underwritten by the bridge loan funding banks, negotiation of which is ongoing, with the objective of maintaining a strong balance sheet, its dividend policy and preserving its long-term financial flexibility. To enhance its capital structure and financing mix, Sibanye also intends to consider additional financing structures, including streaming facilities and the issuance of warrants and convertible bonds, all of which will be assessed considering prevailing market conditions, exchange rates and commodity prices.

(p) The "After the Transaction" column reflects Sibanye's *pro forma* Statement of Financial Position after the Transaction.

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF *PRO FORMA* FINANCIAL INFORMATION

The Directors
Sibanye Gold Limited
Libanon Business Park
1 Hospital Street
Libanon, Westonaria
1780

14 March 2017

Independent Reporting Accountant's Report on the Compilation of *Pro forma* Financial Information of Sibanye Gold Limited

The definitions commencing on page 11 of the Circular to which this letter is attached apply *mutatis mutandis* to this report (unless specifically defined where used or the context indicates a contrary intention).

Introduction

We have completed our assurance engagement to report on the compilation of the *pro forma* earnings and diluted earnings, headline and diluted headline earnings, net asset value and net tangible asset value per share of Sibanye Gold Limited ("the Company" or "Sibanye"), the *pro forma* Statement of Financial Position of the Company, the *pro forma* statement of profit or loss and other comprehensive income of the Company and the related notes, including a reconciliation showing all of the *pro forma* adjustments to the share capital, reserves and other equity items relating to the Company, (collectively "*Pro forma* Financial Information"). The *pro forma* Financial Information is set out in the Salient Features, "*Paragraph 8 – Pro forma Financial Effects*" and "*Annexure 4 – Pro forma Financial Information*" of the Circular.

The *pro forma* Financial Information has been compiled by the Directors of the Company ("Directors") to illustrate the impact of the Transaction on the Company's financial position as at 31 December 2016 and the Company financial performance for the year-ended 31 December 2016.

As part of this process, the Company's earnings, diluted earnings, headline earnings and diluted headline earnings, net asset value and net tangible asset value per share, statement of profit or loss and other comprehensive income and Statement of Financial Position have been extracted by the Directors from the Company's reviewed financial information included as "*Annexure 2 – Historical Financial Information of Sibanye*" to this Circular ("Reviewed Financial Information").

Responsibility of the Directors' for the Pro forma Financial Information

The Directors of the Company ("Directors") are responsible for compiling the *Pro forma* Financial Information on the basis of the applicable criteria as detailed in paragraphs 8.15 to 8.33 of the Listings Requirements and the SAICA Guide on *Pro forma* Financial Information, revised and issued in September 2014 ("Applicable Criteria").

Independent Reporting Accountant's independence and quality control

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Part A and B).

The firm applies International Standard on Quality Control 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Independent Reporting Accountant's Responsibility for the Pro forma Financial Information

Our responsibility is to express an opinion about whether the *Pro forma* Financial Information of the Company has been compiled, in all material respects, by the Directors on the basis of the Applicable Criteria, based on our procedures performed.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of *Pro forma* Financial Information Included in a Prospectus, issued by the International Auditing and Assurance Standards Board. This standard requires that the reporting accountants comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the *Pro forma* Financial Information of the Company on the basis of the Applicable Criteria.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on the Reviewed Financial Information used in compiling the *Pro forma* Financial Information of the Company, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *Pro forma* Financial Information of the Company.

The purpose of the *Pro forma* Financial Information of the Company included in the Circular is solely to illustrate the impact of the Transaction on the unadjusted Reviewed Financial Information as if the Transaction had been undertaken on 1 January 2016 for purposes of the *pro forma* earnings, diluted earnings and the *pro forma* statement of profit or loss and other comprehensive income and on 31 December 2016 for purposes of the *pro forma* net asset value and net tangible asset value per share and *pro forma* Statement of Financial Position. Accordingly, we do not provide any assurance that the actual outcome of the Transaction, subsequent to its implementation, will be as presented in the *Pro forma* Financial Information of the Company.

A reasonable assurance engagement to report on whether the *Pro forma* Financial Information of the Company has been properly compiled, in all material respects, on the basis of the Applicable Criteria involves performing procedures to assess whether the Applicable Criteria used by the Directors in the compilation of the *Pro forma* Financial Information of the Company provide a reasonable basis for presenting the significant effects directly attributable to the Transaction and to obtain sufficient appropriate evidence about whether:

- The related *pro forma* adjustments give appropriate effect to the Applicable Criteria; and
- The *Pro forma* Financial Information of the Company reflects the proper application of those *pro forma* adjustments to the unadjusted Reviewed Financial Information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the Company, the Transaction in respect of which the *Pro forma* Financial Information of the Company has been compiled and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the *Pro forma* Financial Information of the Company.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the *Pro forma* Financial Information of the Company has been compiled, in all material respects, on the basis of the Applicable Criteria.

Henning Opperman
Director

Registered Auditor

14 March 2017

KPMG Crescent
85 Empire Road
Johannesburg
2193
(Private Bag 9, Parkview, 2122)

CORPORATE GOVERNANCE

Key Standards and Principles

Sibanye was listed on 11 February 2013, with its primary listing on the JSE. It is registered with the SEC in the United States and its Shares are represented by ADRs which are listed on the NYSE. The ADR programme is administered by BNYM.

As a result, the Group is required to comply with the JSE Listings Requirements and the disclosure and corporate governance requirements of the SEC and NYSE applicable to foreign private issuers. In 2016, management believes the Group complied with all the applicable governance requirements.

The Group has adopted high standards of accountability, transparency and integrity in the running of the business and reporting to shareholders and other stakeholders.

The approach to corporate governance is guided by the principles of fairness, accountability, responsibility and transparency. Special attention has been given to providing stakeholders and the financial investment community with clear, concise, accurate and timely information about the Group's operations and results; reporting to shareholders on an integrated basis on Sibanye's financial and sustainable performance; ensuring appropriate business and financial risk management; ensuring that no Director, management official or other employee of the Sibanye Group deals directly or indirectly in Sibanye shares on the basis of unpublished price-sensitive information regarding the Sibanye Group, or otherwise during any prohibited period; and recognition of the Group's social responsibility to provide assistance and development support to the communities in which it operates and to deserving institutions at large.

The Group applies all but one of the principles contained in King III and has implemented the King III principles and recommendations across the Group. The one exception is the King III recommendation that employment contracts should not compensate executives for severance because of change of control (although this does not preclude payments for retaining key executives during a period of uncertainty), see "Circular to Sibanye Shareholders – Information on Directors – Compensation of Directors and Senior Management" in this Circular for more information.

Sibanye complies with the principle that companies should remunerate Directors and executives fairly and responsibly. The Remuneration Committee has developed a remuneration policy aligned with the strategy of Sibanye and linked to individual performances. This policy addresses the base pay, bonuses, employee contracts, severance and retirement benefits and share-based and other long-term incentive schemes.

All 75 King III principles are recorded in the compliance schedule on Sibanye's website, detailing the principles and the corresponding explanations.

Sibanye complied with all of the mandatory specific governance requirements contained in paragraph 3.84 of the JSE Listings Requirements during 2016.

The Group's Code of Ethics requires its Directors, officers and employees to conduct business in an ethical and fair manner and it promotes a socially and environmentally responsible culture. The Audit Committee is responsible for ensuring compliance with the Code of Ethics.

In addition to the requirements of King III and the relevant aspects of the Sarbanes-Oxley Act 2002, the Group is also subject to the relevant requirements of the Dodd-Frank Act 2010, the Foreign Corrupt Practices Act 1977, the Organisation for Economic Co-operation and Development Convention on Combating Bribery of Foreign Public Officials in International Business Transactions 1997, the UN Convention against Corruption 2003, and South Africa's Prevention and Combating of Corrupt Activities Act 2004.

Employees, suppliers and customers are encouraged to report irregularities and misconduct without fear of victimisation using an independently managed, anonymous, toll-free line.

Board of Directors

The MOI requires no fewer than four and no more than 15 members on the Board of Directors. The Board currently comprises 13 members – eight of these are independent Non-Executive Directors, three non-independent Non-Executive Directors and the two Executive Directors holding the positions of CEO and CFO.

The roles of the Chairman of the Board and the CEO are separate.

The Board, advised by the Nominating and Governance Committee, ensures that the candidates for election as independent Non-Executive Directors are reputable, competent and experienced and are willing to devote the necessary time to the role.

The Board of Directors' Charter (Charter) outlines the objectives and responsibilities of the Board, see " – Board of Directors' Charter" for additional information. All Board sub-committees operate in accordance with written terms of reference, which are regularly reviewed by the Board. The Board takes ultimate responsibility for the Group's adherence to sound corporate governance standards and sees to it that all business judgements are made with reasonable care, skill and diligence.

The Executive Directors and the Company Secretary keep the Board informed of all developments in the Group.

For current membership of all the Board sub-committees, see " – Board Committees".

Remuneration

The Board obtains independent advice before making recommendations to shareholders for the remuneration of Non-Executive Directors. The remuneration is paid in accordance with a special resolution approved by the shareholders within the previous two years.

Non-Executive Directors only receive remuneration due to them as members of the Board. Directors serving on Board sub-committees receive additional remuneration. For details of the Directors' remuneration packages as well as those of the Prescribed Officers, see "Circular to Sibanye Shareholders – Information on Directors – Compensation of Directors and Senior Management" in this Circular for more information.

Monitoring Performance

In 2016, and in line with recommendations of King III, the Board carried out a rigorous evaluation of the independence of Directors and conducted an internal assessment of the effectiveness of the Board and Board sub-committees.

The Chairman is appointed annually by the Board which, with the assistance of the Nominating and Governance Committee, carried out a rigorous review of the Chairman's performance and independence during 2016. The Board concluded that there were no factors that impaired his independence and appointed the Chairman for another year.

The performance of the Company Secretary was evaluated by the Board. The Board was satisfied with his competence, qualifications, experience and maintaining an arms-length relationship with the Board.

Rotation and Retirement from the Board

In accordance with the MOI, one third of the Directors shall retire from office at each AGM. The first to retire are those Directors appointed as additional members of the Board, followed by the longest-serving members. The Board, assisted by the Nominating and Governance Committee, can recommend the eligibility of retiring Directors (subject to availability and their contribution to the business) for re-appointment. Retiring Directors can be immediately re-elected by the shareholders at the AGM.

Board of Directors' Charter

In 2016, the Board reviewed and re-assessed the adequacy of the Charter. This document compels Directors to promote the vision of the Group, while upholding sound principles of corporate governance. Directors' responsibilities under the Charter include:

- determining the Group's Code of Ethics and conducting the Group's affairs in a professional manner, upholding the core values of integrity, transparency and enterprise;
- evaluating, determining and ensuring the implementation of corporate strategy and policy;
- determining compensation, development, skills development and other relevant policies for employees;
- developing and setting best-practice disclosure and reporting practices that meet the needs of all stakeholders;
- authorising and controlling capital expenditure and reviewing investment capital and funding proposals;
- constantly updating the risk management systems, including setting management expenditure authorisation levels and exposure limit guidelines; and

- reviewing executive succession planning and endorsing senior executive appointments, organisational changes and general remuneration policies.

In this regard, the Board is guided by the Audit Committee, the Risk Committee, the Nominating and Governance Committee, the Remuneration Committee, and Safety, Health and Sustainable Development Committee.

The Board considers that Sibanye's annual financial report and associated reports comply in all material respects with the relevant statutory requirements of the various regulations governing disclosure and reporting by Sibanye; and that its consolidated financial statements comply in all material respects with IFRS, the SAICA Financial Reporting Guides issued by the Accounting Practices Committee and Financial Reporting Pronouncements issued by the Financial Reporting Standards Council, the Companies Act and the JSE Listings Requirements.

Board Committees

The Board has formed the following committees in compliance with good corporate governance:

- Audit Committee;
- Risk Committee;
- Remuneration Committee;
- Nominating and Governance Committee;
- Safety, Health and Sustainable Development Committee; and
- Social and Ethics Committee (to comply with the statutory requirements of the Companies Act). All of these committees are composed of a majority of independent Non-Executive Directors except for the Risk Committee, of which Christopher Chadwick, Robert Chan and Jiyu Yuan are also members. All of these committees are exclusively composed of Non-Executive Directors except for the Safety, Health and Sustainable Development Committee of which the CEO is also a member. The committees are all chaired by an independent Non-Executive Director and operate in accordance with written terms of reference which have been approved by the Board.

	Date				
Attendance of Board meetings	**23/2**	**24/5**	**23/8**	**17/10**	**8/11**
Sello Moloko *(Chairman)*	✓	✓	✓	✓	✓
Christopher Chadwick	✓	✓	✓	✓	✓
Robert Chan	✓	✓	✓	✓	✓
Timothy Cumming	✓	✓	✓	✓	✓
Barry Davison	✓	✓	✓	✓	✓
Neal Froneman	✓	✓	✓	✓	✓
Charl Keyter	✓	✓	✓	✓	✓
Richard Menell	✓	✓	✓	–	✓
Nkosemntu Nika	✓	✓	✓	✓	✓
Keith Rayner	✓	✓	✓	✓	✓
Susan van der Merwe	✓	✓	✓	✓	✓
Jerry Vilakazi	✓	✓	–	✓	✓
Jiyu Yuan	✓	✓	✓	✓	–

The Audit Committee

This committee monitors and reviews Sibanye's accounting controls and procedures, including the effectiveness of its information systems and other systems of internal control; the effectiveness of the internal audit function; reports of both external and internal auditors; interim reports, the annual report on SEC Form 20-F, the consolidated annual financial statements; the accounting policies of Sibanye and any proposed revisions thereto; external audit findings and reports, and the approval thereof; and compliance with applicable legislation and requirements of regulatory authorities and Sibanye's Code of Ethics.

The CFO's expertise was evaluated by the Audit Committee. The committee was satisfied that the incumbent has the appropriate expertise and experience to carry out his duties as the financial Director of the Group and that he was supported by qualified competent senior staff.

The committee reviewed and assessed the independence of the external auditors, including their confirmation in writing that the criteria for independence as set out in the rules of the Independent Regulatory Board for Auditors and international bodies have been followed. The committee is satisfied that KPMG Inc. is independent of the Group and is accredited by the JSE.

Sibanye's CFO and internal and external auditors as well as senior management attend all the Audit Committee meetings and have unrestricted access to the Chairman of this committee. The Audit Committee, in turn, communicates freely with other members of the Board not serving as members of the Audit Committee. To perform its functions effectively, the Audit Committee meets at least quarterly, but more frequently if required.

The Sarbanes-Oxley Act requires the Board to identify an Audit Committee financial expert from within its ranks or to determine that the Audit Committee does not have a financial expert. The Board has resolved that the committee's Chairman, Keith Rayner, is the Audit Committee's financial expert. Further, the Board of Directors believes that the members of the Audit Committee collectively possess the knowledge and experience to oversee and assess the performance of Sibanye's management and auditors, the quality of Sibanye's disclosure controls, the preparation and evaluation of Sibanye's financial statements and Sibanye's financial reporting. Sibanye's Board of Directors also believes that the members of the Audit Committee collectively possess the understanding of Audit Committee functions necessary to diligently execute their responsibilities.

	Date				
Membership and attendance of the Audit Committee	**22/2**	**10/3**	**23/5**	**22/8**	**7/8**
Keith Rayner *(Chairman)*	✓	✓	✓	✓	✓
Richard Menell	✓	✓	✓	✓	✓
Nkosemntu Nika	✓	✓	✓	✓	✓
Susan van der Merwe	✓	✓	✓	✓	✓

The Risk Committee

This committee is responsible for ensuring that management implements appropriate risk management processes and controls. The total process of risk management, which includes the related systems of internal control, is the responsibility of the Board. Management is accountable to the Board for designing, implementing and monitoring an integrated process of risk management into the daily activities of Sibanye. The Board, through the Risk Committee, ensures that management implements appropriate risk management processes and controls. The responsibilities of the committee include:

- reviewing the effectiveness and efficiency of the Enterprise Risk Management system within the Company and being assured that material risks are identified and that appropriate risk management processes are in place, including the formulation and subsequent updating of appropriate Company policies;
- reviewing the adequacy of the risk management charter, policy and plan;
- reviewing the parameters of the Company's risk/reward strategy, in terms of the risk appetite and tolerance relative to reward and ensuring that risks are quantified where practicable;
- regularly receiving a register of the Company's key risks and potential material risk exposures from management, reviewing and approving mitigations strategies and reporting to the Board any material changes and/or divergence to the risk profile of the Company;
- monitoring the implementation of operational and corporate risk management plans;
- reviewing the insurance and other risk transfer arrangements, and considering whether appropriate coverage is in place;
- reviewing the business contingency planning process within the Group and being assured that material risks are identified and that appropriate contingency plans are in place;
- conducting a formal risk assessment at least once a year, which should be continually reviewed, updated and applied; and
- ensuring that a combined assurance model is applied to provide a coordinated approach to assurance activities.

	Date	
Membership and attendance of the Risk Committee	**23/5**	**7/11**
Richard Menell *(Chairman)*	✓	✓
Christopher Chadwick	✓	✓
Robert Chan	✓	✓
Timothy Cumming	✓	✓
Keith Rayner	✓	✓
Jiyu Yuan	✓	–

The Nominating and Governance Committee

This committee is responsible for ensuring that new Directors undergo an appropriate induction process; recommending to the Board the need for Board participation in continuing education programmes; identifying and recommending to the Board successors to the Chairman and CEO; developing the approach of Sibanye to matters of corporate governance; and making recommendations to the Board concerning such matters.

	Date			
Membership and attendance of the Nominating and Governance Committee	**22/2**	**23/5**	**22/8**	**7/11**
Sello Moloko *(Chairman)*	✓	✓	✓	✓
Barry Davison	✓	✓	✓	✓
Richard Menell	✓	✓	✓	✓
Nkosemntu Nika	✓	✓	✓	✓
Jerry Vilakazi	✓	✓	✓	✓

The Remuneration Committee

This committee is responsible for determining Sibanye's remuneration policy and the practices needed to attract, retain and motivate high-performing executives who are demonstrably aligned with Sibanye's corporate objectives and business strategy; and for ensuring that remuneration levels relative to other comparable companies are pitched at the desired level taking relative performance into account. The Remuneration Committee also reviews, on behalf of the Board, both the remuneration levels of senior executives and management share-incentive schemes and the related performance criteria and measurements. To perform these functions the Remuneration Committee meets quarterly, or more frequently if required.

