



Acquisition
of the
Cooke Underground
and
Surface Operations

21 August 2013



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1. TRANSACTION RATIONALE

2. Overview of the Cooke Operations

3. Valuation

4. The West Rand Tailings Retreatment Project (WRTRP)

5. Uranium Market

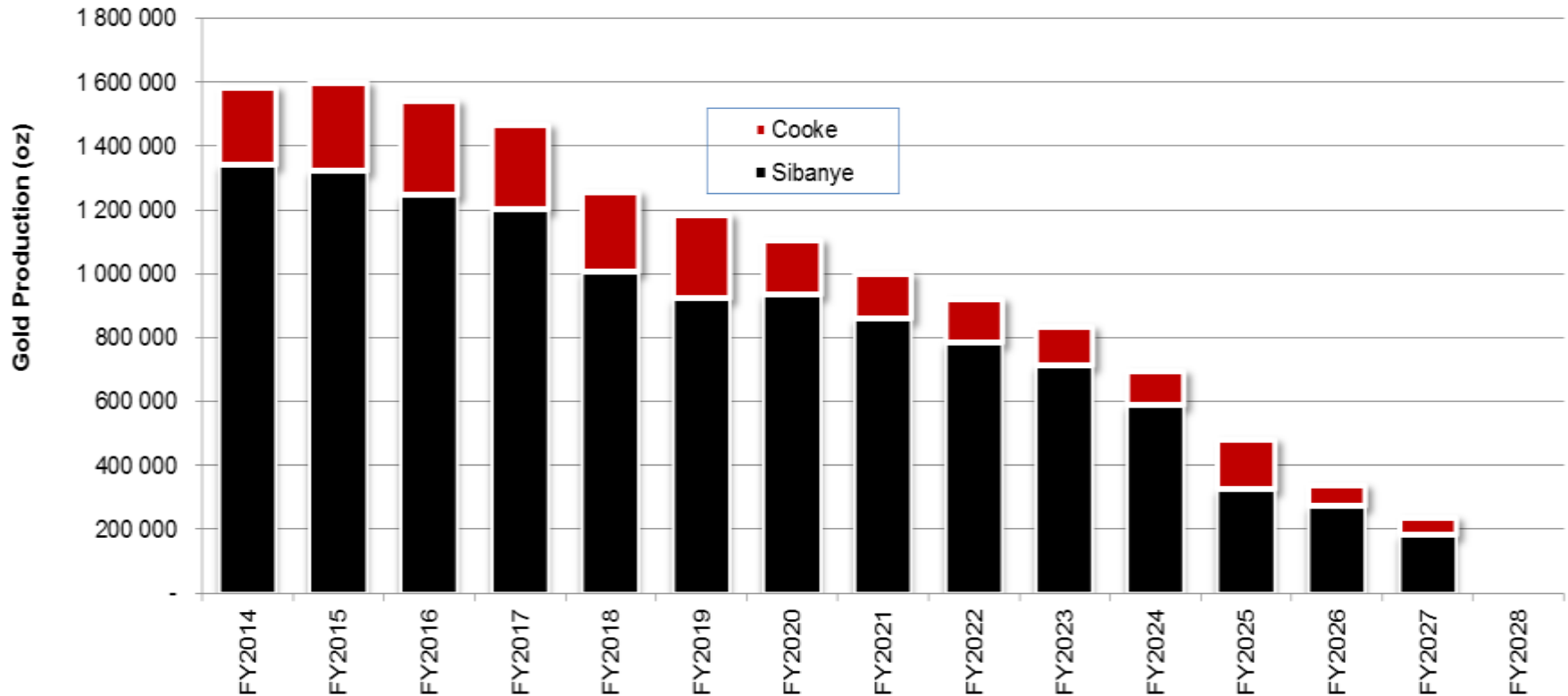
6. Conclusion

Transaction Rationale

- An earnings and cash flow per share accretive transaction
- Average annual production of 260,000 oz of gold and 570,000 lbs of uranium over the next 5 years
- Regional operational and infrastructural synergies
- Secures a high quality Chinese investor with common strategic objectives
- Potentially brings 3.7 million oz of Sibanye surface tailings to account by consolidating the West Rand Tailings Retreatment Project (“WRTRP”), capable of a further 300,000 oz annual gold production
- Acquires key surface re-treatment skill sets

Earnings and cashflow per share accretive

Forecast combined gold production



Source: Sibanye Gold and Cooke Operations SRK CPR's
Assumptions: Gold price R425 000/kg – US\$R9:1, includes Sibanye Gold management DD adjustments

Excludes the West Rand Tailings Retreatment Project

Enhancing the cash flow per share

		FY2014	FY2015	FY2016	FY2017	FY2018
Cooke Operations free cash flow	R'million	645	867	949	707	623
Free cash flow per share assuming 883,603,546 shares in issue post the transaction	R	0,73	0,98	1,08	0,80	0,70

