Sibanye Gold Limited
Trading as Sibanye-Stillwater
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Incorporated in the Republic of South Africa
Share code: SGL
ISIN – ZAE000173951
Issuer code: SGL
("Sibanye-Stillwater","the Company" and/or "the Group")

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MEDIA RELEASE

SIBANYE-STILLWATER RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2017

- A transformative year characterised by material growth and the evolution of the Group into a unique, international precious metals company
- Group adjusted EBITDA of R9,045 million (US$680 million) despite a significantly lower rand gold price and lower gold production for the year
- SA Gold operations successfully restructured for sustainability
- 4E PGM production in SA ahead of guidance, with over R1 billion annual cost savings due to realised synergies
- Successful integration of Stillwater, with the Blitz project commissioned three months ahead of schedule
- Refinancing of US$2.65 billion Stillwater Bridge Facility successfully concluded
- Leverage improved from 2.7x at 30 June 2017 to 2.6x net debt to adjusted EBITDA[1] at 31 December 2017
- A capitalisation issue of 4 (four) new shares for every 100 (one hundred) held, maintaining our commitment to deliver industry leading returns to shareholders

Johannesburg, 22 February 2018: Sibanye-Stillwater (Tickers JSE: SGL and NYSE: SBGL) today reported operating and financial results for the 6 months ended 31 December 2017, delivering a strong operating and cost performance across the expanded Group in the second half of the year.

Both the SA gold and PGM operations delivered annual production above guidance and costs below the guided range. The cessation of mining at the loss-making Cooke operations, which was a primary reason for the year-on-year decline in gold production, is expected to reduce the all-in sustaining cost (AISC) for the gold operations in 2018 by approximately R15,000/kg (in 2017 terms).

The integration of the Rustenburg PGM operations exceeded expectations. The Rustenburg operations have consistently delivered solid production and improved financial results, with approximately R1 billion in cost savings and synergies realised in the first year of incorporation, well ahead of initial expectations of R800 million over three to four years.

The acquisition of Stillwater was fortuitously timed with the palladium price rising by over 60% since the acquisition was concluded. Subsequent to shareholders approving the acquisition in May 2017, the US$2.65 billion Stillwater Bridge Facility was successfully refinanced by an oversubscribed US$1 billion rights issue, maiden US$1.05 billion corporate bonds and through a low cost, US$450 million convertible instrument. The integration of the US PGM operations has also proceeded smoothly, with steady operating results and the critical Blitz project commissioned three months ahead of plan.

Neal Froneman, CEO of Sibanye Stillwater commented: "The solid results from both operating regions, reinforces the appropriateness of the decision made to restructure the business on a regional basis, in order to ensure role clarity and sustainable operational delivery. The SA PGM operations contributed R1.6 billion (US$120 million) (18%) to Group adjusted EBITDA in the first full year of incorporation, on the back of effective cost management assisted by improving PGM prices. This is a remarkable result from assets which, before being part of the Sibanye-Stillwater Group, had been delivering significant and sustained losses for many years. Moreover, the recently acquired US PGM operations contributed R2.1 billion (US$161 million) (24%) to Group adjusted EBITDA during the eight months since acquisition. Given the recent strength in the rand, which continues to impact on margins of all SA mining operations, this has provided welcome diversification and supports the impeccable timing of the acquisition."

Growth

On 14 December 2017, an all-share offer to acquire 100% of Lonmin was announced. The transaction, if successful, will complete the fourth step in Sibanye-Stillwater's PGM strategy, giving access to a world class processing business, enabling it to become a fully integrated PGM producer in South Africa, with long-term growth potential through Lonmin's advanced projects. This logical transaction will enable the realisation of significant synergies, which will bring greater stability to both the Lonmin and Sibanye-Stillwater's SA PGM operations.

In addition to the PGM transactions during the year, the proposed transfer of certain gold surface assets on the West Rand for a 38% shareholding in DRDGOLD Limited (DRDGOLD) and an option to acquire a majority stake, was announced on 22 November 2017. Again, this logical transaction will deliver immediate value from the West Rand Tailings Retreatment Project (WRTRP) while also providing future optionality without the need to incur significant capital investment.

Liquidity

Sibanye-Stillwater maintains its prudent approach to capital management, with balance sheet deleveraging and preservation of long term financial flexibility remaining key priorities. Net-debt (excluding the Burnstone Debt and including the US$450 million convertible derivative instrument) at 31 December 2017 was R23,176 million (US$1,875 million). There was a 7% reduction in net debt to adjusted EBITDA to 2.6x, compared with 2.7x at 30 June 2017. The Group also has sufficient liquidity with committed unutilised debt facilities of R3,653 million (US$296 million) at 31 December 2017.