	Date			
Membership and attendance of the Remuneration Committee	**22/2**	**23/5**	**22/8**	**7/11**
Timothy Cumming *(Chairman)*	✓	✓	✓	✓
Barry Davison	✓	✓	✓	✓
Sello Moloko	✓	✓	✓	✓
Nkosemntu Nika	✓	✓	✓	✓
Keith Rayner	✓	✓	✓	✓

The Safety, Health and Sustainable Development Committee

This committee reviews adherence to occupational health, safety and environmental standards by Sibanye. The committee seeks to minimise mining-related accidents, to ensure that Sibanye's operations are in compliance with all environmental regulations and to establish policy in respect of HIV/AIDS and health matters.

	Date			
Membership and attendance of the Safety, Health and Sustainable Development Committee	**22/2**	**23/5**	**22/8**	**7/11**
Barry Davison *(Chairman)*	✓	✓	✓	✓
Christopher Chadwick	✓	✓	✓	✓
Neal Froneman	✓	✓	✓	✓
Richard Menell	✓	✓	✓	✓
Sello Moloko	✓	✓	✓	✓
Susan van der Merwe	✓	✓	✓	✓

The Social and Ethics Committee

This committee is responsible for discharging its statutorily imposed duties as outlined in section 72 of the Companies Act and the applicable regulations, which include monitoring Sibanye's activities in relation to relevant legislation, other legal requirements and prevailing codes of best practice regarding:

- social and economic development;
- good corporate citizenship;
- the environment, health and public safety and the impact on Sibanye's activities, products and services;
- consumer relations; and
- labour and employment legislation.

The Social and Ethics Committee must bring any matters relating to this monitoring to the attention of the Board and report to shareholders at the AGM. The Board seeks the assistance of the Social and Ethics Committee in ensuring that Sibanye complies with best practice recommendations in respect of social and ethical management.

	Date			
Membership and attendance of the Safety, Health and Sustainable Development Committee	**22/2**	**23/5**	**22/8**	**7/11**
Jerry Vilakazi *(Chairman)*	✓	✓	✓	✓
Robert Chan	–	–	✓	✓
Timothy Cumming	✓	✓	✓	✓
Barry Davison	✓	✓	✓	✓
Richard Menell	✓	✓	✓	✓
Sello Moloko	✓	✓	–	✓
Keith Rayner	✓	✓	✓	✓

Executive Directors and Executive Committee

With effect from 1 January 2016, Sibanye restructured its operations into two operating divisions, being a gold and uranium operation (division) and a platinum operation (division) each of which would be managed by a divisional CEO with a supporting executive management team. Should Sibanye expand into other commodities, similar divisional structures are expected to be implemented. With effect from 1 January 2016, the membership of Sibanye's Executive Committee is as follows:

Membership of the Executive Committee

Neal Froneman (*CEO)*
Charl Keyter *(CFO)*
Hartley Dikgale
Dawie Mostert
Themba Nkosi[(2)]
Jean Nel[(1)]
Wayne Robinson
Richard Stewart
Robert van Niekerk
John Wallington[(3)]

Notes:

(1) Appointed on 13 April 2016, and resigned as a prescribed officer on 1 November 2016.

(2) Appointed on 4 July 2016.

(3) Appointed on 1 February 2016.

Sibanye's Executive Committee meets on a regular basis to discuss and make decisions on the strategic and operating issues facing Sibanye.

Differences between JSE and NYSE Corporate Governance Standards

Sibanye's corporate governance practices are regulated by the JSE Listings Requirements. The following is a summary of the significant ways in which South Africa's corporate governance standards and Sibanye's corporate governance practices differ from those followed by domestic companies under the NYSE Listing Standards.

The NYSE Listing Standards require that the non-management Directors of US-listed companies meet at regularly scheduled executive sessions without management. The JSE Listing Requirements do not require such meetings of listed company Non-Executive Directors. Sibanye's non-management Directors meet regularly without management.

The NYSE Listing Standards require US-listed companies to have a nominating/corporate governance committee composed entirely of independent Directors. The JSE Listings Requirements do not require the appointment of such a committee, however if such a committee is appointed it must stipulate that all members of this committee must be Non-Executive Directors, the majority of whom must be independent and the chair must be the chair of the Board, if independent, or must be the lead independent Director, if the Board chair is not independent. Sibanye has a Nominating and Governance Committee which is currently comprised of five Non-Executive Directors, all of whom are independent under the JSE Listings Requirements and chaired by the Chairman of Sibanye, as required by the JSE Listings Requirements.

The NYSE Listing Standards require US-listed companies to have a compensation committee composed entirely of independent Directors. The JSE Listings Requirements merely require the appointment of such a committee. Sibanye has appointed a Remunerations (or Compensation) Committee, currently comprised of five Board members, all of whom are independent under the JSE Listings Requirements.

The NYSE Listings Standards require US-listed companies to have an Audit Committee composed entirely of independent Directors. The Companies Act requires that the Audit Committee be approved by shareholders on an annual basis at a company's AGM. The Companies Act and the JSE Listings Requirements also require an Audit Committee composed entirely of independent Directors. Sibanye has appointed an Audit Committee, currently comprised of four Board members, all of whom are independent Non-executive, as defined under the Companies Act and the JSE Listings Requirements. One of these Non-Executive Directors is also a Non-Executive Director of Gold Fields, the former parent of Sibanye; however, Sibanye believes he satisfies the requirements of Rule 10A-3 under the Exchange Act and applicable NYSE Listing Standards.

EXECUTIVE SUMMARY OF THE US COMPETENT PERSON'S GUIDE 7 REPORT ON STILLWATER GROUP

See "*Paragraph 23 – Documents Incorporated by Reference*" for details on how to access the Guide 7 Report titled "Technical Report for the Mining Operations at Stillwater Mining Company – Stillwater Mine and East Boulder Mine as of 31 December 2016" from which this Executive Summary has been extracted.

Assignment

Behre Dolbear & Company (USA), Inc. (Behre Dolbear)[1] was commissioned by SMC to verify the estimated ore reserves at the Stillwater and East Boulder Mines as of 31 December 2016. Behre Dolbear examined:

- the methodologies used to estimate the tonnage, grade, and platinum and palladium metal content present at SMC's Montana properties;
- the mining methods employed;
- the processing methods employed, the concentrators, and the smelter/base metal refinery;
- SMC's long-range mining plans;
- SMC's Ore Reserve Economic Test for the 2016 year-end reserves; and
- SMC's environmental compliance.

In addition, Behre Dolbear was asked to independently verify the following specific Control Points that are part of SMC's Critical Process Memo, Part 3.0, Inventory and Production, Part 3.05 Ore Reserves, specifically Control #38:

"The Outside Ore Reserve Audit Consultant reviews and/or approves the data provided annually to ensure accuracy and compliance to Industry Guide 7."

Behre Dolbear specifically reviewed the following data interpretation and economic certainty points:

5. that diamond drill zone pick data is properly interpreted, modelled, and uploaded into Vulcan™
7. the 3-D solid model is correctly developed

1 The following Qualified Persons worked on this assignment:

Mr. David M. Abbott, Jr., Senior Associate and geologist, served as the project manager and examined the geologic aspects of the assignment. Mr. Abbott has been involved with audits of SMC's reserve estimates since 1997. He is an AIPG Certified Professional Geologist, holds the European Geologist title, and is a Fellow and a Chartered Professional (Geology) with the Australasian Institute of Mining and Metallurgy and, thus, is a Qualified Person in Canada and a Competent Person in Australia.

Mr. John Reiss, Senior Associate and mining engineer, examined the mine planning and execution aspects of the assignment. **Mr. Reiss** has over 35 years of progressively responsible positions in operations management, technical studies, and project management involving underground mining. He operated an internationally recognized underground panel-caving mining operation. His project management activities include delivery of bankable feasibility studies for mining systems in molybdenum, copper, and gold deposits. He has completed assignments in both domestic and international locations. Mr. Reiss holds a Qualified Professional status from the Mining and Metallurgical Society of America and, thus, is a Qualified Person in Canada and a Competent Person for SAMREC.

Dr. Robert E. Cameron, Senior Associate and mining engineer, examined the ore reserves and mine planning aspects of the assignment. Dr. Cameron has over 35 years of experience in geostatistical analysis of reserves, computerized mine planning, mine design, computerized studies for mine production optimization, ultimate pit limit optimization, mine efficiency studies, equipment selection and utilization and operations research. He has completed geostatistical estimations or resource and reserve reviews or audits on over 350 properties worldwide. Dr. Cameron also had responsibility for supervising, reviewing and quality assurance of all resource and reserve work performed by Behre Dolbear. He is a Registered Member of the Society of Mining, Metallurgy and Exploration and a Member and Qualified Person of the Mining and Metallurgical Society of America in mining and ore reserves. Dr. Cameron holds B.S., M.S., and Ph.D. degrees in Mining Engineering from the University of Utah thus, is a Qualified Person in Canada and a Competent Person for SAMREC.

Mr. Marc LeVier, Senior Associate and processing engineer, reviewed the current status of SMC's concentrators and smelter/BMR. He conducted a thorough examination of these facilities in connection many of Behre Dolbear's year-end reserve audits. He holds Qualified Professional status from the Mining and Metallurgical Society of America and, thus, is a Qualified Person in Canada and a Competent Person for SAMREC.

Dr. Scott Mernitz, Senior Associate and an environmental compliance specialist, reviewed SMC's compliance with its operating permits and relations with applicable regulatory agencies and Non-Governmental Organizations (NGOs) for multiple years including a number of site visits. He holds a Qualified Professional status from the Mining and Metallurgical Society of America and, thus, is a Qualified Person in Canada. Dr. Mernitz has worked on previous SMC audits and has visited the SMC Montana sites at Nye and East Boulder on several occasions.

9. geostatistical analysis is correct
12. the block model is correctly constructed
15. Proven modeled reserves are correctly calculated
19. Probable reserves are correctly calculated
23. the Ore Reserve Economic Test is properly developed to represent the life of the reserve plan

Behre Dolbear examined the procedures used to ensure that the foregoing specific Control Objectives have been properly applied. Behre Dolbear is of the opinion that these procedures have been appropriately implemented and approves their use.

Introduction to the Technical Report

This Technical Report was prepared for Stillwater Mining Company, a publicly traded company in the U.S. and Canada, on its Montana properties. The report is compliant with Canadian National Instrument 43-101.

SMC's mining claims are located in Stillwater, Sweet Grass, and Park Counties, Montana and are within the Custer and Gallatin National Forests. The Stillwater Mine is located in Stillwater and Sweet Grass Counties, the smelter and refinery are located in Stillwater County, and the East Boulder Mine is located in Sweet Grass County. The Stillwater Mine has been producing since 1986, and the East Boulder Mine has been producing since 2002. SMC holds or leases 1 674 patented and unpatented lode, placer, tunnel, or mill site claims encompassing over 26 000 acres (10 522 hectares).

The boundaries of the mining claims have all been surveyed, and these locations have been integrated into SMC's electronic databases so that the relationships between claim boundaries and mine workings can be readily identified. Some of the claims are subject to royalties. In addition to its mining claims, SMC owns several fee parcels that have been purchased over the years.

SMC has operating permits for its mines from the US Forest Service and the Montana Department of Environmental Quality. It also has a "Good Neighbor" agreement covering its operations and provides bus services for employees to minimize traffic on secondary roads.

The Stillwater Mine is accessible by paved roads. The East Boulder Mine is accessible by paved and well-maintained gravel roads. The mines are located south of Interstate 90 (I-90) west of Billings, Montana. The southern Montana region is in rugged country. It is well served by the electrical grid system.

Geology and Mineralization

The J-M Reef, which SMC exploits, is a part of a layered igneous intrusive known as the Stillwater Complex. The exposed Stillwater Complex, in the northern part of the Beartooth Mountains, is considered to be a small part of a much larger intrusive body, the bulk of which (estimated to be about 4 400 square kilometers (km^2)) underlies the thick sedimentary cover to the north and northeast.

The Stillwater Complex intruded into the surrounding metasedimentary rocks about 2.7 billion years ago, with its rocks primarily composed of large, clearly formed to somewhat rounded, cumulus-phase crystals that formed during the cooling of the Stillwater magma(s). The Stillwater Complex is subdivided into three major series; from bottom to top, these are the Basal Series, the Ultramafic Series, and the Banded Series.

The J-M Reef specifically refers to the stratiform deposition of platinum-group elements and sulfide minerals in a distinctive stratigraphic zone within the Stillwater Complex. The J-M Reef formed as a more or less flat-lying, tabular layer as a part of the crystallization of the Stillwater Complex, and its laterally persistent character reflects this origin.

The reef package, which hosts the J-M Reef, is predominately an olivine-rich cumulate. The footwall is gabbro and the hanging wall is a plagioclase-rich cumulate. The mineralized J-M Reef generally strikes west-northwest throughout its 26 miles (41.8 km) of strike length. At the Stillwater Mine, the J-M Reef dips north at angles varying between overturned and vertical in the eastern part of the mine (east of about the 4000E mine coordinate), about 62° in the central portion of the mine (from about 4000E to about 9000W), and around 45° to 50° in the Upper West area of the mine. At the East Boulder Mine, the dip averages about 52°.

In some places, the J-M Reef is interrupted by mafic intrusive dikes. The J-M Reef and related stratigraphy are clearly identifiable on either side of the dikes; however, the dikes may be sufficiently wide to result in J-M Reef offsets and/or to split the J-M Reef. It should be stressed that these dikes do not have more than a minor impact on mining. Faults also displace the J-M Reef. Some offsets are small and have little effect on mining. A few cause major offsets and range-front thrust faulting cuts off the J-M Reef below the Stillwater Mine.

Another feature of the J-M Reef within portions of the Stillwater Mine is the occurrence of thickened areas of mineralized reef, known as "ballrooms." Ballrooms contain significant ore-grade tons and ounces within the J-M Reef. Ballrooms have not yet been encountered in the East Boulder Mine, although there are zones of greater reef thickness at East Boulder.

When the J-M Reef is considered in large, geologically bounded segments, mineralization is predictably and relatively evenly distributed throughout the unit. Although precise relationships vary in fine detail, SMC's method of drilling delineation core holes from the footwall laterals provides sufficiently precise locations to guide mining. On the scale (tens to hundreds of feet (3s to 30s+ m)) important in mine planning, the J-M Reef can be consistently located and delineated to allow mine planning. This regularity of mineralization is unlike that of most precious and base-metal deposits and emphasizes the fact that the J-M Reef should be compared with mineral deposits formed in sedimentary environments rather than with precious metal veins.

Specifically, the J-M Reef probably was formed as a chemical precipitate during crystallization of a magma in a chamber that is tens of miles in diameter. Therefore, reserve estimation procedures for the J-M Reef for the probable mineral reserve should be, and are, more similar to those used for non-magmatic or sedimentary iron or coal deposits than to those typically used for precious metal deposits. Mr. David Abbott, one of the authors, has investigated the exploration procedure used to delineate the mineral resources and agrees that widely spaced drilling can accurately predict the character of platinum-palladium mineralization within large areas of the J-M Reef.

Exploration

Since 1883, the Stillwater Complex has been known to contain copper, nickel, and chromium deposits. The Stillwater layered igneous complex was first geologically mapped and described in the 1930s by Princeton University geologists operating out of their base camp in Red Lodge, Montana.

Between 1969 and 1995, SMC and predecessor firms drilled 944 holes from the surface and from the Frog Pond and West Fork adits over 28 miles (45km) along the strike of the J-M Reef, establishing the known strike length of the well-mineralized length of the J-M Reef at 26 miles (41.8km). The results from these drill holes were used to define the estimated mineralization in the sectors, which are bounded by geologic features that are often major fault offsets.

In 1998, a drill hole, located in the Stillwater River Canyon at the Stillwater Mine, intersected the major fault thrust splay underlying the Stillwater Mine at 800 feet (243.8m) above sea level, more than 4 000 feet (1 219m) below surface. Additional deep drilling penetrated two regional thrust splays of the Beartooth master thrust system that limit the downward extension of mineable mineralization under the Stillwater Mine. The underlying thrusts have not been identified beneath the East Boulder Mine.

Surface exploration drilling over most of the J-M Reef has not been undertaken since 1995. However, surface exploration has occurred in the past five years in the easternmost part of the identified J-M Reef known as the Blitz Project. In addition, three deep drill holes to delineate the location of the J-M Reef were drilled below the East Boulder Mine to approximately 4 000 feet (1 219m) above mean sea level. Ongoing exploration at both the Stillwater and East Boulder Mines consists of driving the primary development footwall laterals along with drilling advance probe holes from these laterals to ensure that the J-M Reef is being appropriately followed.

Drilling, Sampling Method, and Analyses

The primary sources of geological data at the Stillwater and East Boulder Mines are mine development, surface diamond drill holes, and underground diamond drill holes.

Two types of underground core drilling are routinely conducted at the Stillwater and East Boulder Mines. The first type consists of probe holes drilled ahead of advancing footwall laterals with the twin objectives of maintaining the footwall laterals within the desired distance of the J-M Reef and testing for rock quality, water, and any other characteristics that might affect mining. The second type of drilling consists of fans normally drilled so as to intersect the J-M Reef at 50-foot (15.24m) vertical intervals at 50-foot (15.24m) horizontal spacing along the footwall laterals to delineate the mineralization in the J-M Reef.

Drill core (BQ size, 1.433 inches (3.64cm) in diameter) is transported from the rigs to core logging rooms at the surface of both the Stillwater and East Boulder Mines. These logging rooms each have storage racks and several well-lit logging stations. Only mineralized zones and adjacent hanging and footwall zones are sampled, and the logging geologist selects zones visually. The log data are entered into a computerized database using bar code sheets containing codes for all the common parameters.

SMC maintains an assay labouratory in Columbus, Montana. The geologic and mill samples are transported from the mines to the lab in the cargo areas of the buses transporting employees from the mines to Columbus. Sample tampering is not an issue.

Routine analyses are done by X-ray methods, which are verified for accuracy by fire assays. Sample runs routinely contain standard and duplicate samples as part of the labouratory's internal Quality Assurance/ Quality Control (QA/QC) program. Normal turn-around time from sample receipt to assay report is about five days.

Mining Operation

SMC's mining operations consist of two underground mines that have been developed on the 26-mile strike length of the palladium-platinum mineralized J-M Reef. The Stillwater Mine is located near the Stillwater River and was started in 1986. The East Boulder Mine is located farther west along the J-M Reef near the East Boulder River. Development of the East Boulder Mine began in 1998, and commercial production began in 2002.