Sources: Cooke Operations SRK CPRs dated July and August 2013

Assumptions: Gold price ZAR425 000/kg, U308 LT price US\$65/lb. Excludes debt and Black Economic Empowerment structures

As a reference point Sibanye Gold generated net cash of R1,798.9 million or R2.45 per share for the 6 months ended 30 June 2013

Cash flow per share accretive

Transaction details

Consideration/ Purchase Price	<ul style="list-style-type: none"> • ~150 million ordinary Sibanye Gold shares or 17% of the issued share capital on closing
Target securities	<ul style="list-style-type: none"> • The shares held by Gold One in Newshelf 1114 (Pty) Limited ("Newshelf"), which owns 74% of the Cooke Operations • Including a R616 million Investec Debt Facility
Board	<ul style="list-style-type: none"> • Gold One will be entitled to nominate three non-executive directors to the board of Sibanye Gold

Implied purchase price of R1.43 billion (US\$140m)

Transaction details

Conditions Precedent

- Sibanye Gold and Gold One shareholder approval;
- Regulatory approvals including (but not limited to):
 - The Minister of Mineral Resources;
 - The Competition Commission;
 - The JSE Limited / NYSE; and
 - The South African Reserve Bank
- Chinese regulatory approvals
- Sibanye Gold and Gold One debt holder approvals
- No Material Adverse Change

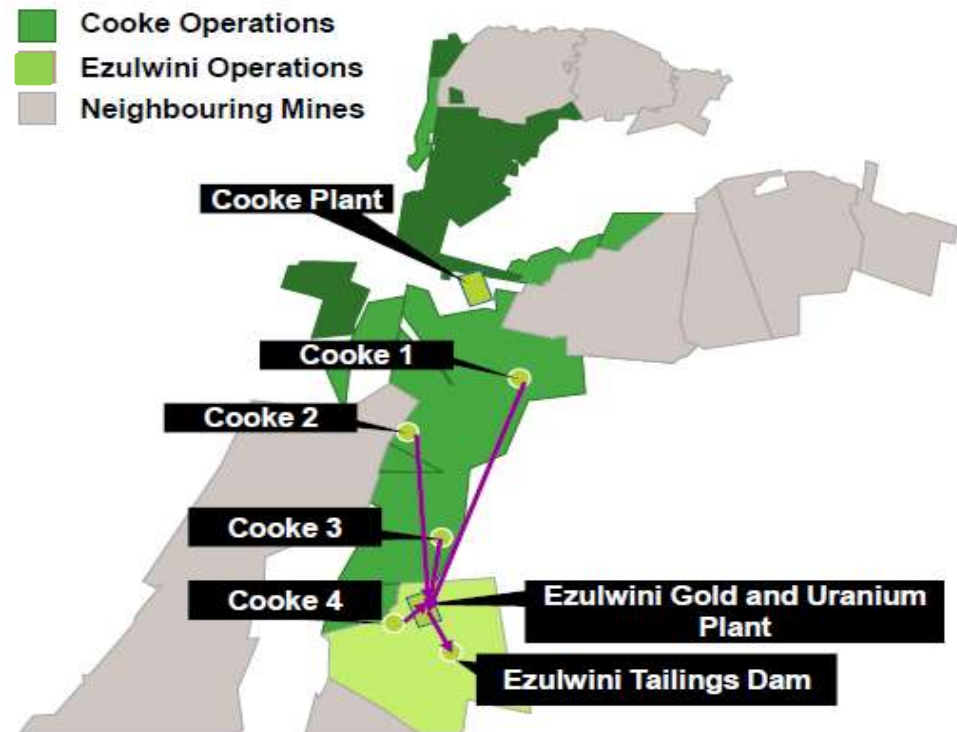
Indicative Timing

- Subject to the Proposed Transaction becoming unconditional, it is expected to take approximately four to six months to implement

1. Transaction Rationale
- 2. OVERVIEW OF THE COOKE OPERATIONS**
3. Valuation
4. The West Rand Tailings Retreatment Project (WRTRP)
5. Uranium Market
6. Conclusion

Cooke underground operations

- Average annual production: **240,000 oz** (next 5 years)
- Average annual cashflow: **R 840 million** (next 5 years @ R425,000/kg)
- Average cash cost: **US\$1,000/oz** (Total Cash Cost: US\$1,116/oz) (Next 5 years)
- Gold Reserve of **1.84 Moz**
- Gold Resource of **19.93 Moz**



Source: Sibanye Gold and Cooke Operations SRK CPR's
Assumptions: Gold price R425 000/kg – US\$R9:1, includes Sibanye Gold management DD adjustments

Cooke underground operations

- The Cooke mines are shallow (~1 000 meters), with limited exposure to the challenges of seismicity and heat
- The primary Gold One objective has been to re-establish operations as profitable gold mines with uranium co-product potential
- The 2 year turnaround strategy implemented in January 2012 has to date delivered:
 - decrease in total cash costs from approximately US\$1,500/oz to US\$1,200/oz
 - Increased development rates underpinning improved future mining flexibility
 - Improved productivity and quality of mining

