



URANIUM MARKET AND STRATEGY

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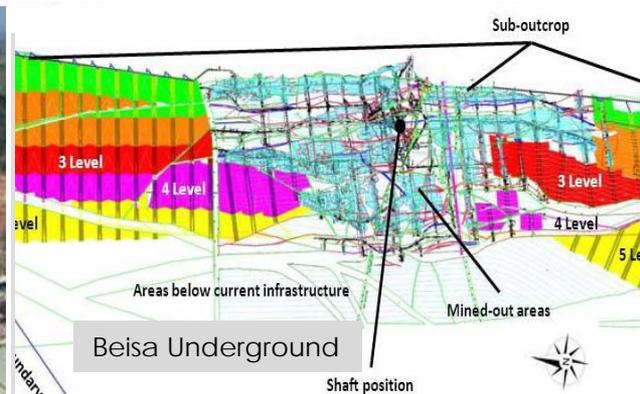
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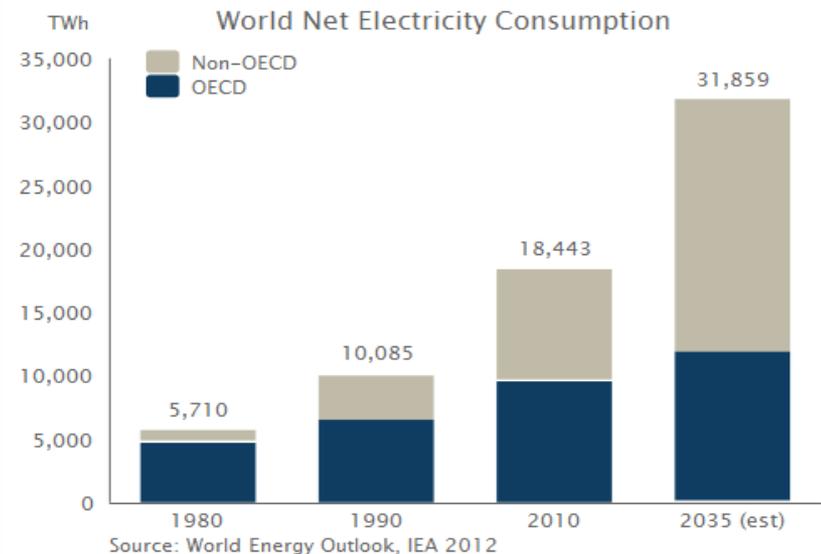
Drivers of our uranium strategy

- The ability to optimise gold resources (underground and on surface) through the incremental production of uranium using existing underground and surface infrastructure:
 - Cooke 3 and Cooke 4 Shafts
 - Beatrix West (Beisa)
 - WRTRP
- The pending uranium supply crises due to the predicted increase in nuclear energy, uncertain new production and depleting other secondary supply sources
- Sibanye will consider partnerships or acquisitions which support its ability to secure higher contract prices



Uranium market

- The uranium industry is driven by energy and electricity consumption
- Nuclear reactors provide 11% of the world's electricity
- Global electricity consumption is forecast to increase by 70% over the next 20 years and nuclear power is expected to satisfy a significant portion of new generation requirements
- There are over 430 commercial nuclear power reactors operable in 31 countries
- The price of uranium is determined by supply/demand fundamentals



- Demand is predictable and strong
 - WNA predicts a 48% increase in demand through to 2023 and a further 23% increase over the ensuing decade
 - by 2022 there will be 521 operating reactors compared to the 430 today, over 60 new reactors are under construction
 - much of the new build activity is occurring in developing countries such as South Korea, India and China
 - in China 30 reactors are likely to be under construction by end 2014