The Blitz Project, which is considered a part of the Stillwater Mine, is located east and across the valley from the Stillwater Mine. A 24 000 foot (7 315m) tunnel bore program is currently at the 14 000 foot (4 297m) mark and has its portal at the 5 000 foot (1 524m) 50 Level. Production at the Blitz Project is targeted to start during the beginning of 2018 from the west end of the deposit on the 5 Level. Ground conditions and development methods are similar to those at the Stillwater Mine.

The Stillwater and East Boulder Mines employ the same types of mining methods. The three principal mining methods are conventional overhand cut-and-fill (Conv. C&F), as captive stopes; ramp-and-fill (R&F), as both overhand and underhand cut-and-fill; and sub-level extraction (SLE) by longhole open stoping with subsequent backfill. Since considerable tonnage is produced from the development of the sub-levels in the Reef, this is carried separately as sub-level development (SLD) tonnage.

In recent years, the main production areas in the Stillwater Mine have been the Upper West area and the Off-shaft area. In 2016, mine production was approximately 1 954 tons (1 773 tonnes) per day.

The East Boulder Mine, which began commercial production at the beginning of 2002, is accessed by two approximately 18 700-foot-long (5.7km) bored tunnels. In 2003, R&F stoping was introduced to the East Boulder Mine to provide more flexibility and more efficient extraction in areas of the J-M Reef lacking the uniform width best exploited by sub-level stoping. The sub-level extraction method and R&F stoping were the dominant methods used in 2016. In 2016, mine production was approximately 1 800 tons (1 633 tonnes) per day.

Processing and Smelter

SMC's Stillwater Concentrator produces a copper-nickel bulk sulfide concentrate, containing platinum group metals (PGM). The available mill capacity is 2 750 tons (2 495 tonnes) per day or more. An underground jaw crusher reduces the Off-shaft concentrator feed to minus 6 inches, (152.4 mm) and the crushed ore is hoisted to the surface and conveyed to a 3 000-ton (2 722 tonne) ore silo. The Upper West ore is transported to the surface by rail and crushed at the surface by a jaw and cone crusher to minus 1.5 inch (38.1mm). The mill averages about 92% PGM recovery.

The flotation tailings from the scavenger circuit are pumped to the paste and sand fill plant, where up to 60% of the tailings are used in the mine backfill process. The remaining mill tailings and sand plant cyclone overflow report to a tailings depository.

The East Boulder Concentrator (EBC) was constructed with a 2 000 tons (1 815 tonnes) per day capacity and an ability to quickly expand to 4 000 tons (3 630 tonnes) per day. The mill is capable of processing more than design capacity, but concentrator throughput has been limited by mining rates and recently, a reduced operating schedule. The process flow sheet is essentially the same as the Stillwater Concentrator with a few minor differences, which have been a result of operating experience applied to maximize PGM recovery. The tailings for EBC are pumped underground to a sand and paste plant. Initially, less than 50% of the tailings were captured for backfill; however, recent improvements were made and the percent capture has risen from 52% to 54%. Tailings not utilized in the backfill are pumped to the surface and disposed in a tailings depository.

The SMC Concentrators operate on 11 days on, three days off, 10 days on, four days off schedule.

The concentrator produces a copper-nickel bulk sulfide concentrate with PGM values. Overall, PGM recoveries in 2016 were up to 90.4% from the 2015 recoveries, which averaged 89.5%.

SMC's metallurgical complex, consisting of a smelter and base metal refinery (BMR), is in Columbus, Montana. The smelter handles filtered concentrate from the Stillwater and East Boulder Mills, as well as recycled automotive catalysts and other PGM-bearing materials. The smelter produces a granulated matte, which is sent to the BMR where copper and nickel are separated and refined. A high grade PGM concentrate is produced and sold to refiners.

The BMR leaches the base metals present in the matte in hydrometallurgical circuits without affecting the recovery of the PGMs. The refinery has a capacity of up to 1 000 pounds (454kg) per hour of smelter matte.

Residual slag from the complex is trucked back to the Stillwater Concentrator, where approximately 75 tons (68 tonnes) per day are mixed with the fresh ore feed to the mill to recover PGM values.

In 2016, production from the refinery included 1 146 801 troy ounces (35 669kg) of platinum plus palladium (including 544 107 troy ounces (16 923kg) of recycled material), 545 tons (494 tonnes) of copper, and 832 tons (754 tonnes) of nickel). The refinery also produced smaller quantities of cobalt, silver, gold, and rhodium (primarily from the recycled catalysts).

Environmental Compliance and Reclamation

Behre Dolbear has considered a number of environmental and social factors that could potentially affect SMC. Inquiry was made into pertinent issues associated with air emissions, water discharges, water treatment, ground water, tailings disposal, waste rock disposal, smelter slag, smelter scrubber sludge, reclamation, reclamation bonding, and community relations. Inquiries to regulatory agency and Non-Governmental Organization (NGO) contacts were also made, as appropriate, to confirm perceptions of compliance. The inquiries covered the Stillwater Mine site, the East Boulder Mine site, and the metallurgical complex at Columbus, Montana.

Testing has demonstrated that the waste rock, tailings, and ore are not acid generating. In general, the environmental concerns at the SMC operations are minor and are managed through a pro-active and participative approach. Overall, the operations are viewed by the regulatory agencies and NGOs as being properly managed from an environmental perspective.

This report updates new construction and environmental management efforts through 2016, including social and community matters. Importantly, details are given regarding current water management and permitting, waste rock storage, and tailings storage facilities and operations. Potential effects of the new Blitz development, east of the Stillwater Mine and plans for Lower East Boulder development, are discussed in view of future needs for environmental management capacity. These new details present several challenges to the SMC management and environmental staff. It appears that these matters are being adequately anticipated with proper planning.

The Good Neighbor Agreement is in its 16th successful year to promote the social sustainability of SMC with surrounding communities and NGOs. A 2016 Corporate Responsibility Report provides details on SMC's other financial, environmental, economic, and governance sustainability efforts.

The Stillwater and East Boulder Mines' reclamation and closure bonding amounts with the regulatory agencies are now finalized at a total of $40.1 million in surety bonds. Revised bonding amounts address current plans, predicted impacts, and expected mitigation for closure and post-closure activities. Given recent close attention to these issues by the agencies, no risks to SMC operations are noted. The financial position of SMC is deemed adequate by SMC's environmental staff to support these amounts.

From the author's (Dr. Mernitz) perspective, it appears that no particular issues, mitigation requirements, or technical challenges were raised in the EIS that affect SMC's operations. These opinions are shared by SMC's staff, and in comments from the agencies or NGOs contacted for this review.

Estimated Resources

The SEC's Industry Guide 7 does not provide for the disclosure of mineral resource categories used by other international mining societies, so SMC has been reporting estimates of "mineralized material" in areas of the J-M Reef that have not been drilled at the densities required for the estimation of probable reserves. When additional drilling occurs as the mines expand, the newly geologically delineated mineralization is converted directly into probable and then proven reserves, which include provision for mining and processing losses, rather than reporting the intermediate, *in-situ* estimates of indicated or measured mineral resources typical in Canadian reports because the "other modifying factors" are already known. SMC's "mineralized material" estimates correspond to the "inferred mineral resource" category in the Canadian definitions for mineral resources and mineral reserves.

SMC's estimated mineralized inventory (United States reporting) or inferred mineral resources (Canadian reporting) as of 31 December 2016 is presented in Table 1.1.

Table 1.1
SMC's Estimated Mineralized Material (United States reporting) or Inferred Mineral Resources (Canadian reporting) in the J-M Reef

	As of 31 December 2016			
	Tons	Tonnes	Ounces (Pt+Pd)/ton	Grams (Pt+Pd)/ tonne
Stillwater Mine	50.4	45.7	0.52	17.8
East Boulder Mine	41.9	38.0	0.43	14.7
Total Estimated Mineralized Material/ Inferred Mineral Resources	92.3	83.7	0.48	16.5

Estimated Mineral Reserves

The estimated mineral resources and mineral reserves contained in this report are current as of 31 December 2016 and consist of SMC's regular year-end mineral reserve estimates. The reserve estimates, which Behre Dolbear audited, are made in conformance with the SEC's Industry Guide 7, which Behre Dolbear audited. The geological data used in this report were primarily collected and compiled by SMC personnel. Mr Abbott has carefully reviewed and examined this information, over the years, when conducting annual mineral resource and reserve audits for SMC and on related assignments.

The combined estimated Stillwater and East Boulder Mine reserves are shown in Table 1.2.

TABLE 1.2
Stillwater Mining Company's Estimated Proven And Probable Mineral Reserves
As of 31 December 2016

STILLWATER MINE

	Ore Quantity ('000s)		Average Grade		Contained Pt+Pd ('000s)		Saleable Pt+Pd ('000s)	
	Tons	Tonnes	(t oz/ton)	g/t	Troy ounces	Kilograms	Troy ounces	Kilograms
Proven Reserves	**3 202**	**2 904**	**0.59**	**20.34**	**1 899**	**59.06**	**1 572**	**48.89**
Palladium			0.46	15.77	1 481	46.06	1 219	37.91
Platinum			0.13	4.46	417	12.97	353	10.98
Probable Reserves	**15 123**	**13 717**	**0.57**	**19.55**	**8 568**	**266.49**	**7 091**	**220.55**
Palladium			0.44	15.09	6 685	207.92	5 499	171.04
Platinum			0.12	4.11	1 884	58.60	1 592	49.52
Total Proven and Probable Reserves	**18 325**	**16 621**	**0.57**	**19.55**	**10 467**	**325.56**	**8 663**	**269.45**
Palladium			0.45	15.43	8 166	253.99	6 718	208.95
Platinum			0.13	4.46	2 301	71.57	1 945	60.50

EAST BOULDER MINE

	Ore Quantity ('000s)		Average Grade		Contained Pt+Pd ('000s)		Saleable Pt+Pd ('000s)	
	Tons	Tonnes	(t oz/ton)	g/t	Troy ounces	Kilograms	Troy ounces	Kilograms
Proven Reserves	**2 776**	**2 518**	**0.39**	**13.37**	**1 093**	**34.00**	**940**	**29.24**
Palladium			0.31	10.63	856	26.6	731	22.74
Platinum			0.09	3.09	238	7.40	209	6.50
Probable Reserves	**24 561**	**22 277**	**0.39**	**13.37**	**9 638**	**299.77**	**8 284**	**257.66**
Palladium			0.31	10.63	7 543	234.61	6 440	200.30
Platinum			0.09	3.09	2 095	65.16	1 844	57.35
Total Proven and Probable Reserves	**27 337**	**24 795**	**0.39**	**13.37**	**10 731**	**333.77**	**9 224**	**286.89**
Palladium			0.31	10.63	8 399	261.23	7 171	223.04
Platinum			0.09	3.09	2 332	72.53	2 053	63.85

TOTAL MONTANA MINES

	Ore Quantity ('000s)		Average Grade		Contained Pt+Pd ('000s)		Saleable Pt+Pd ('000s)	
	Tons	Tonnes	(t oz/ton)	g/t	troy ounces	Kilograms	Troy ounces	Kilograms
Proven Reserves	**5 978**	**5 422**	**0.50**	**17.16**	**2 992**	**93.06**	**2 512**	**78.13**
Palladium			0.39	13.41	2 337	72.69	1 950	60.65
Platinum			0.11	3.76	655	20.37	562	17.48
Probable Reserves	**39 684**	**35 993**	**0.46**	**15.73**	**18 206**	**566.26**	**15 375**	**478.21**
Palladium			0.36	12.29	14 228	442.53	11 939	371.34
Platinum			0.10	3.44	3 979	123.76	3 436	106.87
Total Proven and Probable Reserves	**45 662**	**41 415**	**0.46**	**15.77**	**21 198**	**659.32**	**17 887**	**556.34**
Palladium			0.36	12.34	16 565	515.22	13 889	431.99
Platinum			0.10	3.43	4 633	144.10	3 998	124.35

Note:

(1) Numbers in Table 1.2 do not necessarily add due to rounding.

Conclusions and Recommendations

SMC's Stillwater and East Boulder Mines have been successfully mining platinum and palladium from the J-M Reef in the Stillwater layered igneous complex of south-central Montana since 1986 and 2002, respectively. Over the years, the mines have expanded the areas containing estimated proven and probable reserves into new areas of the J-M Reef while extracting previously identified reserves. This process is expected to continue for some time, although not forever. Ultimate mine life depends on a number of factors, including metal prices, mining costs, changing mining technology, and regulatory issues, among other things that cannot be predicted at this time. SMC's geologic, mining, metallurgical, environmental, and other practices and procedures are excellent and appropriate for the type of deposit being mined. Differences from practices and procedures used at other mining properties reflect differences in the types of deposits being exploited. Behre Dolbear is making no recommendations at this time.

Risk Factors

Mineral reserve estimates are inherently forward-looking statements subject to error. Although experience in mining at the Stillwater and East Boulder Mines has provided improved understanding of the mineralization and improved modelling ability, estimation errors cannot be eliminated. The major expected sources of error in the estimates, in order of importance, include metal prices, estimated mining and production costs, manpower requirements, regulatory changes, unknown geologic conditions, estimation methodologies, and inherent sample variability. These factors are continually being reviewed to determine whether any adjustments are needed. The timing and effect of such changes cannot be predicted.

- **Metal Prices:** The prices for platinum and palladium fluctuate. The spot prices of both platinum and palladium varied during 2016. The 2016 average price of $989 per ounce of platinum was lower than the average 2015 prices of $1 054 for platinum and the 2016 average price per ounce of palladium, $612, was lower than the 2015 average price of $691.[2] The December 2016 average price for platinum was $921 and for palladium was $711. The palladium and platinum markets primarily depend on their use in automotive catalytic converters for both gasoline and diesel engines. The 12-quarter trailing prices were $1 139.91 for platinum, $702.75 for palladium, and $800.45 on a combined platinum plus palladium basis at the ratio of 3.47 palladium to 1 platinum. These prices are used for the Ore Reserve Economic Test that demonstrates that all estimated probable and proven reserves can be extracted profitably on an undiscounted basis.

  As mining progresses to greater distances from the shaft or surface openings, the cost of mining will necessarily increase, and the sensitivity of economic recovery to price fluctuations will increase. The differential between platinum and palladium prices can result in shifts in demand toward the lower-priced metal. However, the price of palladium, as a percentage of the price of platinum, has been generally increasing since January 2009. During 2016, the palladium-platinum price ratio average was 62% and was 77% in December 2016. Many factors affect both price and demand projections that cannot be accurately predicted. Should significantly lower prices of or demand for palladium and platinum occur in the future, a change in mine plans could result in material reserve estimate revisions.

2 Behre Dolbear used www.kitco.com's London PM price fixes for these reported prices.

- **Mining and Production Costs:** In the past mining and production costs typically have increased over time and SMC has experienced these increases in cost. Restructuring at both mines during 2015 resulted in a significant mining cost reduction. These costs are also impacted by the mining methods employed and the quantities of ore and waste produced each year from each mine. Improvements in mining efficiency continued in 2016 that allow for continued estimated profitability in SMC's operations.
- The estimated revenue per combined ounce of palladium plus platinum over the reserve life varies depending on which parts of each of the mines are being exploited. SMC's long-range plans project positive cash flows for both mines on an undiscounted basis using the 12-quarter trailing average price over the life of the currently delineated proven and probable reserves.
- **Manpower Requirements:** SMC's long-range mine plans depend on the Company's ability to attract, develop, and retain the staff required to achieve the planned mine development and mining production rates. Although SMC experienced historically low manpower attrition since 2014, which was 6% in 2016, this can be attributed to lower precious metals prices that has reduced labour demand at gold and silver mines in the western United States. This situation will likely not be sustained over the long term and labour turnover can be expected to increase in the future as demand for skilled underground mine labour increases at competing mines.
- **Regulatory Changes:** SMC is currently in compliance with all regulatory requirements. SMC's Good Neighbor Agreement provides means for SMC and all interested parties to discuss issues as they arise and reach mutually acceptable resolutions. The regulatory structure is mature in Montana and the United States, but there is no assurance that the regulatory environment will not change in the future in a manner that would adversely impact SMC's ability to exploit the J-M Reef.
- **Unknown Geologic Conditions:** Although the geologic character of the mineralized J-M Reef has been established by systematic surface drilling along 26 miles (42km) of mineralized strike length and underground development at two mines separated by seven miles (11km), and although produced metal in general has conformed to estimated reserves, geologic surprises may still be encountered. For example, significant amounts of metal are periodically found in the Stillwater Mine within features known as "ballrooms", whose precise spacing and size cannot be predicted. Ballrooms have not been identified at the East Boulder Mine. Other unexpected geologic conditions, particularly faulting, have been, and can expect to be encountered as mining proceeds. The effect of faulting and its effects on geologic units that are close to the J-M Reef in some areas can result in additional dilution of ore grade during mining operations. Advancing level headings at both mines are approaching major fault zones whose impact on mining advances is not known in detail.
- **Estimation Methodologies:** Comparison of estimated tonnage and grades versus actual production tonnage and grade supports the conclusion that the estimation methodologies used produce acceptable results. These methodologies employ assumptions about the geology and mineralization of the J-M Reef and assumptions inherent in the calculation algorithms. The parameters used in these calculations are periodically reviewed and updated as appropriate by SMC, which Behre Dolbear recognizes as sound practice. The changes that have been made in the past few years have not resulted in significant changes in estimates but have made improvements in the estimates. Some of these changes result from changes in the percentages of different mining methods and equipment sizes that require adjustments to the minimum mining widths used as part of the estimation procedures. Such changes do not reflect inaccuracies with the estimation methodology, but reflect necessary calculation methodology changes in mining methods to be used.
- **Inherent Sample Variability:** There is an inherent variability in the grade distribution within the deposit that cannot be reduced by economically reasonable sampling methods. This variability is random and tends to cancel out over larger volumes. Because of this variability, in our opinion, no more than three significant figures can be considered relevant in the estimated quantities even though the computer programs used to estimate the mineral reserves and other mineralized material report far more significant figures.

MATERIAL LOANS

The proposed Transaction will not result in a change in the material loans of Sibanye, other than the drawdown of the facilities under the Acquisition Bridge Facilities Agreement. Set out below for information purposes are the material loans as at the Last Practicable Date.

Sibanye

Significant accounting judgements and estimates

Expected future cash flows used to determine the fair value of borrowings (namely the Burnstone Debt) are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including reserves and production estimates, together with economic factors such as the expected commodity price, foreign currency exchange rates, estimates of production costs, future capital expenditure and discount rates.