Further decreases forecasted to US\$1,000/oz cash costs

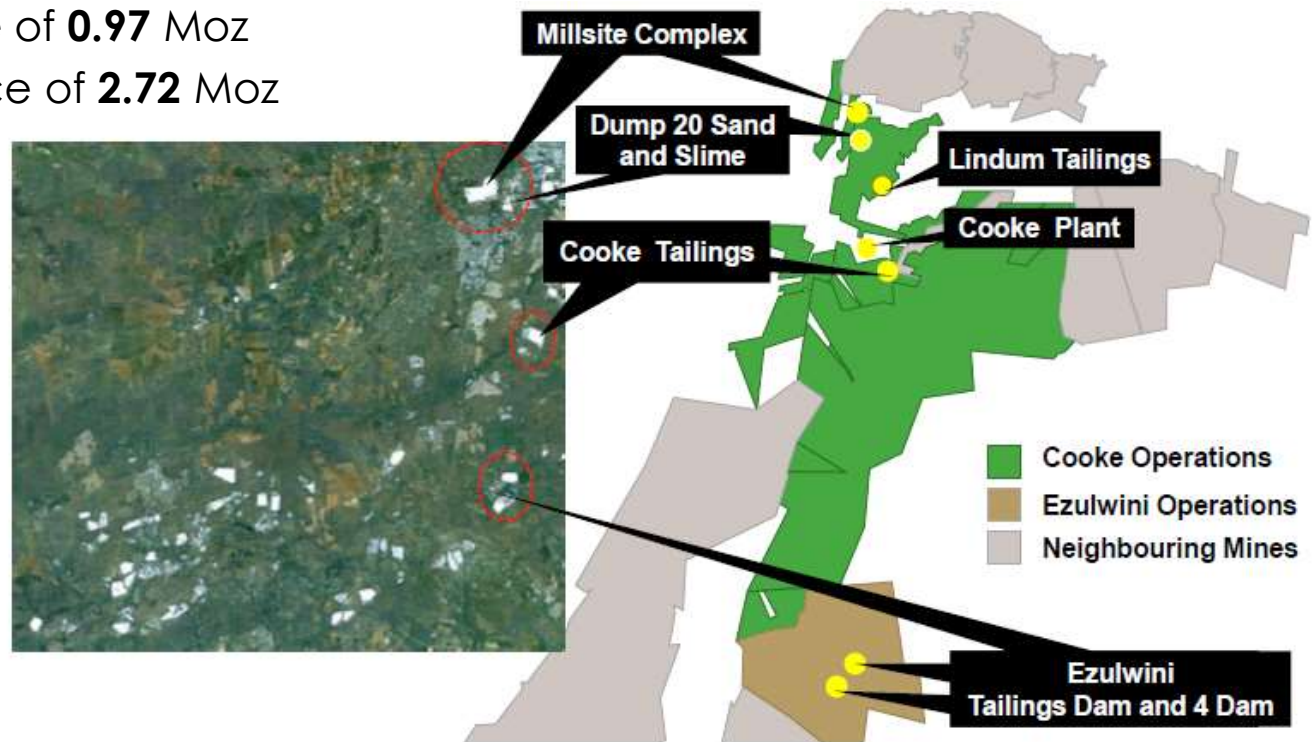
Cooke underground opportunities

- Previously sterilised ground now available for extraction with the removal of the Cooke 3/Cooke 4 mine boundary
- Safe mining of VCR pillars through the implementation of both castle pack and backfill technology at Cooke 1-3 shafts
- Down-dip extensions to current mining at Cooke 1 (Zuurbekom) and Cooke 4 (below 50 level) - Exploration drilling is currently being undertaken at Zuurbekom
- New project extensions
 - SV4 shaft pillar at Cooke 4
 - Pillar 4 at Cooke 4
 - VCR extension at Cooke 2
- Exploration potential of all the reef packages not yet adequately explored on the Randfontein Estates Mining Licence areas

Further decreases forecasted to US\$1,000/oz cash costs

Cooke surface operations

- Average annual production: **34,000 oz** (next 3 years)
- Average annual cashflow: **R133 million** (next 3 years @ R425,000/kg)
- Average cash cost: **US\$828/oz** (Total Cash Cost: \$900/oz) (next 3 years)
- Gold Reserve of **0.97 Moz**
- Gold Resource of **2.72 Moz**



Source: Sibanye Gold and Cooke Operations SRK CPR's
Assumptions: Gold price R425 000/kg – US\$9:1, includes Sibanye Gold management DD adjustments

Cooke surface operations

- The Cooke Surface Operations have been restructured as a separate business unit to the Cooke Underground Operations
- Ensures technical and operational focus
- Implementation of appropriate technical and commercial key measurables that differ from underground operations
- Development of a high volume, margin focused operational culture
- Currently processing 300,000 tpm (~35,000 oz pa) at cash costs of \$1,200/oz and total cash costs of US\$1,260/oz
- The Cooke Optimisation Project (COP) that will see volumes increase to 400,000 tpm (~38,000 ounces in 2014) and unit R/ton costs decrease by 40%
- Capital cost of the COP is R230 million and will be commissioned by the end of 2013, reducing total cash costs to \$1,000/oz in 2014