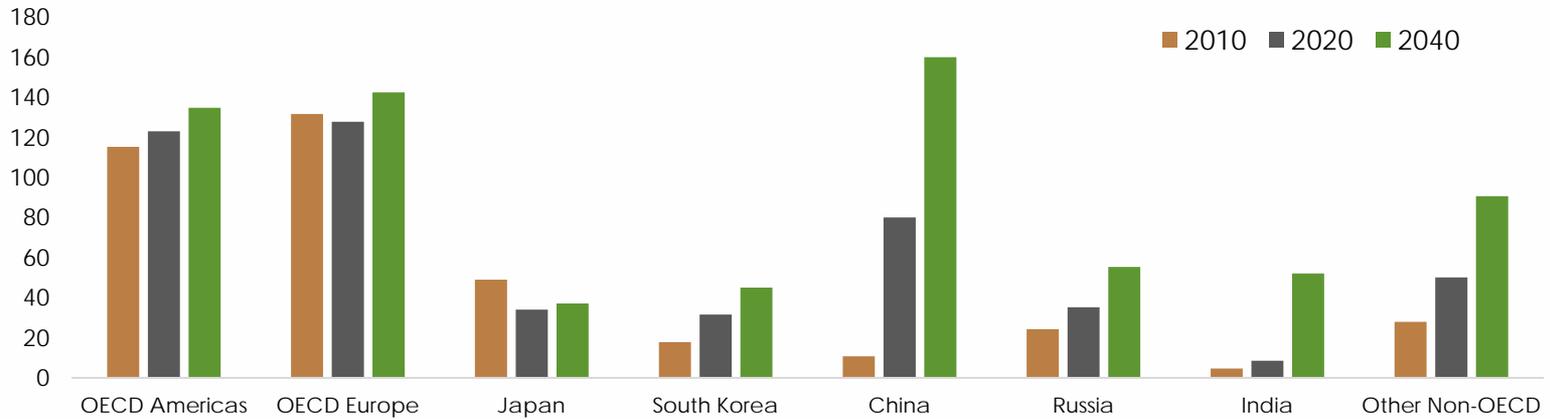
- Supply is uncertain
 - low uranium price threatens future mine supply with further closures, cancellations and deferrals of mining projects
 - less than 80Mlb of new production is sustainable at the current spot price
 - countries are strategically locking in reliable uranium sources
 - utilities are purchasing mining companies and operations to secure future requirements
 - secondary supply sources, that have been filling the gap between consumption and primary production are drying up



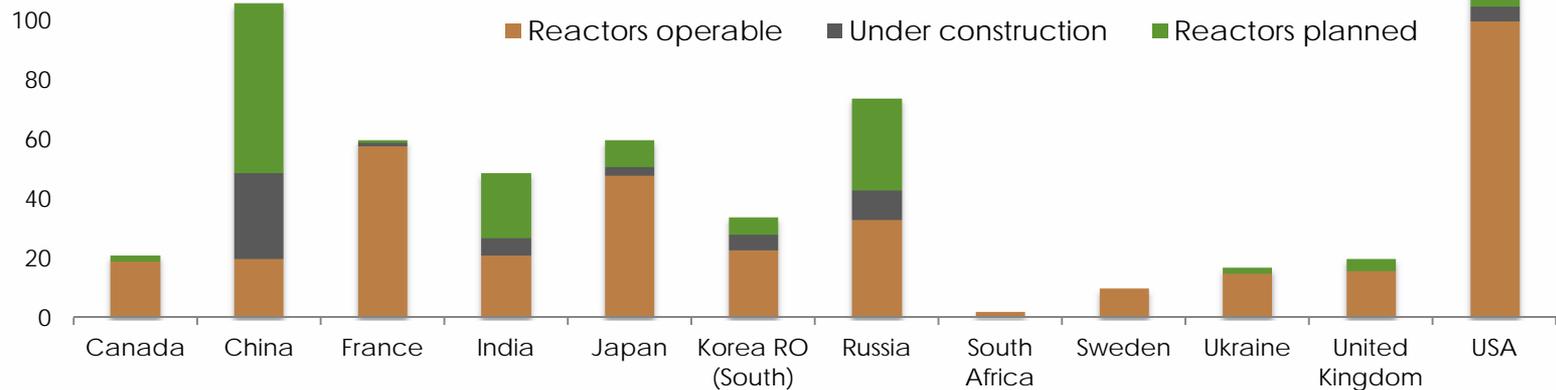
Predicted nuclear power demand



World nuclear electricity generation capacity, 2010, 2020, and 2040 (gigawatts)



Reactors under construction and planned



Source: U.S. Energy Information Administration International Energy Outlook 2013

Uranium price outlook

- Near term uranium prices have been influenced by:
 - the idling of Japans reactors, certain European countries reconsidering their build programmes and others such as Germany shutting some of their plants after the Fukushima disaster
 - utilities' requirements are well covered in the near term, so there has been little pressure to contract for new material
- The medium to longer term market fundamentals are strong. Price movement will be driven by:
 - a change in sentiment associated with the expected restart of Japans reactors
 - the need for utilities to contract for new material
 - less material from secondary sources

Uranium price



Source: UxC and TradeTech

The uranium price

- Unlike most commodities, uranium is not bought and sold on a commodities exchange, buyers and sellers negotiate agreements in private
- Utilities buy the majority of their uranium directly from suppliers
- Prices are researched and published by independent market consultants and are depicted as either 'spot' or 'long-term' prices
- The **Ux U₃O₈ spot price** includes conditions for delivery timeframe (three months) and quantity (>100 000 pounds).
- The **Ux U₃O₈ long-term price** includes conditions for escalation (from current quarter), delivery timeframe (24 months) and quantity flexibility (up to ±10%) considerations
- A spot market contract usually consists of just one delivery
- 85% of all uranium has been sold under long-term, multi-year contracts with deliveries starting one to three years after the contract is entered into
- Long-term contract terms range from 2 to 10 years, but typically run 3 to 5 years, with the first delivery occurring within 24 months of contract award

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We are One



QUESTIONS