Accounting Policy

Borrowings are recognised initially at fair value, net of transaction costs incurred, where applicable and subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

	As at 31 December		
	2016	**2015**	**2014**
		(R in millions)	
R6.0 billion Facilities	5 100.0	–	–
US$350 million RCF	1 369.0	–	–
R4.5 billion Facilities	–	1 961.6	1 979.5
Franco-Nevada liability[1]	2.7	33.7	56.1
Burnstone Debt	1 752.6	1 808.3	1 134.4
Other borrowings	749.5	–	–
Total borrowings	**8 973.8**	**3 803.6**	**3 170.0**
Reconciliation of the non-current and current portion of the borrowings:			
Borrowings	8 973.8	3 803.6	3 170.0
Current portion of borrowings	(752.3)	(1 995.3)	(554.2)
Non-current portion of borrowings	**8 221.5**	**1 808.3**	**2 615.8**

Note:

(1) Falls below the materiality threshold for detailed disclosure, retained in table for reconciliation purposes.

The current portion of borrowings will be repaid out of operational cash flows or it will be refinanced by utilising available Group facilities.

R6.0 Billion Facilities

On 15 November 2016, Sibanye cancelled and refinanced the R4.5 billion Facilities by drawing R3.2 billion under the R6.0 billion Facilities. The purpose of the facility was to refinance the R4.5 billion Facilities, finance ongoing capital expenditure, working capital and general corporate expenditure requirements which may include the financing of future acquisitions of business combinations.

Terms of the R6.0 billion Facilities

Facility:	R6.0 billion
Interest rate:	JIBAR
Interest rate margin:	2.4%
Term of loan:	Three years
Borrowers:	Sibanye, SRPM and Kroondal
Security and/or guarantors:	The facility is unsecured and guaranteed by Sibanye, Rand Uranium, SRPM and Kroondal
Lenders:	Absa Bank Limited (acting through its Corporate and Investment Banking Division); Bank of China Limited, Johannesburg Branch; FirstRand Bank Limited (acting through its Rand Merchant Bank Division); Nedbank Limited; and The Standard Bank of South Africa Limited

	As at 31 December		
	2016	**2015**	**2014**
		(R in millions)	
Loans raised	5 100.0	–	–
Balance at end of the year	**5 100.0**	**–**	**–**

US$350 Million Revolving Credit Facility

On 24 August 2015, Sibanye entered into a US$300 million syndicated RCF agreement. On 15 February 2016, the facility increased to US$350 million. The purpose of the facility was to finance ongoing capital expenditure, working capital and general corporate expenditure requirements which may include the financing of future acquisitions of business combinations.

Terms of the US$350 million RCF

Facility:	US$350 million RCF (31 December 2015: US$300 million RCF)
Interest rate:	LIBOR
Interest rate margin:	2% per annum
Utilisation fees:	Where the total outstanding loans under the RCF fall within the range of the percentage of the total loan as set out below, Sibanye shall pay a utilisation fee equal to the percentage per annum set out opposite such percentage range.

% of the total loans	**Utilisation fee**
Less than or equal to $33^{1}/_{3}$%	0.15%
Greater than $33^{1}/_{3}$% and less than or equal to $66^{2}/_{3}$%	0.30%
Greater than $66^{2}/_{3}$%	0.50%

Term of loan:	Three years
Borrowers:	Sibanye, SRPM and Kroondal
Security and/or guarantors:	The facility is unsecured and guaranteed by Sibanye, Rand Uranium, SRPM and Kroondal.

Lenders:	Absa Bank Limited; Bank of America Merrill Lynch International Limited; BMO Harris Financing Inc.; China Construction Bank Corporation, Johannesburg Branch; Citibank N.A., London Branch; Credit Suisse; Goldman Sachs Bank USA; HSBC Bank plc, Johannesburg; JPMorgan Chase Bank, N.A., London Branch; Nedbank Limited, London Branch and RBC Europe Limited

	As at 31 December		
	2016	**2015**	**2014**
		(R in millions)	
Loans raised	2 771.5	–	–
Loans repaid	(1 211.6)	–	–
Gain on foreign exchange differences	(190.9)	–	–
Balance at end of the year	**1 369.0**	**–**	**–**

R4.5 Billion Facilities

Sibanye entered into the R4.5 billion Facilities on 13 December 2013. The R4.5 billion Facilities was used to refinance the unbundling bridge loan facilities.

Terms of the R4.5 billion Facilities

Facility:	R2.5 billion RCF R2.0 billion term loan facility (Term Loan)
Interest rate:	JIBAR
Interest rate margin:	RCF: 2.85% Term Loan: 2.75%
Term of loan:	Three years
Repayment period:	The Term Loan will be repaid in equal six-monthly instalments of R250 million, with the R750 million balance and any amounts outstanding under the RCF due for settlement on final maturity, being 13 December 2016.
Security and/or guarantors:	The Facilities are unsecured and guaranteed by Rand Uranium and Ezulwini.
Lenders:	Absa Bank Limited; Ashburton SA Credit Co-Investment Fund 1 (RF) Limited; Bank of China Limited; FirstRand Bank Limited (acting through its Rand Merchant Bank Division); iNguza Investments (RF) Limited; Investec Bank Limited; Nedbank CIB Limited; and The Standard Bank of South Africa Limited.
Cancellation:	These facilities were cancelled and repaid on 15 November 2016.

	As at 31 December		
	2016	**2015**	**2014**
		(R in millions)	
Balance at beginning of the year	1 961.6	1 979.5	1 990.9
Loans raised	1 936.4	1 000.0	884.6
Loans repaid	(3 900.0)	(1 020.9)	(900.0)
Unwinding of amortised cost	2.0	3.0	4.0
Balance at end of the year	**–**	**1 961.6**	**1 979.5**
Reconciliation of facilities:			
Term loan	–	998.0	1 494.9
RCF	–	963.6	484.6

Burnstone Debt

SGEO has bank debt of US$178.1 million (R1 883.9 million) outstanding as part of the net assets acquired on 1 July 2014.

Terms of the Burnstone Debt

Facility:	A1: US$0.2 million A2: US$7.8 million A3: US$51.0 million A4: US$119.1 million
Interest rate:	A1 and A2: Interest free A3 and A4: Interest free until 1 July 2017, then at LIBOR
Interest rate margin:	A3 and A4: 4% from 1 July 2017
Term of loan:	No fixed term
Repayment period:	A1: Repaid on 1 July 2014 A2: From 1 July 2017 the first 50% of Burnstone's free cash flow will be used to repay the Wits Gold Loan and the balance of 50% to repay A2. A3 and A4: On settlement of A2. 90% of Burnstone's free cash flow will be used to repay the Wits Gold Loan and the balance of 10% to repay the Burnstone Debt. On settlement of the Wits Gold Loan and interest, 30% of Burnstone's free cash flow will be used to repay the Burnstone Debt and the balance will be distributed to Wits Gold. The Bank Lenders will continue to participate in 10% of Burnstone's free cash flow after the Burnstone Debt has been repaid in full to a maximum amount of US$63.0 million under a revenue participation agreement.
Security:	The Burnstone Debt is fully secured against the assets of Burnstone and there is no recourse to the Sibanye Group. The security package includes a cession over the bank accounts, insurance policies' proceeds, special and general notarial bonds over movable assets and mortgage bonds over property.
Lenders:	Credit Suisse AG; FBN Bank (UK) Limited; and Standard Chartered Bank.

The Burnstone Debt facilities of US$178.1 million (R1 883.9 million) were initially recognised at the acquisition fair value using level 2 assumptions, being R1 007.6 million, in terms of IFRS 3. The expected free cash flows to repay the loan as detailed above were based on the estimates and assumptions to determine the fair value:

- A US$ swap forward curve adjusted with the 4% interest rate margin above;
- The annual life-of-mine (LOM) plan that takes into account the following:
  - Proved and probable ore reserves of Burnstone;
  - Cash flows are based on the life-of-mine plan of 23 years; and
  - Capital expenditure estimates over the life-of-mine plan.

	As at 31 December		
	2016	**2015**	**2014**
		(R in millions)	
Balance at beginning of the year	1 808.3	1 134.4	–
Unwinding of amortised cost	139.4	99.3	39.3
(Gain)/loss on foreign exchange differences	(224.4)	412.1	89.4
Loss on revised estimated cash flows[1]	29.3	162.5	–
Borrowings on acquisition of subsidiary	–	–	1 007.6
Loans repaid	–	–	(1.9)
Balance at end of the year	**1 752.6**	**1 808.3**	**1 134.4**

Note:

At 31 December 2016, the expected free cash flows expected to repay the loan as detailed above were revised as a result of:

- Revised proven and probable reserves;
- Revised cash flows over the LOM plan as a result of:
- Revised forecast costs and capital expenditure; and
- Revised gold prices (2016: R570 000/kg and 2015: R550 000/kg) and exchange rates (2016: R13.68/kg and 2015: R15.00/US$).

In terms of IAS 39 AG8 the carrying value of the Burnstone Debt increased by R29.3 million (2015: R162.5 million), recognised as part of loss on financial instruments in profit or loss.

Acquisition bridge facilities

Stillwater Bridge Facility

On 9 December 2016, Sibanye obtained a US$2.65 billion bridge facility to finance the purchase of Stillwater, to refinance existing indebtedness at Stillwater and to pay certain related fees, costs and expenses.

See "Annexure 9 – Material Contracts" for further details.

Terms of the Stillwater Bridge Facility

Facility:	A: US$750 million bridge to equity B: US$300 million bridge to cash C: US$1.6 billion bridge to debt
Interest rate:	LIBOR
Interest rate margin:	Months 1–3: 3.25% per annum Months 4–6: 4.25% per annum or 5.25% per annum if Net debt-to-EBITDA > 2.0x Months 7–9: 5.25% per annum or 6.25% per annum if Net debt-to-EBITDA > 2.0x Months 10–12: 6.25% per annum or 7.25% per annum if Net debt-to-EBITDA > 2.0x
Term of loan:	Facility A and B: Earlier of nine months from completion of the Stillwater acquisition and 31 October 2017 Facility C: 364 days from completion of the Stillwater acquisition
Borrowers:	Sibanye and Thor Mergco Inc
Security and/or guarantors:	The facility is unsecured and guaranteed by Sibanye, Thor Mergco Inc and Kroondal. Rand Uranium and SRPM must accede as guarantors before completion of the Stillwater acquisition.
Lenders:	Absa Bank Limited (acting through its Corporate and Investment Banking Division); Barclays Bank PLC; Banca IMI S.P.A., London branch; BNP Paribas; Citibank, N.A.; Credit Suisse International; FirstRand Bank Limited (acting through its Rand Merchant Bank Division); HSBC Bank plc; J.P. Morgan Limited; Mizuho Bank Europe N.V.; Morgan Stanley Bank International Limited; Nedbank Limited, London Branch; Royal Bank of Canada; Société Générale; The Bank of Nova Scotia; The Bank of Tokyo-Mitsubishi UFJ, Ltd; and The Standard Bank of South Africa Limited.

The Bridge Facility can only be drawn on completion of the Stillwater transaction which is expected to be in the first half of 2017, thus the facility was undrawn as at 31 December 2016.

Aquarius Bridge Facility

On 5 October 2015 Sibanye entered into a US$300 million acquisition bridge facility agreement with HSBC for the purpose of providing funding, if required for the Aquarius acquisition. No funds were drawn under the facility and the facility was cancelled on 23 March 2016.

Other Borrowings

Short-term credit facilities

Sibanye has uncommitted loan facilities with various banks to fund the capital expenditure and working capital requirements at its operations. These facilities have no fixed terms, are short-term in nature and interest rates are market-related.

	As at 31 December		
	2016	**2015**	**2014**
		(R in millions)	
Loans raised	7 472.6	552.0	739.0
Loans repaid	(6 723.1)	(552.0)	(739.0)
Balance at end of the year	**749.5**	**–**	**–**

The exposure of the Group's Borrowings to Interest Rate Changes and the Contractual Repricing Dates at the Reporting Dates are as follows:

	As at 31 December		
	2016	**2015**	**2014**
		(R in millions)	
Floating rate with exposure to change in JIBAR	5 849.5	1 961.6	1 979.5
Floating rate with exposure to change in LIBOR	3 121.6	1 808.3	1 134.4
Non-current borrowings exposed to interest rate changes	**8 971.1**	**3 769.9**	**3 113.9**
The Group has the following undrawn borrowing facilities:			
Committed	4 322.5	6 198.4	2 015.4
Uncommitted	200.5	548.0	548.0
Total undrawn facilities	**4 523.0**	**6 746.4**	**2 563.4**
All of the above facilities have floating rates. The undrawn committed facilities have the following expiry dates:			
– within one year	–	1 536.4	–
– later than one year and not later than two years	3 422.5	–	2 015.4
– later than two years and not later than three years	900.0	4 662.0	–
Total undrawn committed facilities	**4 322.5**	**6 198.4**	**2 015.4**

Capital Management

The Group's primary objective with regards to managing its capital is to ensure that there is sufficient capital available to support the funding requirements of the Group, including capital expenditure, in a way that: optimises the cost of capital; maximises shareholders' returns; and ensures that the Group remains in a sound financial position.

There were no changes to the Group's overall capital management approach during the current year.

The Group manages and makes adjustments to the capital structure as and when borrowings mature or as and when funding is required. This may take the form of raising equity, market or bank debt or hybrids thereof. Opportunities in the market are also monitored closely to ensure that the most efficient funding solutions are implemented.

The Group monitors capital using the ratio of net external debt-to-EBITDA, but does not set absolute limits for this ratio. The Group is comfortable with a ratio of net debt-to-EBITDA of one times or lower.

	As at 31 December		
	2016	**2015**	**2014**
		(R in millions)	
Borrowings[1]	7 221.2	1 995.3	2 035.6
Cash and cash equivalents[2]	928.4	633.4	529.6
Net debt[3]	6 292.8	1 361.9	1 506.0
EBITDA[4]	10 531.6	6 337.0	7 469.1
Net debt-to-EBITDA (Ratio)[5]	0.60	0.21	0.20

Notes:

(1) Borrowings are only those borrowings that have recourse to Sibanye. Borrowings thus exclude the Burnstone Debt.

(2) Cash and cash equivalents exclude cash of Burnstone.

(3) Net debt excludes Burnstone Debt and Burnstone cash.

(4) EBITDA is net operating profit before depreciation and amortisation.

(5) Net debt-to-EBITDA ratio is defined as net debt as at the end of a reporting period divided by EBITDA of the 12 months ended on the same reporting date.

Stillwater

Sibanye Shareholders should exercise caution as the financial information for Stillwater presented below is presented in terms of US GAAP and not in terms of IFRS. As a result, this financial information may not be directly comparable to information prepared in accordance with IFRS. Sibanye Shareholders are advised to review the IFRS conversion notes contained in "*Annexure 1 – Historical Financial Information of Stillwater*" for additional information.

1.875% Convertible Debentures

In March 2008, Stillwater issued and sold US$181.5 million aggregate principal amount of senior unsecured convertible debentures due 15 March 2028, which pay interest at 1.875% per annum, payable semi annually on 15 March and 15 September of each year, and commenced paying interest on 15 September 2008. The 1.875% Convertible Debentures will mature on 15 March 2028, subject to earlier repurchase or conversion. Each US$1,000 principal amount of debentures is initially convertible, at the option of the holders, into approximately 42.5351 shares of the Stillwater's common stock, at any time prior to the maturity date. The conversion rate is subject to certain adjustments, but will not be adjusted for accrued interest or any unpaid interest. The conversion rate initially represents a conversion price of $23.51 per share.

In October 2009, Stillwater undertook an exchange of US$15.0 million in aggregate face amount of the 1.875% Convertible Debentures for 1.84 million shares of Stillwater's common stock. Holders of US$164.3 million of the 1.875% Convertible Debentures exercised their option to require Stillwater to repurchase all or a portion of their 1.875% Convertible Debentures on 15 March 2013.

Holders of the remaining US$0.5 million of outstanding 1.875% Convertible Debentures may require Stillwater to repurchase all or a portion of their 1.875% Convertible Debentures on 15 March 2018 or 15 March 2023, or at any time before 15 March 2028 upon the occurrence of certain events including a change in control. As of 31 December 2016, Stillwater has available the option to redeem the remaining US$0.5 million of outstanding 1.875% Convertible Debentures for cash at its discretion. The outstanding balance of US$0.5 million is reported as a long-term debt obligation as of 31 December 2016.

There was no amortisation expense related to the issuance costs of the 1.875% Convertible Debentures for the years ended 31 December 2016 and 2015. Amortisation expense related to the 1.875% Convertible Debentures was US$0.2 million and US$0.7 million for the years ended 31 December 2016 and 2015, respectively. The interest expense, net of capitalised interest, on the 1.875% Convertible Debentures was approximately US$6 million and US$25 million for the years ended 31 December 2016 and 2015, respectively. The interest expense, net of capitalised interest for the years ended 31 December 2016 and 2015 was US$16.5 million and US$20.2 million, respectively. Stillwater made cash payments of US$10 million and $42 million for interest on the debentures for the years ended 31 December 2016 and 2015, respectively.

1.75% Convertible Debentures

In October 2012, Stillwater issued US$396.75 million aggregate principal amount of 1.75% senior unsecured convertible debentures due 15 October 2032. Each US$1 000 principal amount of these 1.75% Convertible Debentures is initially convertible, under certain circumstances and during certain periods, into 60.4961 shares (subject to customary anti-dilution adjustments) of Stillwater's common stock, which represents an initial conversion price of US$16.53 per share. The 1.75% Convertible Debentures also include an embedded conversion enhancement feature that is equivalent to including each debenture with a warrant initially exercisable for 30.2481 shares at an exercise price of US$16.53 per share (also subject to customary anti-dilution adjustments). Stillwater, at its election, may settle conversions of the 1.75% Convertible Debentures in cash, shares of its common stock or any combination of cash and shares of its common stock.

Holders have the right to redeem their 1.75% Convertible Debentures at face value, plus accrued and unpaid interest, on 15 October, of each of 2019, 2024, 2029, and upon the occurrence of certain corporate events. Stillwater will have the right to call the 1.75% Convertible Debentures at any time on or after 20 October 2019.

The 1.75% Convertible Debentures were bifurcated under GAAP into separate debt and equity components, and reflect an effective maturity (to the first optional redemption date) of seven years. The residual amount of US$141.6 million recorded in equity is treated for accounting purposes as additional debt discount and accreted as an additional non-cash interest charge to earnings over the expected life. Debt and equity issuance costs totalling approximately US$12.4 million were deducted from the gross proceeds of the offering of the 1.75% Convertible Debentures, and the debt portion is being amortised rateably over seven years.