Resource quality

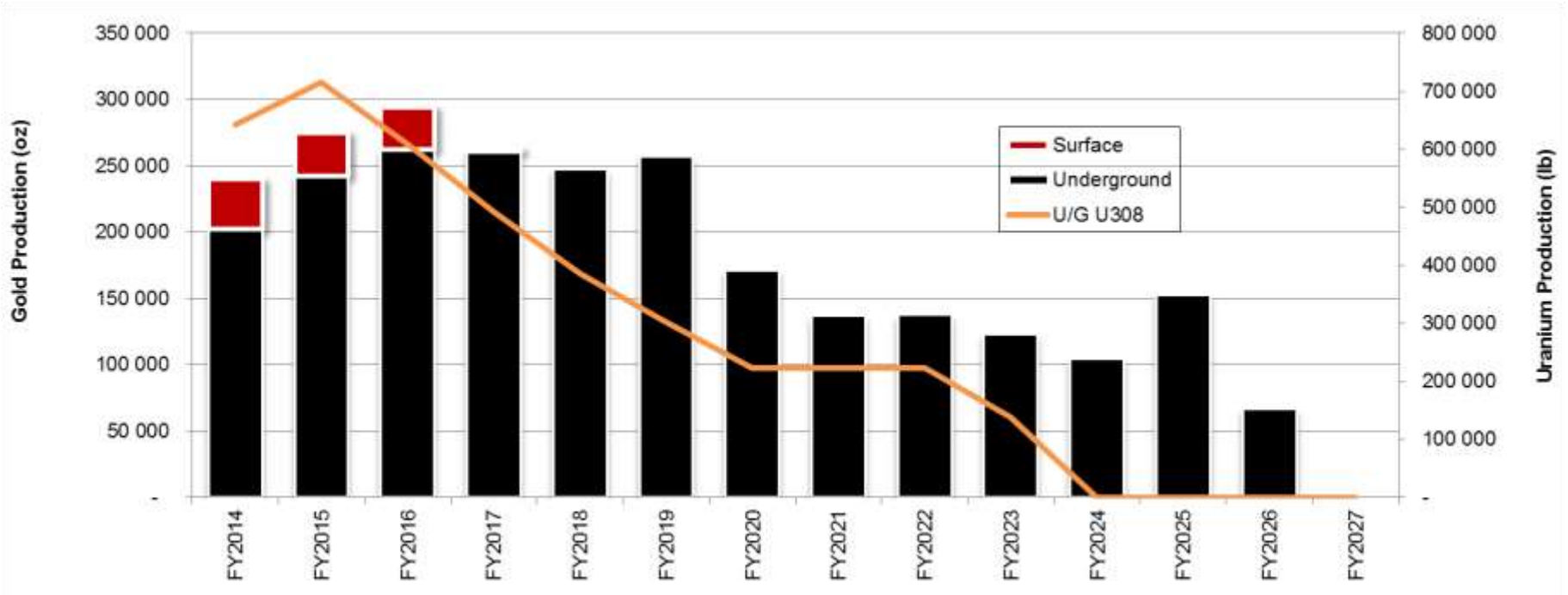
	Beatrix	Doornkop	Cooke
Measured Gold Resource (Moz)	4.25	0.76	7.79
Gold Reserve (Moz)	3.32	1.14	2.81
Underground Reserve grade (g/t)	4.29	3.77	4.52

	DRD's ERGO	WRTRP *
Reclaimable gold Reserve (Moz)	1.82	4.01
Reclaimable uranium Reserve (Mlb)	-	116.53
Throughput tonnes (Mtpm)	2.0	4.0
LoM head grade gold (g/t)	0.34	0.39
LoM head grade uranium (g/t)	-	78.75