In order to maintain adequate liquidity, the refinancing and upsizing of the US$350 million Revolving Credit Facility (RCF), maturing on 23 August 2018, has been launched. A term sheet has been executed with the two Bank coordinators who have each received credit approval for a US$100 million participation. We anticipate closing of the syndication during March 2018. The terms and conditions largely mirror the current US dollar RCF which is US$92 million drawn as at 31 December 2017. This will increase our available facilities by about US$250 million.

Capitalisation issue to shareholders

Consistent with the previous financial period, the Board has resolved to issue 4 capitalisation shares per 100 held, to shareholders, maintaining Sibanye-Stillwater's commitment to deliver industry leading returns to shareholders.

Conclusion

The political environment in South Africa has recently undergone substantial change. While structural changes are yet to be seen, general sentiment around the country's prospects for economic stability and growth is more positive. This has notably reflected in the strength of the local currency, which has appreciated by 6% against the dollar in 2018 to date and, remarkably, by 18% since the beginning of 2017.

At the same time though, dollar denominated precious metal prices have increased, and while the rand will continue to impact on industry margins, overall spot prices are generally higher than at the same time in 2017. While the political and regulatory outlook appears more positive, and suggests upside for the beleaguered mining industry, we continue to adopt a cautious and measured approach.

"Sibanye-Stillwater has undergone significant change and done so under challenging circumstances at what we believe to have been a low point in the precious metals commodity price cycle. Recent strength in precious metal prices, supported by improving market fundamentals, underpins our view. We are convinced that Sibanye-Stillwater offers fundamental value and is strategically positioned to benefit from any upside in precious metal prices," said Froneman.

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The securities have not been approved or disapproved by the US Securities and Exchange Commission, and state securities commission in the United States or any other US regulatory authority. Any representation to the contrary is a criminal offence in the United States.

FORWARD LOOKING STATEMENTS

This document includes "forward-looking statements" within the meaning of the "safe harbour" provisions of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of words such as "target", "will", "would", "expect", "anticipate", "plans", "potential", "can", "may" and other similar expressions that predict or indicate future events or trends or that are not statements of historical matters.

These forward-looking statements, including, among others, those relating to Sibanye-Stillwater's future business prospects, revenues and income, expected timings of the Stillwater transaction (including completion) (the Transaction), potential Transaction benefits (including statements regarding growth and cost savings) or information related to the Blitz Project, wherever they may occur in this document and the exhibits to this document, are necessarily estimates reflecting the best judgment of the senior management and directors of Sibanye-Stillwater, and involve a number of known and unknown risks and uncertainties that could cause actual results, performance or achievements of the Sibanye-Stillwater Group to differ materially from those suggested by the forward-looking statements. As a consequence, these forward-looking statements should be considered in light of various important factors, including those set forth in this document. Important factors that could cause the actual results to differ materially from estimates or projections contained in the forward-looking statements include, without limitation, economic, business, political and social conditions in South Africa, Zimbabwe and elsewhere; changes in assumptions underlying Sibanye's estimation of its current Mineral Reserves and Resources; the ability to achieve anticipated efficiencies and other cost savings in connection with past and future acquisitions, as well as at existing operations; the ability of Sibanye-Stillwater to successfully integrate acquired businesses and operations (whether in the gold mining business or otherwise) into its existing businesses; Sibanye-Stillwater's or Stillwater's ability to complete the Transaction; the inability to complete the Transaction due to failure complete any conditions; Sibanye-Stillwater's ability to achieve anticipated efficiencies and other cost savings in connection with the Transaction; the success of Sibanye-Stillwater's business strategy and changes thereto, exploration and development activities; the ability of Sibanye-Stillwater to comply with requirements that it operate in a sustainable manner; changes in the market price of gold, platinum group metals (PGMs) and/or uranium; the occurrence of hazards associated with underground and surface gold, PGMs and uranium mining; the occurrence of labour disruptions and industrial action; the availability, terms and deployment of capital or credit; 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 interpretations thereof which may be subject to dispute; the outcome and consequence of any potential or pending litigation or regulatory proceedings or other environmental, health and safety issues; power disruptions, constraints and cost increases; supply chain shortages and increases in the price of production inputs; fluctuations in exchange rates, currency devaluations, inflation and other macro-economic monetary policies; the occurrence of temporary stoppages of mines for safety incidents and unplanned maintenance; Sibanye-Stillwater'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; failure of Sibanye-Stillwater's information technology and communications systems; the adequacy of Sibanye-Stillwater's insurance coverage; any social unrest, sickness or natural or man-made disaster at informal settlements in the vicinity of some of Sibanye-Stillwater's operations; and the impact of HIV, tuberculosis and other contagious diseases. Further details of potential risks and uncertainties affecting Sibanye-Stillwater are described in Sibanye-Stillwater's filings with the JSE and the SEC, including in Sibanye-Stillwater's Integrated Annual Report 2016 and Annual Report on Form 20-F, for the fiscal year ended 31 December 2016. These forward-looking statements speak only as of the date of this document.

The Sibanye-Stillwater Group undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events, except as required by law.