In the third quarter of the year ending 31 December 2015, Stillwater repurchased US$61.6 million of outstanding principal under the 1.75% Convertible Debentures, paying cash of US$59.4 million. Stillwater reduced the debt component by US$50.7 million, which included a reduction of the debt discount by US$10.9 million. The difference between the book value and the fair value (including US$0.7 million of debt and equity issuance costs) of the debt component resulted in a US$4.2 million loss.

The 1.75% Convertible Debentures have an effective interest rate of 8.50% and a stated interest rate of 1.75%, with interest paid semi-annually. The balance outstanding at 31 December 2016 was approximately US$274.3 million, which is net of unamortised discount of US$57.9 million and US$2.9 million deferred debt issue costs. The balance outstanding at 31 December 2015 was US$254.6 million, which was net of unamortised discount of US$76.8 million and US$3.8 million of deferred debt issue costs.

As part of the Transaction, Sibanye will settle the obligations in full and has the intention to terminate both the 1.75% Convertible Debentures and the 1.875% Convertible Debentures, in accordance with their terms.

Asset-Backed Revolving Credit Facility

In December 2011, Stillwater signed a US$100.0 million asset-backed revolving credit agreement incurring debt issuance costs of US$1.1 million. In January 2012, Stillwater completed the syndication of this facility and simultaneously expanded its maximum line of credit to US$125.0 million, incurring additional debt issuance costs of US$0.2 million. Stillwater also paid an unused line fee on the committed but unutilised balance under the facility at a rate per annum of 0.375% or 0.5%, depending on utilisation of the facility.

Stillwater terminated this credit facility on 31 December 2015, incurring expenses and fees of approximately US$0.2 million.

MATERIAL CONTRACTS

The following are material contracts not entered into in the ordinary course of business which were entered into by Sibanye and its subsidiaries in the two years prior to the date of this Circular or entered into at any time and containing an obligation or settlement that is material to Sibanye at the date of this Circular. Other than those listed below, Sibanye is not subject to any restrictive funding agreements.

Sibanye

R6.0 Billion Facilities

See "*Annexure 8 – Material Loans*" for further details.

US$350 million RCF

See "*Annexure 8 – Material Loans*" for further details.

R4.5 Billion Facilities

See "*Annexure 8 – Material Loans*" for further details.

US$300 million Bridge Facility

See "*Annexure 8 – Material Loans*" for further details.

Aquarius Bridge Facility

See "*Annexure 8 – Material Loans*" for further details.

Burnstone Debt

See "*Annexure 8 – Material Loans*" for further details.

Acquisition Bridge Facilities Agreement

On 9 December 2016, in connection with the proposed acquisition by Sibanye of Stillwater, Sibanye entered into a US$2.65 billion Acquisition Bridge Facilities Agreement with Citibank and HSBC as the mandated lead arrangers and original lenders, and Citibank Europe PLC, UK Branch as facility agent. On 13 February 2017, Sibanye's syndication of facilities made available under the Acquisition Bridge Facilities Agreement was successfully completed. The syndication was launched in early January 2017 and was oversubscribed by more than US$1 billion. Joining Citibank and HSBC as mandated lead arrangers were: ABSA Bank Limited (acting through its Corporate and Investment Banking Division), Barclays Bank PLC, Banca IMI S.P.A., London branch, Credit Suisse International, FirstRand Bank Limited (acting through its Rand Merchant Bank Division), J.P. Morgan Limited, Mizuho Bank Europe N.V., Morgan Stanley Bank International Limited, Royal Bank of Canada, Societe Generale, the Bank of Nova Scotia, The Bank of Tokyo-Mitsubishi UFJ, Ltd. and The Standard Bank of South Africa Limited. Joining as lead arrangers were BNP Paribas and Nedbank Limited, London Branch.

The financing made available under the Acquisition Bridge Facilities Agreement is comprised of three facilities, including a US$750 million bridge to equity facility, a US$300 million bridge to target cash facility and a US$1.6 billion bridge to debt facility.

The rate of interest under the Acquisition Bridge Facilities Agreement is the aggregate of the applicable LIBOR and the applicable margin. Margin is determined by reference to a grid, and ratchets upwards over time, ranging from 3.25% per annum up to a maximum rate of 6.25% per annum. The margin may also increase by an additional 1% per annum under certain conditions where EBITDA is equal to or greater than 2.0:1.

The Acquisition Bridge Facilities Agreement contains several conditions precedent, including the passing of certain board resolutions, approvals from the Board and evidence that the Financial Surveillance Department of the South African Reserve Bank has approved the entry into, and performance of (among other things), the Acquisition Bridge Facilities Agreement and the transactions contemplated by it by Sibanye and the other parties thereto.

The Acquisition Bridge Facilities Agreement contains certain representations, covenants (general, information and financial) and events of default, and those which have been included are not unusual for a transaction of this nature.

See *"Annexure 8 – Material Loans"* for further details.

Rustenburg Acquisition

Sibanye announced on 9 September 2015 that it had entered into an agreement, the Rustenburg SPA, to acquire the Rustenburg Operations from RPM in accordance with the terms and conditions of the Rustenburg SPA.

Consideration

The purchase price for the Rustenburg Operations comprises an initial upfront purchase price of R1.5 billion and a deferred purchase price of at least R3.5 billion, which is subject to certain downward adjustments as set out in the Rustenburg SPA. The aggregate purchase price has been capped at R20 billion.

Upfront Purchase Price

Sibanye paid the upfront purchase price of R1.5 billion to RPM and the acquisition of the Rustenburg Operations became effective on the Rustenburg Effective Date.

Deferred Purchase Price

In addition to the upfront purchase price of R1.5 billion already paid to RPM in accordance with the Rustenburg SPA, RPM is further entitled to a deferred purchase price, calculated in accordance with the terms of the Rustenburg SPA. The Rustenburg SPA also provides for certain reductions to be made from the deferred purchase price amounts owed under the Rustenburg SPA during certain periods, as detailed in the Rustenburg SPA.

Representations and Warranties

RPM has provided certain representations and warranties to Sibanye Rustenburg Platinum Mines in respect of the Rustenburg Operations that are standard for a transaction of this nature. RPM has not guaranteed any book debts or other assets. RPM is not precluded from carrying on business in competition with the Rustenburg Operations.

Sibanye Rustenburg Platinum Mines has, in turn, given certain representations and warranties usual for a transaction of this nature.

Other

Under the Rustenburg SPA, RPM has given limited interim undertakings to Sibanye Rustenburg Platinum Mines in relation to the Rustenburg Operations, including in relation to: (i) substantially meeting specified production thresholds, for underground tonnes milled and for total capital expenditure; and (ii) substantially not overspending more than specified thresholds for total on-mine cash costs.

Rustenburg Concentrate Agreement and Processing Terms

The Rustenburg Concentrate Agreement regulates, among other things, the terms on which: (i) for the duration of the Rustenburg Concentrate Period, all concentrate produced from the Rustenburg Sold Business will be sold to RPM and (ii) for the duration of the Rustenburg Toll Treatment Period, RPM will smelt and refine all concentrate produced from the Rustenburg Sold Business on a toll treatment basis, and Sibanye Rustenburg Platinum Mines will gain access to platinum, palladium, gold and rhodium produced for its own marketing purposes.

The price payable by RPM for the concentrate delivered by Sibanye Rustenburg Platinum Mines during the Rustenburg Concentrate Period is based on a formula which calculates the combined value of the different PGMs delivered in a particular month based on the total ounces of each metal delivered multiplied by the average price for that metal in US$ as reflected on certain exchanges in the previous month and then multiplies that value by a specified percentage.

For the Rustenburg Toll Treatment Period, RPM will acquire the concentrate (other than platinum, palladium, gold and rhodium contained therein) delivered by Sibanye Rustenburg Platinum Mines during the Rustenburg Toll Treatment Period on substantially the same terms as those applicable during the Rustenburg Concentrate Period. RPM will smelt and refine platinum, palladium, gold and rhodium on a toll-treatment basis on market related terms and refined platinum, palladium, gold and rhodium will be returned to Sibanye Rustenburg Platinum Mines.

Rustenburg Use and Access Agreement

The Rustenburg Use and Access Agreement recognises that short and long-term inter-dependencies will exist between Sibanye Rustenburg Platinum Mines and RPM and accordingly regulates, among other things: (i) RPM's rights of access to the Anglo American Platinum's Rustenburg Operations mines and Sibanye Rustenburg Platinum Mines' rights of access to the Waterval Smelter complex and the Rustenburg Refining complex and related matters; and (ii) generally, the ongoing working relationship between Sibanye Rustenburg Platinum Mines and RPM in the context of RPM's continued operation of its smelting and refining operations and Sibanye Rustenburg Platinum Mines' operation of the Anglo American Platinum's Rustenburg Operations, after the Rustenburg Effective Date.

The Rustenburg Use and Access Agreement will be operated under the auspices of a technical committee tasked with, among other things, managing the ongoing working relationship between Sibanye Rustenburg Platinum Mines and RPM, identifying the permits, contracts and other arrangements required to be put in place by each of the parties to ensure that they are each able to meet their respective obligations under the Rustenburg Use and Access Agreement. In addition, the technical committee is tasked with facilitating the entry into of various agreements regulating arrangements amongst the parties relating to, among others, compressed air, power, water, roads, leased premises, waste disposal and waste treatment.

Parent Company Guarantee

In terms of the guarantee agreement concluded between Sibanye and RPM on or about 8 September 2015, Sibanye guaranteed (also as a principal obligor and further on the terms of such agreement), amongst others, the obligations of Sibanye Rustenburg Platinum Mines under the Rustenburg SPA, the Rustenburg Concentrate Agreement and the Rustenburg Use and Access Agreement.

Aquarius Acquisition

Sibanye announced on 6 October 2015 that it had entered into an agreement to acquire Aquarius by way of an amalgamation under Bermuda law. Under the terms of the Aquarius Implementation Agreement, Sibanye, Sibanye Bidco and Aquarius agreed to amalgamate Sibanye Bidco and Aquarius, pursuant to, among other things, the applicable amalgamation provisions of the Bermuda Companies Act, 1981, entry into the Aquarius Amalgamation Agreement, and subject to the approval of Aquarius' shareholders.

The Aquarius Acquisition was completed on 12 April 2016 and Aquarius is now a wholly-owned subsidiary of Sibanye.

Effect of the Aquarius Amalgamation

In accordance with the terms and conditions of the Aquarius Implementation Agreement and Aquarius Amalgamation Agreement, which have both become effective and have been implemented, each of Aquarius and Sibanye Bidco caused an application for registration of Sibanye Bidco to be submitted to the Bermuda Registrar of Companies, pursuant to which the Aquarius Amalgamation has become effective. From the effective time of the Aquarius Amalgamation, property of Aquarius became the property of Sibanye Bidco; Sibanye Bidco continues to be liable for its own obligations as well as the obligations of Aquarius, including any existing cause of action or claim, or civil, criminal or administrative action or proceeding, and any conviction against or ruling, order, or judgment, which are unaffected and may be enforced or pursued against Sibanye Bidco; and holders of shares in Aquarius have ceased to have any rights as shareholders of Aquarius, except for the right to receive the Aquarius Amalgamation Consideration.

Representations and Warranties

Pursuant to the terms of the Aquarius Implementation Agreement, Aquarius has given certain representations and warranties usual for a transaction of this nature.

Sibanye has also given certain representations and warranties usual for a transaction of this nature.

Stillwater

The following are material contracts not entered into in the ordinary course of business, which were entered into by Stillwater in the two years prior to the date of this Circular or entered into at any time and containing an obligation or settlement that is material to Stillwater at the date of this Circular. Other than those listed below, Stillwater is not subject to any restrictive funding agreements.

1.75% Convertible Debentures

See "*Annexure 8 – Material Loans*" for further details.

1.875% Convertible Debentures

See "*Annexure 8 – Material Loans*" for further details.

Asset-Backed Revolving Credit Facility

See "*Annexure 8 – Material Loans*" for further details.

Services and Supply Agreement with Johnson Matthey

On 1 July 2014, Stillwater entered into a Services Agreement and related Supply Agreement with Johnson Matthey, with whom Stillwater has a long standing relationship, whereby Johnson Matthey has performed refining services for Stillwater and Stillwater has supplied precious metals to Johnson Matthey. Under the Services and Supply Agreements, Johnson Matthey has an exclusive five-year right to refine all of the PGM filter cake that Stillwater produces at its Columbus, Montana facilities. Johnson Matthey also has the right to purchase all of Stillwater's mine production of palladium and platinum at competitive market prices (with the exception of platinum sales under the Company's existing sales agreement with Tiffany & Co., which are specifically excluded from the Supply Agreement) and has the right to bid for any recycling volumes that Stillwater has available. Other provisions of the Services and Supply Agreements include a good-faith effort by Johnson Matthey to assist in growing Stillwater's recycling volumes, appropriate sharing of market intelligence to the extent permitted by law, and a cooperative effort to evaluate and possibly develop new technologies. Stillwater also has the ability to terminate the Supply Agreement on 180 days' notice and the Services Agreement after four years, in either case subject to payment of an additional fee per troy ounce to Johnson Matthey upon the terms of such agreement.

ADDITIONAL DISCLOSURE ON SIBANYE

In terms of the JSE Listing Requirements, the Transaction is classified as a category 1 transaction. As the categorisation exceeds 100%, Sibanye is required to prepare revised listing particulars in accordance with the JSE Listing Requirements. This disclosure is incorporated into the Circular where practical. Set out below is further required disclosures not covered in the body of the Circular.

1. **Summary Information of the Sibanye Reserves and Resources Statement as at 31 December 2016.**

   Sibanye Shareholders are referred to the SENS announcement on 3 March 2017, from which the following has been extracted, see *"Paragraph 23 —Documents Incorporated by Reference"* for further information and for details on how to access information incorporated by reference.

   Gold Division: Gold Resource Estimate as at 31 December 2016

	Mineral Resources			
	31 December 2016			31 December 2015
Gold	**Tonnes (Mt)**	**Grade (g/t)**	**Gold (Moz)**	**Gold (Moz)**
Operations				
Beatrix				
Measured	34.3	5.3	5.786	4.857
Indicated AI[1]	35.0	5.5	6.150	3.677
Inferred AI	0.0	3.3	0.004	0.004
Total AI	**69.4**	**5.4**	**11.940**	**8.538**
Indicated BI[2]	6.7	3.7	0.789	0.991
Beatrix – Total Underground	**76.1**	**5.2**	**12.729**	**9.530**
Cooke				
Measured	11.6	8.3	3.113	1.566
Indicated AI	15.8	8.1	4.091	7.969
Inferred AI	6.0	13.6	2.635	2.326
Total AI	**33.5**	**9.1**	**9.839**	**11.862**
Inferred BI	40.7	3.1	3.998	3.998
Cooke – Total Underground	**74.2**	**5.8**	**13.837**	**15.860**
Driefontein				
Measured	20.7	11.6	7.741	6.503
Indicated AI	5.2	7.2	1.207	3.053
Inferred AI	0.4	13.8	0.181	0.314
Total AI	**26.3**	**10.8**	**9.129**	**9.870**
Measured	8.5	8.0	2.180	–
Indicated BI	22.0	9.0	6.376	9.821
Total BI	**30.4**	**8.7**	**8.556**	**9.821**
Driefontein –Total Underground	**56.7**	**9.7**	**17.684**	**19.691**
Kloof				
Measured	14.4	17.1	7.928	6.196
Indicated AI	3.2	11.8	1.231	0.468
Total AI	**17.6**	**16.1**	**9.159**	**6.664**
Indicated BI	44.9	13.4	19.371	11.246
Inferred BI	7.4	16.2	3.831	10.112
Total BI	**52.2**	**13.8**	**23.202**	**21.359**
Kloof – Total Underground	**69.9**	**14.4**	**32.361**	**28.023**
Operations – Total Underground	**276.8**	**8.6**	**76.611**	**73.103**

Gold	Mineral Resources 31 December 2016 Tonnes (Mt)	Grade (g/t)	Gold (Moz)	31 December 2015 Gold (Moz)
Surface rock dumps (SRD) and tailings storage facilities (TSF)				
Beatrix (Indicated)	4.5	0.4	0.052	0.062
Randfontein Surface (Measured)	4.5	0.3	0.047	0.052
Driefontein (Indicated)	4.0	0.6	0.076	0.094
Kloof (Indicated)	11.9	0.5	0.200	0.163
Operations – Total Surface	**24.8**	**0.5**	**0.375**	**0.372**
Total operations (Incl. SRD and TSF – excl. projects)				
Beatrix	80.6	4.9	12.781	9.592
Cooke	78.6	5.5	13.883	15.911
Driefontein	60.7	9.1	17.760	19.786
Kloof	81.8	12.4	32.561	28.186
Operations Total	**301.7**	**7.9**	**76.985**	**73.475**
Projects				
Beisa North				
Inferred	14.8	3.4	1.619	1.619
Beisa North Total	**14.8**	**3.4**	**1.619**	**1.619**
Bloemhoek				
Indicated	27.4	4.7	4.163	4.163
Inferred	0.9	4.9	0.135	0.135
Bloemhoek Total	**28.3**	**4.7**	**4.297**	**4.297**
Burnstone				
Indicated	25.4	5.3	4.350	4.350
Inferred	28.7	4.9	4.540	4.540
Burnstone Total	**54.1**	**5.1**	**8.890**	**8.890**
De Bron Merriespruit				
Indicated	23.0	4.5	3.307	3.307
Inferred	5.3	4.2	0.715	0.715
De Bron Merriespruit Total	**28.3**	**4.4**	**4.022**	**4.022**
Projects – Total Underground	**125.5**	**4.7**	**18.828**	**18.828**
WRTRP				
Measured	625.0	0.3	5.697	5.962
Indicated	52.3	0.3	0.524	0.524
Projects – Total Surface	**677.3**	**0.3**	**6.222**	**6.486**
Projects Total	**802.8**	**1.0**	**25.050**	**25.314**
Grand Total Underground and Surface	**1 104.5**	**2.9**	**102.035**	**98.790**

Notes:

(1) Above Infrastructure.

(2) Below Infrastructure.