* West Rand Tailings Retreatment Project Forecast

The Cooke underground and surface assets compare favourably

Forecast Gold and uranium production

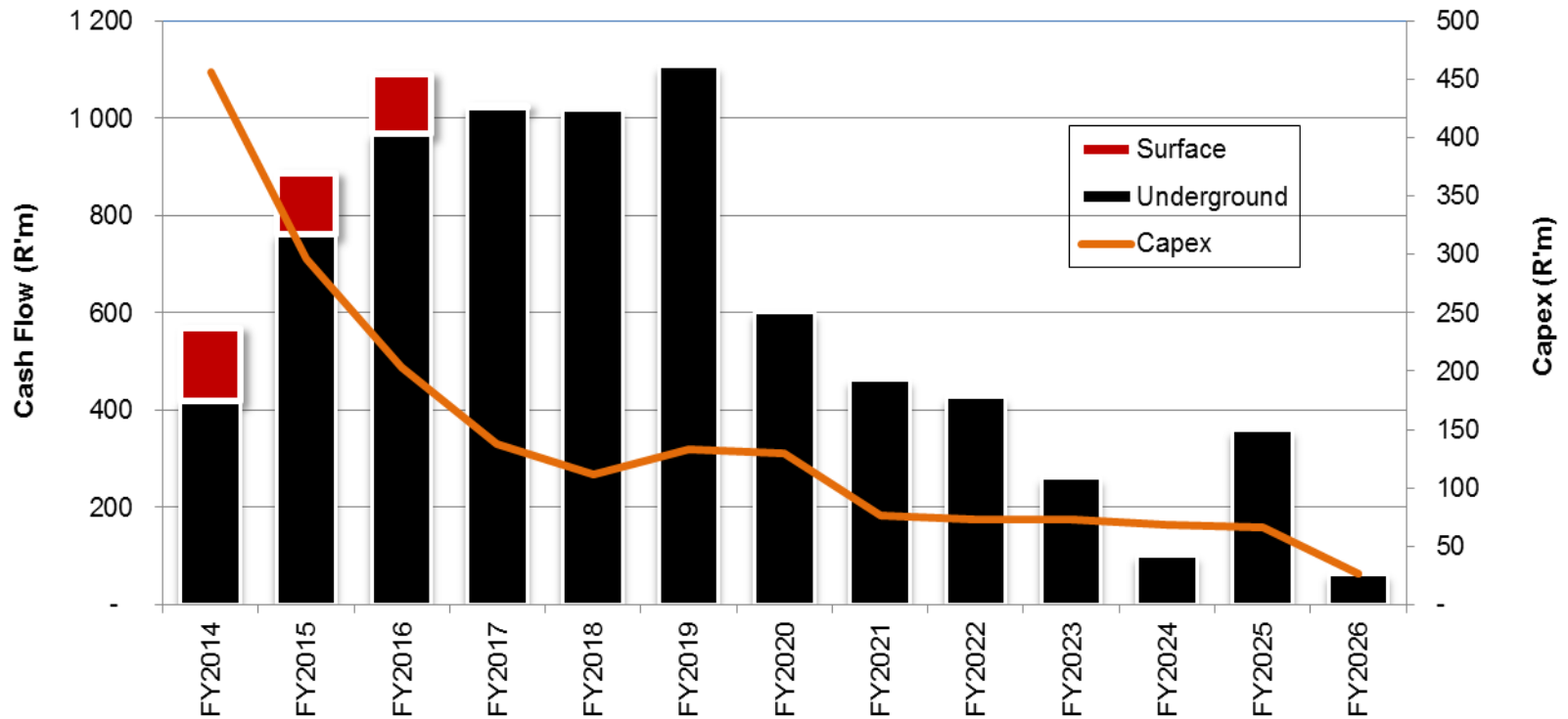


Source: Cooke Operations SRK CPRs. U3O8 production in Cooke Operations existing LOM plan

Assumptions: Gold price R425,000/kg – Uranium Price US\$65/lb – US\$R9:1 includes Sibanye Gold management DD adjustments

Excludes the West Rand Tailings Re-Treatment Project

Forecast capex and cash flow



Source: Cooke Operations SRK CPRs. U3O8 production in Cooke Operations existing LOM plan

Assumptions: Gold price R425,000/kg – Uranium Price US\$65/lb – US\$R9:1 includes Sibanye Gold management DD adjustments

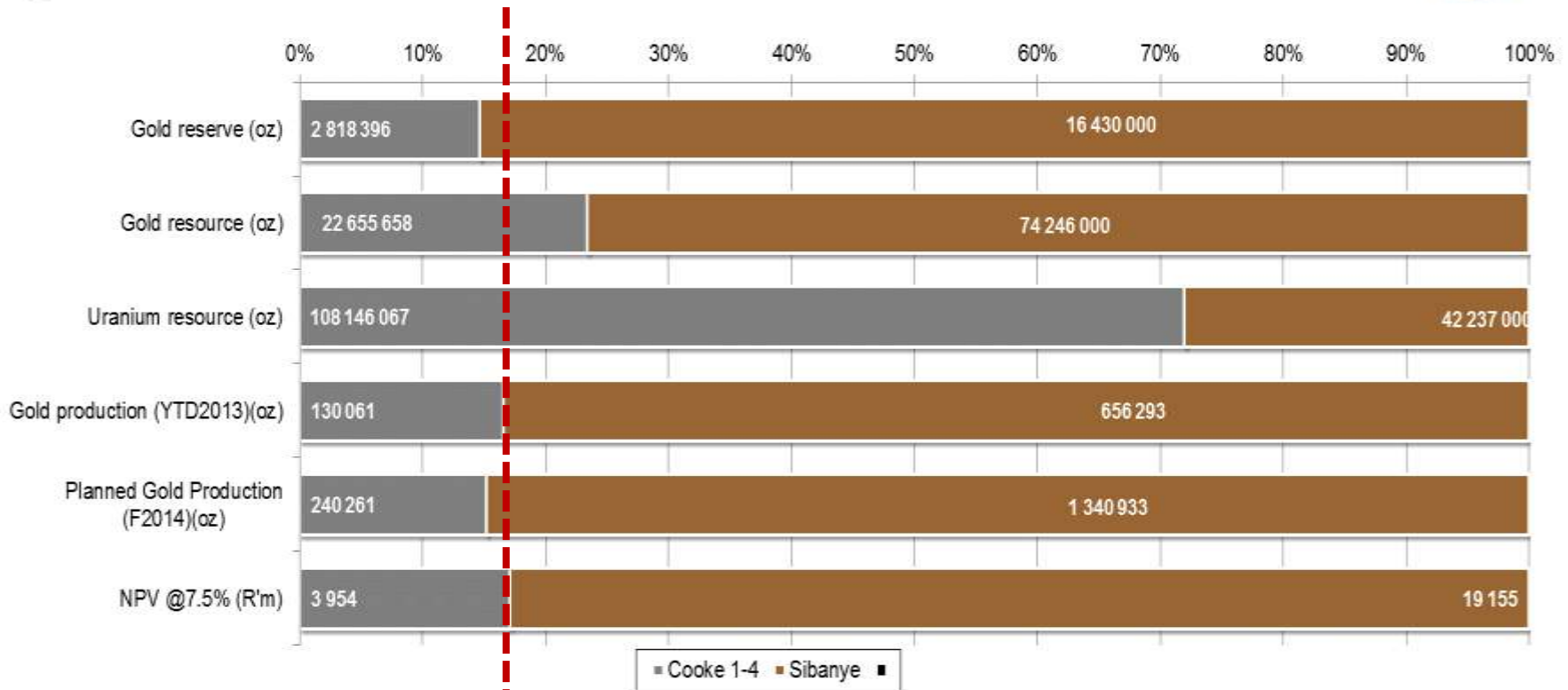
Excludes the West Rand Tailings Re-Treatment Project

1. Transaction Rationale
2. Overview of the Cooke Operations
- 3. VALUATION**
4. The West Rand Tailings Retreatment Project (WRTRP)
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6. Conclusion

Valuation Methodology

- Relative Discounted Cashflow Valuation of both Sibanye Gold and the Cooke Operations:
 - Long term gold price assumption R425,000/kg real
 - 7.50% real discount rate for reserves
 - 11.25% real discount rate for Indicated resources
- Sibanye Gold NPV based on October 2012 SRK CPR, adjusted for R123/ton operating cost saving achieved
- Cooke 1-3 NPV based on July 2013 SRK CPR
- Cooke 4 NPV based on August 2013 SRK CPR including approximately 780,000 oz of Resource
- Cooke NPV's included adjustments for debt, BEE shareholding, electricity increases, labour equalisation, sustainable development, engineering costs, processing costs and MCF
- West Rand Tailings Retreatment Project (WRTRP) not included in the valuations for either party
- Other conceptual projects excluded

Relative contributions



Deal ratio at 17%

Source: Cooke Operations SRK CPRs. U3O8 production in Cooke Operations existing LOM plan

Assumptions: Gold price R425,000/kg – Uranium Price US\$65/lb – US\$R9:1 includes Sibanye Gold management DD adjustments

Additional value

Additional Value	R'million	US\$' million	Comments
Millsite (Not in DCF)	34	3.8	<i>NPV @ 7.5% real discount rate</i>
Cooke 4 Resource (Not in DCF)	870	96.7	<i>Remaining resource at peer comp multiple</i>
Cooke Uranium Project	1,012	112.4	<i>NPV @10% real discount rate</i>
Total	1,916	212.9	

Source: Cooke Operations SRK CPRs. U3O8 production in Cooke Operations existing LOM plan
 Assumptions: Gold price R425,000/kg – Uranium Price US\$65/lb – US\$R9:1 includes Sibanye Gold management DD adjustments

Infrastructural and operating synergies

Additional Value	R'million	US\$' million	Comments
Group services consolidation and optimisation	24	2.7	<i>Eliminate duplication</i>
Reduction in group cost structures <ul style="list-style-type: none"> • Supply chain • Logistics • Finance and admin • IT • People development 	64	7.1	<i>People and infrastructure</i>
Assay, engineering workshops and purchasing synergies	48	5.3	<i>Insourcing and increased purchasing synergies</i>
Total	136	15.11	

Source : Sibanye Gold - Influence on the combined cost base within 12 months.