Gold Division: Gold Reserve Estimate as at 31 December 2016

	Mineral Reserves			
	31 December 2016			31 December 2015
Gold	**Tonnes (Mt)**	**Grade (g/t)**	**Gold (Moz)**	**Gold (Moz)**
Operations				
Beatrix				
Proved AI	15.8	4.0	2.048	2.389
Probable AI	20.2	2.6	1.675	1.875
Total AI	**36.0**	**3.2**	**3.723**	**4.264**
Beatrix – Total Underground	**36.0**	**3.2**	**3.723**	**4.264**
Cooke				
Proved AI	4.3	5.3	0.728	1.014
Probable AI	0.6	4.8	0.097	0.457
Total AI	**4.9**	**5.2**	**0.826**	**1.471**
Cooke – Total Underground	**4.9**	**5.2**	**0.826**	**1.471**
Driefontein				
Proved AI	20.7	6.6	4.420	4.133
Probable AI	5.8	4.0	0.737	1.846
Total AI	**26.5**	**6.1**	**5.157**	**5.980**
Probable BI	8.8	6.0	1.694	2.122
Total BI	**8.8**	**6.0**	**1.694**	**2.122**
Driefontein –Total Underground	**35.3**	**6.0**	**6.851**	**8.102**
Kloof				
Proved AI	18.4	7.9	4.700	4.857
Probable AI	6.2	5.9	1.184	1.024
Total AI	**24.6**	**7.4**	**5.884**	**5.881**
Probable BI	2.5	7.2	0.566	0.502
Total BI	**2.5**	**7.2**	**0.566**	**0.502**
Kloof – Total Underground	**27.1**	**7.4**	**6.450**	**6.383**
Operations – Total Underground	**103.2**	**5.4**	**17.849**	**20.219**
Surface rock dumps (SRD) and tailings storage facilities (TSFs)				
Beatrix (Probable)	4.5	0.4	0.052	0.062
Randfontein Surface (Proved)	4.5	0.3	0.047	0.052
Driefontein (Probable)	4.0	0.6	0.076	0.094
Kloof (Probable)	11.9	0.5	0.200	0.163
Operations – Total Surface	**24.8**	**0.5**	**0.375**	**0.372**
Total operations (Incl. SRD and TSF – excl. projects)				
Beatrix	40.5	2.9	3.775	4.326
Cooke	9.4	2.9	0.872	1.523
Driefontein	39.2	5.5	6.926	8.196
Kloof	39.0	5.3	6.650	6.546
Operations Total	**128.1**	**4.4**	**18.224**	**20.591**

Gold	Mineral Reserves 31 December 2016 Tonnes (Mt)	Grade (g/t)	Gold (Moz)	31 December 2015 Gold (Moz)
Projects				
Burnstone				
Probable	17.5	3.8	2.137	1.799
Burnstone Total	**17.5**	**3.8**	**2.137**	**1.799**
De Bron Merriespruit				
Probable	15.4	4.3	2.112	2.112
De Bron Merriespruit Total	**15.4**	**4.3**	**2.112**	**2.112**
Projects – Total Underground	**32.9**	**4.0**	**4.248**	**3.911**
WRTRP				
Probable	677.3	0.3	6.222	6.486
Projects – Total Surface	**677.3**	**0.3**	**6.222**	**6.486**
Projects Total	**710.2**	**0.5**	**10.470**	**10.397**
Grand Total Underground and Surface	**838.2**	**1.1**	**28.694**	**30.988**

Gold Division: Uranium Resource Estimate as at 31 December 2016

Uranium	Mineral Resources 31 December 2016 Tonnes (Mt)	Grade (kg/t)	U_3O_8 (Mlb)	31 December 2015 U_3O_8 (Mlb)
Operations				
Beatrix				
Measured AI	3.6	1.086	8.548	8.548
Indicated AI	7.8	1.069	18.330	18.330
Inferred AI	0.0	1.101	0.090	0.090
Beatrix – Total Underground	**11.4**	**1.074**	**26.968**	**26.968**
Cooke				
Measured AI	–	–	–	4.873
Indicated AI	–	–	–	11.546
Inferred AI	–	–	–	8.020
Total AI	**–**	**–**	**–**	**24.439**
Inferred BI	–	–	–	43.984
Cooke – Total Underground	**–**	**–**	**–**	**68.423**
Operations – Total Underground	**11.4**	**1.074**	**26.968**	**95.391**
Projects				
Beisa North				
Inferred	14.8	1.084	35.373	35.373
Beisa North Total	**14.8**	**1.084**	**35.373**	**35.373**
Projects – Total Underground	**14.8**	**1.084**	**35.373**	**35.373**
WRTRP				
Measured	625.0	0.063	87.230	89.151
Indicated	52.3	0.086	9.936	9.936
Projects – Total Surface	**677.3**	**0.065**	**97.166**	**99.088**
Projects Total	**692.1**	**0.087**	**132.539**	**134.461**
Grand Total Underground and Surface	**703.5**	**0.103**	**159.507**	**229.852**

Gold Division: Uranium Reserve Estimate as at 31 December 2016

	Mineral Reserves			
	31 December 2016			31 December 2015
Uranium	**Tonnes (Mt)**	**Grade (kg/t)**	**U_3O_8 (Mlb)**	**U_3O_8 (Mlb)**
Operations				
Beatrix				
Proved AI	–	–	–	–
Probable AI	10.2	0.711	16.060	11.654
Beatrix – Total Underground	**10.2**	**0.711**	**16.060**	**11.654**
Cooke				
Proved AI	–	–	–	2.056
Probable AI	–	–	–	1.017
Total AI	**–**	**–**	**–**	**3.073**
Cooke – Total Underground	**–**	**–**	**–**	**3.073**
Operations – Total Underground	**10.2**	**0.711**	**16.060**	**14.727**
Projects				
WRTRP				
Proved	–	–	–	–
Probable	677.3	0.065	97.166	99.088
Projects – Total Surface	**677.3**	**0.065**	**97.166**	**99.088**
Projects Total	**677.3**	**0.065**	**97.166**	**99.088**
Grand Total Underground and Surface	**687.5**	**0.075**	**113.226**	**113.814**

Platinum Division: 4E Resource Estimate as at 31 December 2016

	Mineral Resources			
	31 December 2016			31 December 2015[1]
4E	**Tonnes (Mt)**	**Grade (g/t)**	**4E (Moz)**	**4E (Moz)**
South African Operations				
Kroondal[2]				
Measured	44.5	3.5	5.039	8.190
Indicated	14.2	3.7	1.688	2.319
Inferred	6.0	3.2	0.629	0.903
Kroondal – Total Underground	**64.8**	**3.5**	**7.356**	**11.412**
Rustenburg[3]				
Measured	375.9	4.9	59.745	63.017
Indicated	125.6	5.3	21.525	22.257
Inferred	15.2	5.6	2.717	2.760
Rustenburg – Total Underground	**516.6**	**5.1**	**83.987**	**88.034**
South African Operations – Total Underground	**581.4**	**4.9**	**91.343**	**99.447**
Tailings Storage Facilities (TSF)[4]				
Rustenburg (Measured)	90.4	1.1	3.140	3.280
Rustenburg (Indicated)	–	–	–	–
South African Operations – Total Surface	**90.4**	**1.1**	**3.140**	**3.280**

4E	Mineral Resources 31 December 2016 Tonnes (Mt)	Grade (g/t)	4E (Moz)	31 December 2015[1] 4E (Moz)
Total operations (Incl. TSF – excl. Projects)				
Kroondal	64.8	3.5	7.356	11.412
Rustenburg	607.0	4.5	87.127	91.314
South African Operations Total	**671.7**	**4.4**	**94.483**	**102.727**
Non South African Operations				
Mimosa (50% Attributable)[5]				
Measured	31.9	3.7	3.776	4.120
Indicated	15.4	3.6	1.776	1.790
Inferred	4.4	3.6	0.512	0.520
Inferred (Oxides)	9.0	3.4	0.981	0.980
Mimosa – Total Underground	**60.7**	**3.6**	**7.045**	**7.410**
Non South African Operations – Total Underground	**60.7**	**3.6**	**7.045**	**7.410**
Projects[6]				
Millenium				
Indicated	–	–	–	1.430
Inferred	17.5	3.1	1.720	0.290
Millenium Total	**17.5**	**3.1**	**1.720**	**1.720**
Vygenhoek				
Measured	1.4	5.1	0.230	0.230
Vygenhoek Total	**1.4**	**5.1**	**0.230**	**0.230**
Sheba's Ridge				
Measured	31.2	0.9	0.880	0.880
Indicated	37.9	0.9	1.040	1.040
Inferred	167.0	1.0	5.180	5.180
Sheba's Ridge Total	**236.1**	**0.9**	**7.100**	**7.100**
Zondernaam				
Inferred	77.4	6.4	15.900	15.900
Zondernaam Total	**77.4**	**6.4**	**15.900**	**15.900**
Hoedspruit				
Indicated	–	–	–	2.450
Inferred	–	–	–	0.530
Hoedspruit Total	**–**	**–**	**–**	**2.980**
Hoogland	**–**	**–**	**–**	
Indicated	–	–	–	2.810
Inferred	–	–	–	0.610
Hoogland Total	**–**	**–**	**–**	**3.420**
Projects – Total Underground	**332.4**	**2.3**	**24.950**	**31.350**
Grand Total Underground and Surface	**1 064.8**	**3.7**	**126.478**	**141.487**

Notes:

(1) Amounts shown in this column represent the reserves/resources of each operation or project and do not represent amounts held by Sibanye at 31 December 2015. Sibanye acquired ownership interest in each operation or project on the date indicated in the accompanying footnotes. At 31 December 2015, Sibanye held 0.0Moz of 4E Resources.

(2) Acquired on 12 April 2016 and managed in a 50:50 pool-and-share agreement with Anglo American Platinum.

(3) Acquired on 1 November 2016.

(4) Acquired on 1 November 2016.

(5) Acquired on 12 April 2016 and managed in a 50:50 joint venture with Impala Platinum Limited.

(6) Acquired on 12 April 2016.

Platinum Division: 4E Reserve Estimate as at 31 December 2016

	Mineral Reserves			
		31 December 2016		31 December 2015[1]
4E	Tonnes (Mt)	Grade (g/t)	4E (Moz)	4E (Moz)
South African Operations				
Kroondal[2]				
Proved	21.0	2.7	1.802	4.030
Probable	5.8	2.6	0.489	0.951
Kroondal – Total Underground	**26.8**	**2.7**	**2.291**	**4.981**
Rustenburg[3]				
Proved	123.1	3.8	15.165	21.278
Probable	6.7	4.2	0.901	4.204
Rustenburg – Total Underground	**129.8**	**3.8**	**16.066**	**25.482**
South African Operations – Total Underground	**156.6**	**3.6**	**18.357**	**30.463**
Tailings Storage Facilities (TSF)[4]				
Rustenburg (Proved)	–	–	–	–
Rustenburg (Probable)	90.4	1.1	3.140	3.280
South African Operations – Total Surface	**90.4**	**1.1**	**3.140**	**3.280**
Total operations (Incl. TSF – excl. Projects)				
Kroondal	26.8	2.7	2.291	4.981
Rustenburg	220.2	2.7	19.206	28.762
South African Operations Total	**246.9**	**2.7**	**21.497**	**33.743**
Non South African Operations				
Mimosa (50% Attributable)[5]				
Proved	9.2	3.5	1.053	1.310
Probable	5.4	3.7	0.636	0.650
Mimosa – Total Underground	**14.6**	**3.6**	**1.689**	**1.960**
Non South African Operations – Total Underground	**14.6**	**3.6**	**1.689**	**1.960**
Grand Total Underground and Surface	**261.6**	**2.7**	**23.186**	**35.703**

Notes:

(1) Amounts shown in this column represent the reserves/resources of each operation or project and do not represent amounts held by Sibanye at 31 December 2015. Sibanye acquired ownership interest in each operation or project on the date indicated in the accompanying footnotes. At 31 December 2015, Sibanye held 0.0Moz of 4E Reserves.

(2) Acquired on 12 April 2016 and managed in a 50:50 pool-and-share agreement with Anglo American Platinum.

(3) Acquired on 1 November 2016.

(4) Acquired on 1 November 2016.

(5) Acquired on 12 April 2016 and managed in a 50:50 joint venture with Impala Platinum Limited.

Competent Persons and Declaration Consent

For the Gold Division, the lead competent person designated in terms of the SAMREC Code, with responsibility for the consolidation and reporting of the division's Mineral Resources and Mineral Reserves, and for overall regulatory compliance of these figures, is Gerhard Janse van Vuuren, who gave his consent for the disclosure of the 2016 Mineral Resources and Mineral Reserves Statement. Gerhard (BTech(MRM), GDE (Mining Eng), MBA and MSCC) is registered with South African Institute of Mining and Matellurgy (SAIMM) with registration number 706705, and has 29 years' experience relative to the type and style of mineral deposit under consideration.

For the Platinum Division, the lead competent person designated in terms of the SAMREC Code, who takes responsibility for the consolidation and reporting of the division's Mineral Resources and Mineral Reserves, and for the overall regulatory compliance of these figures, is Andrew Brown, who gave his consent for the disclosure of the 2016 Mineral Resources and Mineral Reserves Statement. Andrew (M.Sc Mining Eng) is registered with SAIMM (No. 705060) and has 32 years' experience relative to the type and style of mineral deposit under consideration.

The respective business unit-based Mineral Resource managers, relevant project managers and the respective Mineral Resource management discipline heads, have been designated as competent persons, in terms of the SAMREC Code. These persons take responsibility for the reporting of Mineral Resources and Mineral Reserves for their respective area(s).

Additional information regarding these personnel, as well as the teams involved with the compilation of the Mineral Resource and Mineral Reserve declaration, is incorporated in the Mineral Resources and Mineral Reserves Supplement that will be published in conjunction with the Sibanye audited 2016 financial information. The Mineral Resources and Mineral Reserves Supplement to be published will also include the details relating to Sibanye's mining rights. Sibanye expects to publish its audited 2016 financial information including the detailed reserve and resource supplement on or around 24 March 2017, prior to the General Meeting. Sibanye Shareholders will be notified via SENS once this information is available.

2. Summary of Material Issuance of Securities and Acquisitions

Set out below is a summary of the material issuances of securities in the three years prior to the date of this Circular.

On 15 May 2014, Sibanye issued 156 894 754 new Sibanye Shares at R28.61, representing 17% of Sibanye's issued share capital, on a fully diluted basis, to Gold One. The issuance was used to settle the consideration for the acquisition of Gold One's 76% shareholding in, and the Gold One Group claims against, Newshelf 1114 Proprietary Limited (Newshelf). Newshelf holds a 100% shareholding in Rand Uranium and Ezulwini Mining Company Proprietary Limited, the activities of these companies include the Cooke Operations.

Set out below is a summary of the material acquisitions in the three years prior to the date of this Circular that are not already covered in "*Annexure 9 – Material contracts*".

Wits Gold Acquisition

On 14 April 2014, Sibanye completed the acquisition of the entire issued share capital of Wits Gold for a cash consideration of R400.5 million, or R11.55 per Wits Gold share. The majority of Wits Gold's resources are adjacent to Sibanye's Beatrix operation.

On 5 July 2013, Wits Gold announced to its shareholders that it had submitted a final binding offer (the Offer) to Mr Peter van den Steen, the business rescue practitioner of SGEO to acquire SGEO, the sole owner of Burnstone located in South Africa's Mpumalanga Province. The Offer was included in the business rescue plan that was approved by the creditors of SGEO on 11 July 2013.

All the outstanding conditions precedent were met on 1 July 2014, and Sibanye, through its subsidiary Wits Gold, also took 100% control of Burnstone from this date, which was also the date that SGEO came out of business rescue. Sibanye acquired all of the issued shares of SGEO together with all shareholder and inter-group loans against SGEO for a purchase consideration of R100. Wits Gold was also required to fund R77.4 million for the settlement of all outstanding creditors of SGEO.

In addition, Wits Gold has to fund up to R950 million by means of a loan (the Wits Gold Loan) over time, as working capital to support the production plan. The Wits Gold Loan will attract interest at the

Johannesburg Interbank Agreed Rate (JIBAR) plus a margin of 4%. At the acquisition date, being 1 July 2014, SGEO had bank debt of US$178.1 million (R1 883.9 million) (the Burnstone Debt) with Credit Suisse AG, FBN Bank (UK) Limited and Standard Chartered Bank (see "*Annexure 8 – Material Loans*").

The first 50% of Burnstone's free cash flow will be used to repay the Wits Gold Loan and the balance of 50% to repay US$7.8 million of the Burnstone Debt. On settlement of this US$7.8 million, 90% of Burnstone's free cash flow will be used to repay the Wits Gold Loan and the balance of 10% to repay the Burnstone Debt. On settlement of the Wits Gold Loan and interest, Burnstone Debt will be repaid from 30% of Burnstone's free cash flow and the balance will be paid to Wits Gold.

3. Information on Directors

Set out below is a list of all Directorships held by the Directors in the prior five years.