R440 million of operating synergies over the next 5 years

1. Transaction Rationale
2. Overview of the Cooke Operations
3. Valuation
- 4. THE WEST RAND TAILINGS RETREATMENT PROJECT (WRTRP)**
5. Uranium Market
6. Conclusion

WRTRP development philosophy

2012 MDM Scoping Study

“Big Bang Approach”

JV enhanced value

Environmental clean up

Further test work was needed

2013 JV Pre-feasibility Study (Completed)

“Phased Approach”

Processing gold and uranium

Leverage existing infrastructure

Early phases fund subsequent phases

Aligning Strategy

Optimise capital expenditure

Environmentally focused

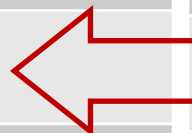
Build substantial retreatment business

Next Steps

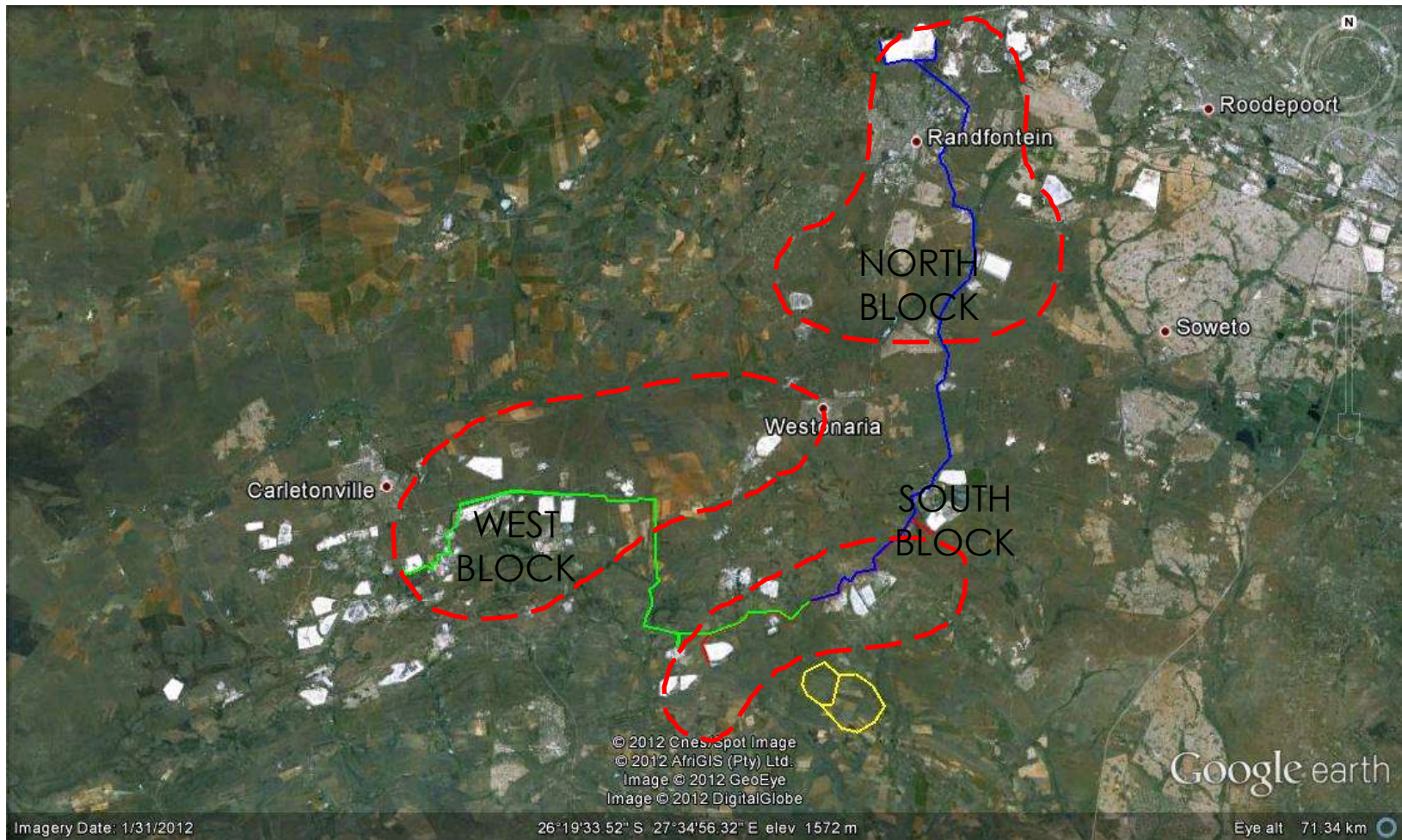
Specific test work on Pre-Feasibility data

Feasibility Study post test work

Application for requisite permits



Target Areas



Source: Google Earth

1. Transaction Rationale
2. Overview of the Cooke Operations
3. Valuation
4. The West Rand Tailings Retreatment Project (WRTRP)
- 5. URANIUM MARKET**
6. Conclusion