Sello Moloko (51)

Business Address: Thesele Group, 28 Fricker Road, Illove, 2196, South Africa

- Sibanye (active)
- Alexander Forbes Group Holdings Limited (active)
- Acucap Properties Limited (active)
- Business Venture Investments No 991 Proprietary Limited (active)
- Gen Reinsurance (Africa) (active)
- STOR-AGE Proprietary limited (active)
- Sycom Property Fund Managers Limited (active)
- Thesele Group Proprietary Limited (active)

Neal Froneman (57)

Business Address: Libanon Business Park, 1 Hospital Street (Off Cedar Avenue), Libanon, Westonaria, 1779, South Africa

- Sibanye (active)
- 17 Perissa Proprietary Limited (active)
- Delview Three Proprietary Limited (active)
- Forestry Services Proprietary Limited (active)
- NJF Financial Investments Proprietary Limited (active)
- Ultimate Marin Ventures Limited (active)
- Goliath Gold Mining (resigned)
- New Kleinfontein Mining Company (resigned)

Charl Keyter (43)

Business Address: Libanon Business Park, 1 Hospital Street (Off Cedar Avenue), Libanon, Westonaria, 1779, South Africa

- Sibanye (active)
- Oil Recovery and Maintenance Services Proprietary Limited (active)

Christopher Chadwick (48)

Business Address: Gold One International Limited, Bridgeview House, Constantia Office Park, Johannesburg, South Africa

- Sibanye (active)
- African Axis (active)
- Gold One Management Services Proprietary (active)
- Goliath Gold Limited (active)
- Indlovu Energy (active)
- Indlovu Gold (active)
- Indlovu Resources (active)
- Inyathi Capital (active)

- New Kleinfontein Mining Company (active)
- Newshelf 1217 (RF) Proprietary Limited (active)

Robert Tze Leung Chan (70)

Business Address: 17/F Wilson House, 19 – 27, Wyndham Street, Central, Hong Kong, SAR, PRC

- Sibanye (active)
- Dalton Foundation Limited (active)
- Hutchinson Port Holdings Management Pte Limited (active)
- Noble Group Limited (active)
- Quan Limited (active)
- The Hour Glass (HK) Limited (active)

Timothy Cumming (59)

Business Address: 5th Fl, IDS House, 8 St. George's Mall, Cape Town, 8001, South Africa

- Sibanye (active)
- Scatterlinks Proprietary Limited (active)
- Amama South Africa Rural Social Enterprise NPC (resigned)
- Nedgroup Investments Limited (active)

Barry Davison (71)

Business Address: N/A

- Sibanye (active)
- Fortuna Capital Partners (active)
- Lehotsa Holdings (resigned)
- Lehotsa Investment Company (resigned)
- Lehotsa Logiproc Projects (resigned)
- Lehotsa Mining Resources (resigned)
- Micawber Thirty-Five (resigned)
- Muggeridge Investments No 9 (resigned)

Richard Menell (61)

Business Address: Libanon Business Park, 1 Hospital Street (Off Cedar Avenue), Libanon, Westonaria, 1779, South Africa

- Sibanye (active)
- Carmelo Investments 124 Proprietary Limited (active)
- Citizens Movement (active)
- City Year South Africa Citizen Service Organisation (active)
- Credit Suisse Securities Johannesburg Proprietary Limited (active)
- Glendirk Estate (active)
- Gold Fields Limited (active)
- Isotope Separation (resigned)
- National Business Initiative (for Growth Development and Democracy) (resigned)
- Klydon Proprietary Limited (resigned)
- Jobco (resigned)
- Klein Constantia Winery (active)
- Ringwood Investments Limited (active)
- Rockwell Diamonds Inc. (resigned)
- Strategic Partners in Tourism (resigned)
- The Weir Group Plc (active)
- Tourism Micro Enterprises Support Fund (resigned)

Nkosemntu Nika (58)

Business Address: Fairfield Park, Tarkastad, Eastern Cape, South Africa

- Sibanye (active)
- Coega Diaries Proprietary Limited (active)
- Foskor Proprietary Limited (active)
- Mavala Investment Holdings Proprietary Limited (active)
- SCAW South Africa (Proprietary Limited (active)
- Trollope Mining Services 6000 Proprietary Limited (active)
- Zolakhaya General Trading Proprietary Limited (active)

Keith Rayner (60)

Business Address: 5 Second Road, Hyde Park, 2196, South Africa

- Sibanye (active)
- K A Rayner Presentations CC (active)
- 2 Quins Engineered Business Information Proprietary Limited (active)
- Appropriate Process Technologies Proprietary Limited (active)
- Ecsponent Limited (active)
- Keidav Properties Proprietary Limited (active)
- Nexus Intertrade Proprietary Limited (active)
- Sabi Gold Proprietary Limited (active)
- Goliath Gold Limited (resigned)

Susan van Der Merwe (62)

Business Address: N/A

- Sibanye (active)

Jerry Vilakazi (56)

Business Address: 3 Anerley Road, Parktown, Johannesburg, 2193, South Africa

- Sibanye (active)
- Blue Label Telecoms Limited (active)
- Palama Investment Holdings Proprietary Limited (active)
- Saatchi & Saatchi (active)

Jiyu Yuan (55)

Business Address: Av. Republica de Chile 262, Jesus Maria, Lima, Peru

- Sibanye (active)
- Gold One Management Services Proprietary Limited (active)

To the best of Sibanye's knowledge, none of the Directors have been involved in;

- any bankruptcies, insolvencies or individual voluntary compromise arrangements of such person;
- any business rescue plans and/or resolution proposed by any entity to commence business rescue proceedings, application having been made for any entity to begin business rescue proceedings, notices having been delivered in terms of section 129(7) of the Companies Act, receiverships, compulsory liquidations, creditors' voluntary liquidations, administrations, company voluntary arrangements or any compromise or arrangement with creditors generally or any class of creditors of any company; where such person is or was a Director, with an executive function within such company at the time of, or within the 12 months preceding, any such event(s);
- any compulsory liquidations, administrations or partnership voluntary arrangements of any partnerships where such person is or was a partner at the time of or within the 12 months preceding such event(s);
- receiverships of any asset(s) of such person or of a partnership of which the person is or was a partner at the time of, or within the 12 months preceding, such event;

- any public criticisms of such person by statutory or regulatory authorities, including recognised professional bodies, and whether such person has ever been disqualified by a court from acting as a Director of a company or from acting in the management or conduct of the affairs of any company;
- any offence involving dishonesty committed by such person;
- a removal from an office of trust, on the grounds of misconduct and involving dishonesty; and
- any court order declaring such person delinquent or placing him under probation in terms of section 162 of the Companies Act and/or section 47 of the Close Corporations Act, 1984 (Act No. 69 of 1984) or disqualifying him to act as a Director in terms of section 69 of the Companies Act.

4. Extracts of the MOI

The provisions of the MOI of Sibanye pertaining to the:

- borrowing powers exercisable by the Directors and how such borrowing powers can be varied;
- retirement or non-retirement of Directors under an age limit;
- the consents necessary for the variation of rights attaching to securities;
- dividends and distributions;
- qualification of Directors; and
- remuneration of Directors;

are incorporated by reference into this Circular from Sibanye's MOI. Sibanye Shareholders are referred to "*Paragraph 23 – Documents Incorporated by Reference*" of this Circular for details on where information incorporated by reference can be located.

5. Trading Details of Sibanye Shares

	Share Price[1]		**Average Daily Trading Volume[1]**	**Average Daily Value**
	High	**Low**	*(Number of Shares)*	*(R)*
	(R per Share)			
Month ended:				
31 March 2016	63.52	51.54	6 921 492	390 851 645
30 April 2016	60.55	49.00	3 859 800	211 892 008
31 May 2016	55.95	44.39	3 464 525	173 410 571
30 June 2016	53.00	42.11	5 131 504	245 277 796
31 July 2016	68.27	51.00	6 063 362	361 691 716
31 August 2016	72.48	54.61	4 143 484	270 504 481
30 September 2016	59.40	44.83	4 668 488	237 414 923
31 October 2016	49.05	35.84	6 810 356	277 863 235
30 November 2016	41.99	28.85	6 240 155	217 391 917
31 December 2016	29.88	21.44	9 769 944	240 470 517
31 January 2017	30.63	24.79	5 720 369	159 784 915
28 February 2017	32.21	25.20	6 458 566	197 147 961

	Share Price[1] High	Low	Daily Trading Volume[1]	Value
	(R per Share)		*(Number of Shares)*	*(R)*
Day ended:				
31 January 2017	30.56	29.47	6 601 446	198 922 760
1 February 2017	30.80	29.56	6 347 448	190 974 668
2 February 2017	32.21	30.37	6 387 885	199 478 812
3 February 2017	31.31	29.48	8 006 171	240 010 269
6 February 2017	30.88	29.63	9 379 043	283 167 703
7 February 2017	30.69	30.09	4 889 914	148 839 474
8 February 2017	30.59	29.73	8 410 653	253 097 751
9 February 2017	30.68	29.80	8 430 799	255 431 580
10 February 2017	29.77	28.88	5 187 988	153 106 376
13 February 2017	30.29	29.28	9 151 504	130 879 130
14 February 2017	29.98	29.51	4 614 376	80 311 779
15 February 2017	29.92	29.07	4 388 570	268 035 411
16 February 2017	29.45	28.82	9 379 043	134 786 589
17 February 2017	29.61	28.50	4 889 914	128 354 814
20 February 2017	28.58	27.60	1 736 796	49 020 196
21 February 2017	28.75	27.80	6 588 158	186 566 600
22 February 2017	28.67	27.58	6 545 132	183 199 872
23 February 2017	28.99	25.20	17 856 649	492 023 619
24 February 2017	29.41	28.20	5 537 518	159 593 650
27 February 2017	28.24	26.95	7 633 652	210 621 186
28 February 2017	26.80	25.96	7 411 239	195 459 734
1 March 2017	26.79	25.83	4 576 533	119 880 022
2 March 2017	26.63	25.80	4 655 322	121 996 809

Note:

(1) As reported by i-Net Bridge, a South African financial information service.

Sibanye Gold Limited

(Registration No. 2002/031431/06)
Share code: SGL ISIN ZAE000173951
("**Sibanye**" or the "**Company**")

NOTICE OF GENERAL MEETING

All terms defined in the Circular to which this Notice of General Meeting is attached shall bear the same meanings herein.

Notice is hereby given to Sibanye Shareholders that a General Meeting of the Sibanye Shareholders will be held at Sibanye Gold Academy, Rietkloof 349, Glenharvie, 1786, South Africa, at 09:00 on Tuesday, 25 April 2017 to consider and, if deemed fit, pass, with or without amendment, the Special Resolutions and the Ordinary Resolutions set out hereunder in the manner required by the Act, and the JSE Listings Requirements and other stock exchanges on which Sibanye Shares are listed.

Kindly note that in terms of section 63(1) of the Act, meeting participants (including proxies) will be required to present reasonably satisfactory identification and the person presiding at the General Meeting must be reasonably satisfied that the right of that person to participate and vote at the General Meeting, either as a Sibanye Shareholder, or as a proxy for a Sibanye Shareholder, has been reasonably verified before being entitled to attend or participate in the General Meeting. Forms of identification that will be accepted include original and valid identity documents, driver's licenses and passports.

RECORD DATES, PROXIES AND VOTING

In terms of section 59(1)(a) and (b) of the Act (and to the extent relevant the JSE Listings Requirements), the Board has set the record dates for the purposes of determining which Sibanye Shareholders are entitled to:

- receive notice of the General Meeting (being the date on which a Sibanye Shareholder must be registered in the Register in order to receive notice of the General Meeting), which date is Friday, 10 March 2017; and
- participate in and vote at the General Meeting (being the date on which a Sibanye Shareholder must be registered in the Register in order to participate in and vote at the General Meeting), which date is Thursday, 13 April 2017.

Sibanye Shareholders who have not Dematerialised their Shares or who have Dematerialised their Shares with "own-name" registration, and who are entitled to attend, participate in and vote at the General Meeting, are entitled to appoint a proxy to attend, speak and vote in their stead. A proxy need not be a Sibanye Shareholder and shall be entitled to vote on a show of hands or a poll. It is requested that proxy forms be forwarded so as to reach the Transfer Secretaries in South Africa or the UK by no later than 48 (forty-eight) hours before the commencement of the General Meeting, i.e. by 09:00 Friday, 21 April 2017. If Sibanye Shareholders who have not Dematerialised their Shares or who have Dematerialised their Shares with "own-name" registration, and who are entitled to attend, participate in and vote at the General Meeting do not deliver proxy forms to the Transfer Secretaries in South Africa or the United Kingdom by the time stipulated above, such Sibanye Shareholders will nevertheless be entitled to lodge the form of proxy in respect of the General Meeting immediately prior to the General Meeting, in accordance with the instructions therein, with the approval of the Chairman of the General Meeting.

Sibanye Shareholders who have Dematerialised their Shares, other than those Sibanye Shareholders who have Dematerialised their Shares with "own-name" registration, should contact their CSDP or broker in the manner and within the time stipulated in the agreement entered into between them and their CSDP or broker:

- to furnish them with their voting instructions; or
- in the event that they wish to attend the General Meeting, to obtain the necessary letter of representation to do so.

On a show of hands, every Sibanye Shareholder present in person or represented by proxy and entitled to vote shall have only one vote irrespective of the number of Shares such Sibanye Shareholder holds. On a poll, every Sibanye Shareholder present in person or represented by proxy and entitled to vote, shall be entitled to cast one vote per Sibanye Share held.

ELECTRONIC PARTICIPATION

The Company intends to offer Sibanye Shareholders reasonable access to attend the General Meeting through electronic conference call facilities, in accordance with the provisions of the Act. Sibanye Shareholders wishing to participate electronically in the General Meeting are required to deliver (physically or by post) written notice to the Company at Libanon Business Park, 1 Hospital Street (Off Cedar Avenue), Libanon, Westonaria, 1780, South Africa, (marked for the attention of Cain Farrel, the Company Secretary) by no later than 09:00 on Friday, 7 April 2017 that they wish to participate via electronic communication at the General Meeting. In order for the Electronic Notice to be valid it must state and be accompanied by: (a) if the Sibanye Shareholder is an individual, notification thereof and a certified copy of his/her identity document and/or passport (the certification on the copy must be in original form); (b) if the Sibanye Shareholder is not an individual, notification thereof and a certified copy of a resolution by the relevant entity and a certified copy of the identity documents and/or passports of the persons who passed the relevant resolution, which resolution must set out who from the relevant entity is authorised to represent the relevant entity at the General Meeting via electronic communication (the certification on the copy must be in original form); and (c) a valid e-mail address and/or facsimile number ("the contact address/number"). Voting on Shares will not be possible via electronic communication and accordingly Sibanye Shareholders participating electronically and wishing to vote their Shares at the General Meeting will need to be represented at the General Meeting, either in person, by proxy or by letter of representation. The Company shall use its reasonable endeavours to notify on or before 09:00 on Friday, 21 April 2017, each Sibanye Shareholder who has delivered a valid Electronic Notice, at its contact address/number, of the relevant details through which the Sibanye Shareholder can participate via electronic communication.

Transaction Approvals

ORDINARY RESOLUTION NUMBER 1

Approval of the Transaction, as required by and in terms of the JSE Listings Requirements.

"Resolved that, as required by and in terms of the JSE Listings Requirements, Sibanye be and is hereby authorised to enter into the Merger Agreement, being the agreement concluded between Sibanye Gold Limited, Thor US Holdco Inc., Thor Mergco Inc. and Stillwater Mining Company, signed on 9 December 2016, and to implement the Transaction and accordingly that the Transaction be and is hereby approved."

EXPLANATORY NOTES:

ORDINARY RESOLUTION NUMBER 1

Approval of the Transaction, as required by and in terms of the JSE Listings Requirements.

The reason for Ordinary Resolution Number 1 is that the Transaction is classified by the JSE as a category 1 transaction for the purposes of section 9 of the JSE Listings Requirements. Sibanye is therefore required to obtain the approval of the Sibanye Shareholders for the Transaction, in accordance with the provisions of the JSE Listings Requirements and the Merger Agreement. The effect of passing Ordinary Resolution Number 1 will be that Sibanye will have obtained the approval of the Sibanye Shareholders for the Transaction as required in terms of the JSE Listings Requirements and the Merger Agreement. For Ordinary Resolution Number 1 to be approved by the Sibanye Shareholders, it must be supported by more than 50% (fifty percent) of the voting rights exercised on the Ordinary Resolution.

Proposed Rights Offer Approvals

SPECIAL RESOLUTION NUMBER 1

Approval of the increase of the authorised Shares of the Company.

"Resolved that the Company's authorised ordinary Share capital of 2 000 000 000 (two billion) Shares be and is hereby increased to 10 000 000 000 (ten billion) Shares by the creation of an additional 8 000 000 000 (eight billion) Shares."

SPECIAL RESOLUTION NUMBER 2

Approval of the amendment of the existing MOI of the Company.

"Resolved that subject to the passing of Special Resolution Number 1, the existing clause 7 of the MOI is deleted and replaced with the following new clause 7:

"7. **AUTHORISED SECURITIES AND ALLOTMENT AND ISSUE**

7.1 The Company is authorised to issue the following number and class of Shares (which includes Shares already issued at the Effective Date) –

10 000 000 000 (ten billion) no par value ordinary Shares, which shall have Voting Rights in respect of every matter that may be decided by the Company on the following basis –

7.1.1 every Person entitled to vote who is Present at a Meeting, shall be entitled to –

7.1.1.1 (one) vote on a show of hands irrespective of the number of no par value ordinary Shares she holds or represents; provided that a proxy shall irrespective of the number of Shareholders she represents have only 1 (one) vote; or

7.1.1.2 that proportion of the total votes in the Company which the number of the no par value ordinary Shares held by her bears to the aggregate number of all no par value ordinary Shares issued by the Company in respect of every matter that may be decided by polling; and

7.1.2 rank after all other classes of Shares in the Company which do not rank *pari passu* with the no par value ordinary Shares as regards Distributions, but save as aforesaid shall be entitled to receive the net assets of the Company upon its liquidation.

7.2 The Board shall not have the power to amend the authorisation (including increasing or decreasing the number) and classification of Shares (including determining rights and preferences) as contemplated in section 36(2)(b) or 36(3) of the Companies Act.

7.3 All Securities of a class shall rank *pari passu* in all respects.

7.4 Notwithstanding any implication in this MOI to the contrary, the Board may not authorise any financial assistance by the Company in connection with the subscription for or purchase of its Securities or those of a Related or Inter-Related company without complying with section 44(3) of the Companies Act.""

SPECIAL RESOLUTION NUMBER 3

Approval for the allotment and issue of Sibanye Shares, including in particular but not limited to the Proposed Rights Offer Shares, as required by and in terms of section 41(3) of the Companies Act.

"Resolved that, as required by and in terms of section 41(3) of the Companies Act and article 8 of Sibanye's MOI, and subject to the passing of Ordinary Resolution Numbers 2 and 3, should the voting power of Sibanye Shares to be allotted and issued in terms of Ordinary Resolution Number 2, including in particular but not limited to the Proposed Rights Offer Shares, at any time be equal to or exceed 30% (thirty percent) of the voting power of all the Sibanye Shares held by the Sibanye Shareholders immediately before the implementation of the Proposed Rights Offer, the Board be and is hereby authorised to allot and issue such Sibanye Shares in a number or numbers which are equal to or in excess of the 30% threshold and such allotment and issue be and is hereby approved."

ORDINARY RESOLUTION NUMBER 2

Placing control of the authorised but unissued Shares under the control of the Directors for the purpose of implementing the Proposed Rights Offer.

"Resolved that, as required by article 8 of Sibanye's MOI, the Sibanye Shares in the authorised but unissued stated capital of the Company be and are hereby placed under the control of the Directors with specific authority to issue such Sibanye Shares upon such terms and conditions as they may determine for the specific purpose of implementing the Proposed Rights Offer, subject to the provisions of the Companies Act, the MOI and the Listings Requirements."

ORDINARY RESOLUTION NUMBER 3

Waiver of mandatory offer provisions of the Companies Act.

"Resolved that, in the event that pursuant to the performance of their obligations to underwrite the Proposed Rights Offer, one or more of the underwriters (either alone or together with its respective related, inter-related or concert parties) to the Proposed Rights Offer, is able to exercise at least 35% (thirty-five percent) of all of the voting rights attached to the Sibanye Shares, the benefit of a mandatory offer from such underwriter or underwriters in terms of section 123 of the Companies Act to acquire any remaining securities of Sibanye on terms determined in accordance with the Companies Act and the Takeover Regulations, be and is hereby irrevocably waived as contemplated in Regulation 86(4) of the Companies Regulations."

ORDINARY RESOLUTION NUMBER 4

Approval for authority to increase amount of authorised but unissued Shares to be issued by the Board.

"Resolved that the authority granted to the Directors at the most recent AGM of the Company under ordinary resolutions number 11 and 12, in terms of which the Board was authorised to allot and issue equity securities for cash not exceeding 5% (five percent) of the Company's number of equity securities of that class in issue, is hereby amended to increase such number from 5% (five percent) to 15% (fifteen percent) to allow the Directors to allot and issue equity securities not exceeding 15% (fifteen percent) of the Company's number of equity securities of that class in issue as at the Last Practicable Date, such number of Shares being 139 350 651 Shares in the Company's issued share capital, which authority is hereby granted on the same terms and conditions of resolutions number 11 and 12 approved at the most recent AGM of the Company and which authority shall be valid until the forthcoming AGM of the Company, whereupon this authority shall lapse unless it is renewed at the forthcoming AGM of the Company.

EXPLANATORY NOTES

SPECIAL RESOLUTION NUMBER 1

Approval of the increase of the authorised Shares of the Company.

The reason for Special Resolution Number 1 is to increase the Company's authorised but unissued ordinary stated capital so as to ensure that the Company has sufficient authorised stated capital to implement the Proposed Rights Offer and for any future issue of Sibanye Shares. For Special Resolution Number 1 to be approved by the Sibanye Shareholders, it must be supported by at least 75% (seventy-five percent) of the voting rights exercised on the Special Resolution.

SPECIAL RESOLUTION NUMBER 2

Approval of the amendment of the existing MOI of the Company.

The reason for and effect of Special Resolution Number 2 is to amend the Company's MOI to reflect the increase in the Company's authorised ordinary share capital from 2 000 000 000 Shares to 10 000 000 000 Shares, such that the MOI reflects the Company's new authorised stated capital as approved pursuant to the passing of Special Resolution Number 1. For Special Resolution Number 2 to be approved by the Sibanye Shareholders, it must be supported by at least 75% (seventy-five percent) of the voting rights exercised on the Special Resolution.

SPECIAL RESOLUTION NUMBER 3

Approval for the allotment and issue of Sibanye Shares, including in particular but not limited to the Proposed Rights Offer Shares, as required by and in terms of section 41(3) of the Companies Act.

The reason for Special Resolution Number 3 is that, should the voting power of the Sibanye Shares, including in particular but not limited to the Proposed Rights Offer Shares, to be allotted and issued in terms of Ordinary Resolution Number 2 at any time be equal to or exceed 30% (thirty percent) of the voting power of all the Sibanye Shares held by the Sibanye Shareholders immediately before the implementation of the Proposed Rights Offer, as contemplated in section 41(3) of the Companies Act, such allotment and issue is required

to be approved by way of a special resolution of the Sibanye Shareholders. The effect of passing Special Resolution Number 3 is that the Board will be authorised to allot and issue such Sibanye Shares, including in particular but not limited to the Proposed Rights Offer Shares, for purposes of giving effect to Ordinary Resolution Number 2, notwithstanding that such allotment and issue may be equal to or exceed the 30% (thirty percent) threshold contemplated in section 41(3) of the Companies Act. For Special Resolution Number 3 to be approved by the Sibanye Shareholders, it must be supported by at least 75% (seventy-five percent) of the voting rights exercised on the Special Resolution.

ORDINARY RESOLUTION NUMBER 2

Placing control of the authorised but unissued Shares under the control of the Directors for the purpose of implementing the Proposed Rights Offer.

The reason for Ordinary Resolution Number 2 is that Sibanye's MOI, read with the JSE Listings Requirements, requires of the Sibanye Shareholders to authorise the Board to, *inter alia*, allot and issue any unissued Sibanye Shares, such as the Proposed Rights Offer Shares, prior to the Board being authorised to do so. The effect of passing Ordinary Resolution Number 2 will also be to authorise the Board to allot and issue from the current and/or any future authorised but unissued Sibanye Shares, Sibanye Shares as part of the Proposed Rights Offer. For Ordinary Resolution Number 2 to be approved by the Sibanye Shareholders, it must be supported by more than 50% (fifty percent) of the voting rights exercised on the Ordinary Resolution.

ORDINARY RESOLUTION NUMBER 3

Waiver of mandatory offer provisions of the Companies Act.

The reason for Ordinary Resolution Number 3 is that section 123(3) of the Companies Act provides that, in the event that pursuant to the acquisition of a beneficial interest in voting rights attached to securities of a company, a person is able to exercise at least 35% of all of the voting rights attached to the securities of that company, the person is required to offer to acquire any remaining securities of that company on terms determined in accordance with the Companies Act and the Takeover Regulations. Regulation 86(4) of the Companies Regulations provides that a transaction is exempt from the obligation to make a mandatory offer if the independent holders of more than 50% of the general voting rights of all issued securities of the company have agreed to waive the benefit of such a mandatory offer. The adoption of this resolution will give effect to a waiver of the right to receive a mandatory offer from the underwriters of the Proposed Rights Offer in the event that, pursuant to the Proposed Rights Offer, one or more such underwriters (either alone or together with its related or inter-related parties or concert parties) is able to exercise at least 35% of all of the voting rights attached to securities of Sibanye. For Ordinary Resolution Number 3 to be approved by the Sibanye Shareholders, it must be supported by more than 50% (fifty percent) of the voting rights exercised on the Ordinary Resolution.

ORDINARY RESOLUTION NUMBER 4

Approval for authority to increase amount of authorised but unissued Shares to be issued by the Board.

At the most recent AGM of the Company, Sibanye Shareholders approved the following resolutions:

"ORDINARY RESOLUTION NUMBER 11

Approval for the issue of authorised but unissued ordinary shares

"Resolved that, as required by the Company's Memorandum of Incorporation and subject to the provisions of section 41 of the Act and the requirements of any recognised stock exchange on which the shares in the capital of the Company may from time to time be listed, the Directors are authorised, as they in their discretion think fit, to allot and issue, or grant options over, shares representing not more than 5% (five percent) of the number of ordinary shares in the issued share capital of the Company as at 31 December 2015 (for which purposes any shares already approved to be allotted and issued by the Company in terms of any share plan or incentive scheme for the benefit of employees shall be excluded), such authority to remain in force until the next AGM of the Company."

ORDINARY RESOLUTION NUMBER 12

Issuing equity securities for cash

"Resolved that, subject to the passing of ordinary resolution number 11, the Directors of the Company be and are hereby authorised, until the forthcoming annual general meeting of the Company (whereupon this authority shall lapse unless it is renewed at the aforementioned annual general meeting, provided that it shall not extend beyond 15 (fifteen) months of the date of this meeting), to allot and issue equity securities for cash subject to the JSE Listings Requirements and the Act on the following basis:

(a) the allotment and issue of equity securities for cash shall be made only to persons qualifying as public shareholders as defined in the JSE Listings Requirements and not related parties

(b) equity securities which are the subject of issues for cash:

i. in the aggregate in any one financial year may not exceed 5% (five percent) of the Company's relevant number of equity securities in issue of that class as at the date of the notice of AGM, such numbers being 45 832 265 ordinary shares in the Company's issued share capital

ii. any equity securities issued under the authority during the period contemplated above must be deducted from such number in the preceding bullet (i)

iii. in the event of a sub-division or consolidation of issued equity securities during the period contemplated above, the existing authority must be adjusted accordingly to represent the same allocation ratio

iv. of a particular class, will be aggregated with any securities that are compulsorily convertible into securities of that class, and, in the case of the issue of compulsorily convertible securities, aggregated with the securities of that class into which they are compulsorily convertible

(c) the maximum discount at which equity securities may be issued is 10% (ten percent) of the weighted average traded price on the JSE of such equity securities over the 30 (thirty) business days prior to the date that the price of the issue is determined or agreed by the Directors of the Company

(d) after the Company has issued equity securities for cash which represent, on a cumulative basis within a financial year, 5 (five) or more percent of the number of equity securities of that class in issue prior to that issue, the Company shall publish an announcement containing full details of the issue, including the effect of the issue on the net asset value and earnings per share of the Company

(e) the equity securities which are the subject of the issue for cash are of a class already in issue or where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue."

In terms of the JSE Listings Requirements, a 75% (seventy-five percent) majority is required of votes cast in favour of such ordinary resolution by all equity securities holders present or represented by proxy at the general meeting convened to approve the above resolution regarding the waiver of the pre-emptive rights."

It is proposed that the above quoted existing authorities granted by the Sibanye Shareholders to the Board at the most recent AGM of the Company be amended to allow the Directors to allot and issue equity securities not exceeding 15% (fifteen percent) of the Company's number of equity securities of that class in issue as at the Last Practicable Date.

The aggregate number of Shares capable of being allotted and issued for cash are limited as set out in the resolution.

The Directors have decided to seek this authority in order to retain flexibility in refinancing the current Bridge Facilities arising as a result of the Transaction. In addition, in the event there is demand for Shares prior to the Proposed Rights Offer, the Directors will be in a position to use the requested authority to provide the Company with flexibility to introduce strategic investors who wish to invest in the Company through private share placements for cash.

By order of the Directors

C Farrel Company
Secretary

Westonaria
20 March 2017

PRINTED BY INCE (PTY) LTD
REF: JOB012793

Sibanye Gold Limited

(Registration No. 2002/031431/06)
Share code: SGL ISIN ZAE000173951
("**Sibanye**" or the "**Company**")

FORM OF PROXY

FOR USE BY CERTIFICATED SIBANYE SHAREHOLDERS AND OWN-NAME DEMATERIALISED SIBANYE SHAREHOLDERS AT THE GENERAL MEETING OF SIBANYE TO BE HELD AT SIBANYE GOLD ACADEMY, RIETKLOOF 349, GLENHARVIE, 1786, SOUTH AFRICA, AT 09:00 ON TUESDAY, 25 APRIL 2017

Certificated Sibanye Shareholders or Dematerialised Sibanye Shareholders with "own-name" registration, and who are entitled to attend and vote at the General Meeting, are entitled to appoint one or more proxies to attend, speak and vote in their stead. A proxy need not be a Sibanye Shareholder and shall be entitled to vote on a show of hands or poll.

Sibanye Shareholders who have Dematerialised their Sibanye Shares, other than own-name Dematerialised Sibanye Shareholders, with a Central Securities Depository Participant (CSDP) or broker should advise their CSDP or broker as to what action they wish to take. This must be done in terms of the agreement entered into between them and their CSDP or broker. Sibanye Shareholders, other than own-name Dematerialised Sibanye Shareholders who have Dematerialised their Sibanye Shares must not return this form of proxy to the Transfer Secretaries or deliver it to the Chairman of the General Meeting. Their instructions must be sent to their CSDP or broker for action.

I/We (Full name in block letters) _____

of (address) _____

Telephone _____ Cellphone _____ E-mail _____

being the holder/s of [ ] shares in the issued share capital of the Company hereby appoint:

1. _____ or failing him/her

2. _____ or failing him/her

3. the Chairman of the General Meeting.

as my/our proxy to attend, speak on my/our behalf at the General Meeting to be held at Sibanye Gold Academy, Rietkloof 349, Glenharvie, 1786 South Africa, at 09:00 on Tuesday, 25 April 2017 and at any adjournment thereof, and to vote or to abstain from voting on my/our behalf on the Special Resolutions and the Ordinary Resolutions to be proposed at the General Meeting as follows:

	For	Against	Abstain
Ordinary Resolution 1 – Approval of the Transaction as required by and in terms of the JSE Listings Requirements			
Special Resolution 1 – Approval of the increase of Authorised Shares of the Company			
Special Resolution 2 – Approval of the amendment of the existing MOI of the Company			
Special Resolution 3 – Approval for the allotment and issue of Sibanye Shares, including in particular but not limited to the Proposed Rights Offer Shares, as required by and in terms of section 41(3) of the Companies Act			
Ordinary Resolution 2 – Placing control of the authorised but unissued Shares under the control of the Directors for the purpose of implementing the Proposed Rights Offer			
Ordinary Resolution 3 – Waiver of mandatory offer provisions of the Companies Act			
Ordinary Resolution 4 – Approval for authority to increase amount of authorised but unissued Shares to be issued by the Board			

Every person entitled to vote who is present at the General Meeting or its proxy shall be entitled to:

(a) on a show of hands, one vote, irrespective of the number of Sibanye Shares such person holds or represents, provided that a proxy shall irrespective of the number of shareholders he/she represents, have only one vote;

(b) on a vote by poll, one vote for each Sibanye Share such person holds or represents.

A proxy may not delegate his/her authority to act on his/her behalf to another person (see Note 10).

This proxy form will lapse and cease to be of force and effect immediately after the General Meeting of the Company and any adjournment(s) thereof, unless it is revoked earlier (as to which see Notes 15 and 16).

Signed at _____ on _____ 2017

(Name in block letters) _____

Signature _____

Assisted by me (where applicable) _____

This proxy form is not for use by holders of American Depository Receipts issued by the Bank of New York Mellon. Please read the notes and instructions below.

Summary of Sibanye Shareholders' rights in respect of proxy appointments as set out in sections 56 and 58 of the Act and notes to the form of proxy:

1. Section 56 grants voting rights to holders of beneficial interest in certain circumstances, namely if the beneficial interest includes the right to vote on the matter, and the person's name is on the Company's register of disclosures as the holder of a beneficial interest. A person who has a beneficial interest in any securities that are entitled to be voted on by him/her, may demand a proxy appointment from the registered holder of those securities, to the extent of that person's beneficial interest, by delivering such a demand to the registered holder, in writing, or as required by the applicable requirements of a central securities depository.
2. A proxy appointment must be in writing, dated and signed by the person appointing the proxy.
3. Forms of proxy must be delivered to the Company before a proxy may exercise any voting rights at a general meeting. In respect of the General Meeting this must be done either by returning the Form of Proxy to Computershare Investor Services (Proprietary) Limited at Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, or to Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, BR3 4TU, to be received on or before 09:00 on Friday, 21 April 2017 or if not so received, by presenting it to a representative of Computershare Investor Services Proprietary Limited at the premises of the venue for the General Meeting immediately before the commencement of the General Meeting; alternatively by presenting it to the Company Secretary at the premises of the Company at any time up to the last Business Day before the date of the General Meeting. Forms can be posted or hand delivered.
4. Each person entitled to exercise any voting rights at the General Meeting may appoint a proxy or proxies to attend, speak, vote or abstain from voting in place of that holder.
5. A person entitled to vote may insert the name of a proxy or the name of an alternative proxy of the holder's choice in the space provided, with or without deleting the name of the Chairman of the General Meeting as default proxy. Any such deletion must be initialled. The person whose name stands first on the form of proxy and who is present at the General Meeting shall be entitled to act as proxy to the exclusion of the person whose name follows as an alternative. In the event that no names are indicated, the proxy shall be exercised by the Chairman of the General Meeting.
6. An "X" in the appropriate box indicates that all your voting rights are exercisable by that holder. If no instructions are provided in the form of proxy, in accordance with the above, then the proxy shall be entitled to vote or abstain from voting at the General Meeting, as the proxy deems fit in respect of all your voting rights exercisable thereat, but if the proxy is the Chairman, failure to provide instructions to the proxy in accordance with the above will be deemed to authorise the proxy to vote only in favour of the resolution.
7. You or your proxy are not obliged to exercise all your voting rights exercisable, but the total of the voting rights cast by you or on your behalf may not exceed the total of the voting rights exercisable by you.
8. Your authorisation to the proxy, including the Chairman of the General Meeting, to vote on your behalf, shall be deemed to include the authority to vote on procedural matters at the General Meeting.
9. The completion and lodging of this form of proxy will not preclude you from attending the General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, in which case the appointment of any proxy will be suspended to the extent that you choose to act in person in the exercise of your speaking and voting rights at the General Meeting.
10. The Company's MOI does not permit delegation by a proxy.
11. Documentary evidence establishing the authority of a person attending the General Meeting on your behalf in a representative capacity or signing this form of proxy in a representative capacity must be attached to this form.
12. The Company will accept an original and valid identity document, driver's license or passport as satisfactory identification.
13. Any insertions, deletions or alterations to this form must be initialled by the signatory(ies).
14. The appointment of a proxy is revocable unless you expressly state otherwise in the form of proxy.
15. You may revoke the proxy appointment by: (i) cancelling it in writing, or making a later, inconsistent appointment of a proxy; and (ii) delivering a copy of the revocation instrument to the proxy and to the Company at its premises or at Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg for the attention of Computershare Investor Services Proprietary Ltd, or to Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, BR3 4TU, to be received before the replacement proxy exercises any of your rights at the General Meeting.
16. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on your behalf at the later of (i) the date stated in the revocation instrument, if any; and (ii) the date on which the revocation instrument is delivered as required in paragraph 15.
17. If this form of proxy has been delivered to the Company in accordance with paragraph 3 then, as long as that appointment remains in effect, any notice that is required by the Act or the Company's MOI to be delivered by the Company to the holder of the voting rights must be delivered by the Company to:
    (a) the holder; or
    (b) the proxy, if the holder has:
        (i) directed the Company to do so, in writing; and
        (ii) has paid any reasonable fee charged by the Company for doing so.
18. In terms of section 56 of the Act, the registered holder of any shares in which any person has a beneficial interest, must deliver to each such person a notice of any meeting of the Company at which those shares may be voted on, within two Business Days after receiving such a notice from the Company.

TRANSFER OFFICES

South Africa
Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank
Johannesburg, 2001
PO Box 61051
Marshalltown, 2196
Tel: +2711 370-5000
Fax: +2711 688-5248

United Kingdom
Capita Registrars Limited
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU
England

Tel: 0871 664 0300. Calls cost 12p per minute plus your phone company's access charge.

If you are outside the UK, please call +44 371 664 0300. Calls outside the UK will be charged at the applicable international rate.

The helpline is open between 09:00 to 17:30, Monday to Friday excluding public holidays in England and Wales.

E-mail: ssd@capita.co.uk