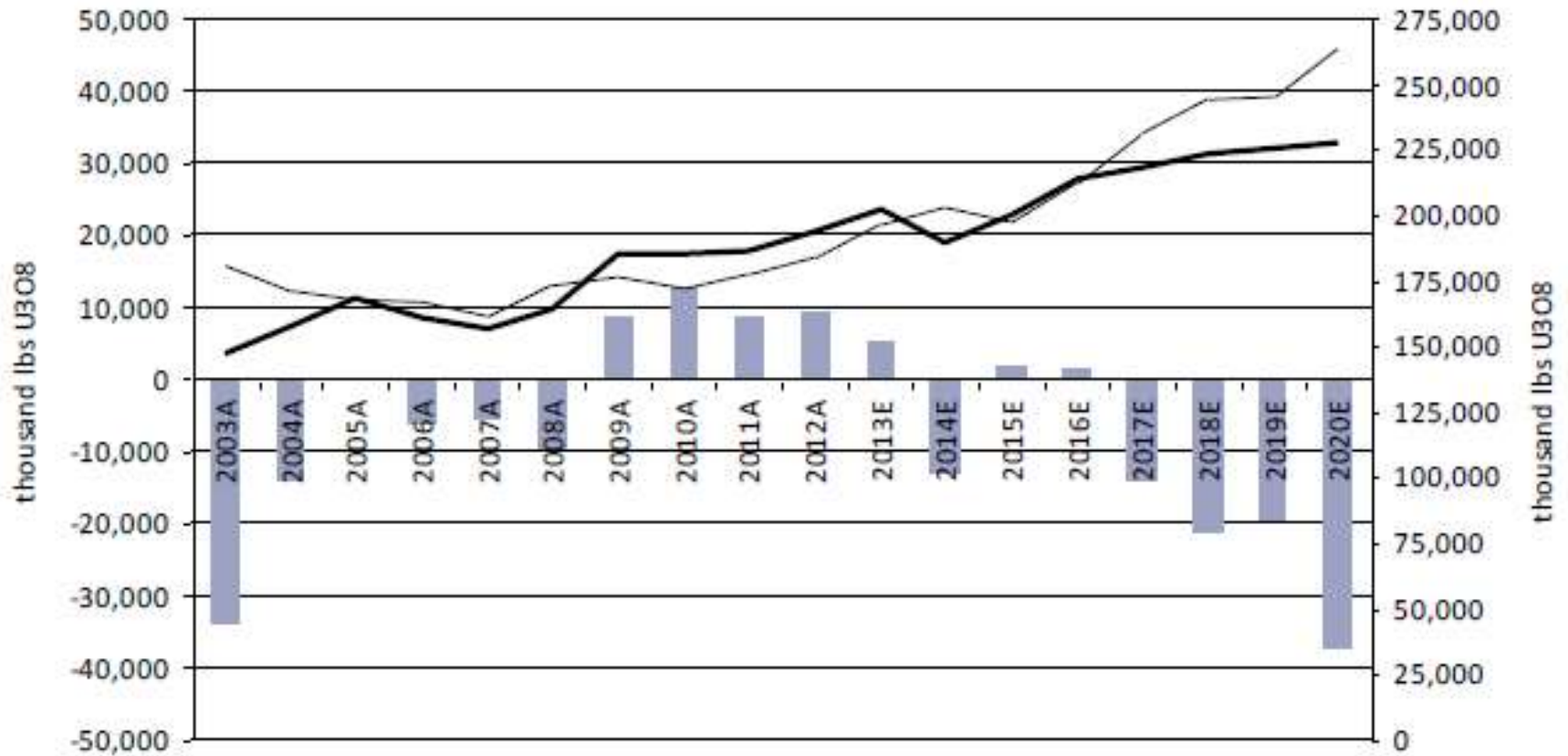
Nuclear energy

- China remains a major player with 60GW planned by 2020 (currently 13GW)
- Nuclear reactor restart in Japan to buoy demand from late 2013
- New mine production has been slashed with prevailing low prices but emerging producer countries like Namibia will limit disruption
- No HEU (highly enriched uranium) down blending supply post 2013 from the ex Soviet bloc countries - supply of 400 Mlb for past 2 decades has run out
- Higher prices forecast towards end of 2013 in response to progress on the restart of Japanese reactors and the end of the HEU agreement

Source; Ux Consulting; World Nuclear Association

Consensus forecasts range from \$65 to \$125 per lb

Uranium supply and demand outlook



Source: Ux Consulting, World Nuclear Association

Net Balance (000 lbs, LS)
 World Supply (000 lbs, RS)
 World Requirements (000 lbs, RS)

Consensus forecasts range from \$65 to \$125 per lb

1. Transaction Rationale
2. Overview of the Cooke Operations
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5. Uranium Market
- 6. CONCLUSION**

Conclusion

- A value accretive transaction
- Acquires a substantial operating complex with co-product uranium production
- The introduction of the Chinese BCX Consortium as an anchor shareholder with a long term investment horizon facilitates further growth within the region
- Consolidates a significant portion of the gold and uranium surface potential of the West Wits region into a single entity
- Enlarged Sibanye Gold better positioned to accelerate the development of WRTRP – potentially bringing to account up to 300,000 oz of low risk gold production per annum as a substantial surface retreatment business