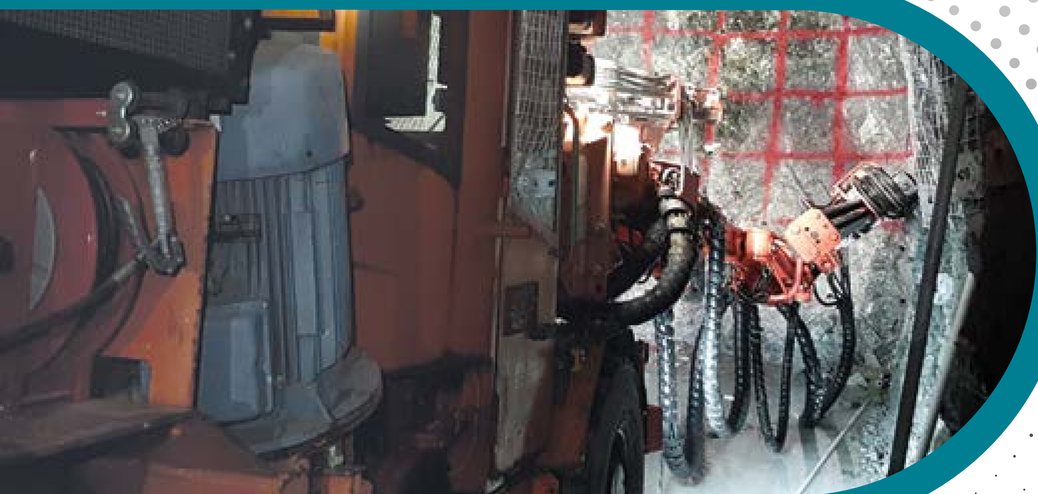
OUR MINING IMPROVES LIVES

INTEGRATED ANNUAL REPORT

2018



SALIENT POINTS 2018

41%*

Improvement in safety in the second half of the year, relative to first half regression

- Committed approach to safety – zero harm goal – that is holistic and values-driven
- Established the Global Safe Production Advisory Panel of leading academics
- Significant improvement in H2 continues in 2019 – 7 million fatality-free shifts achieved by Group

84%

Combined contribution by our PGM operations to adjusted EBITDA

- Benefits of strategic commodity and geographic diversification clearly evident
- 50% contribution from the US PGM operations – up from 24% in 2017 – given their inclusion for the full year
- Substantial increase in SA PGM operations' contribution to 34% owing to improved rand PGM basket price and solid performance

10%

Growth in revenue

- Solid contribution from PGM operations offsets under-performance at SA gold operations

67%

Decline in level 3 and higher environmental incidents

- Declined to six in 2018 from 18 in 2017
- A result of improved environmental management

** Fatal injury frequency rate*

Our full set of 2018 reports, produced for the financial year from 1 January 2018 to 31 December 2018, covers Sibanye-Stillwater's progress and achievements in delivering on our strategic objectives and commitment to creating stakeholder value. This integrated report should be read in conjunction with:

MINERAL RESOURCES AND MINERAL RESERVES REPORT 2018

SUMMARISED REPORT AND NOTICE OF ANNUAL GENERAL MEETING 2018

ANNUAL FINANCIAL REPORT 2018

COMPANY FINANCIAL STATEMENTS 2018

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section 01 introduction

We introduce Sibanye-Stillwater, explaining who we are, what we do, the context in which we operate, our aims and the stakeholders with whom we engage

ABOUT THIS REPORT

APPROACH AND PHILOSOPHY

This integrated report, our primary report to stakeholders, adopts an integrated approach to describing the operational, financial and sustainability performance (*see Five-year statistical review*) and activities of Sibanye Gold Limited (trading as Sibanye-Stillwater), for the period from 1 January 2018 to 31 December 2018.

This report is intended to assist stakeholders to make informed decisions on Sibanye-Stillwater's ability to create sustained value in the long term. It provides insight into our strategy, our business and performance, and the progress made in delivering on our strategic objectives and our commitment to creating stakeholder value over the past year. We report on those matters we consider to be most material to Sibanye-Stillwater's sustainability, operational, financial and strategic performance. Underlying this is our commitment to ensuring that our decisions are made according to, and underpinned by, our CARES values.

This integrated report complies with the International Integrated Reporting Council's framework on integrated reporting, the King IV Report on Corporate Governance for South Africa, 2016 (King IV), and the South African Companies Act 71 of 2008 (as amended).

In compiling this report we have aligned with the Global Reporting Initiative (GRI) Standards and have taken into account the International Council on Mining and Metals (ICMM) guiding principles as well as the 10 Principles of the United Nations Global Compact. The report on our disclosure in terms of the GRI Standards is available at www.sibanyestillwater.com, together with the complete list of frameworks, guidelines and requirements which have been applied in compiling this report.

In this report, we attempt to provide stakeholders with relevant information that would enable an assessment of the way our mining activities in 2018 created value, improved lives and achieved other strategic objectives. In so doing, we give an account of challenges encountered and successes achieved, the impact of our activities, and of those factors and risks, both in the external environment and internally, that have had an impact on our ability to achieve our strategic objectives and to create superior value in the past year. The process to determine the most material of these risks, together with identifying our opportunities, is described in *Managing our risks and opportunities*.

In addition, a Form 20-F is filed with the United States SEC. In producing this suite of reports and the Form 20-F for 2018, Sibanye-Stillwater has complied with the listings requirements of the exchanges on which we are listed, namely the Johannesburg Stock Exchange (JSE) and the New York Stock Exchange (NYSE).

SCOPE AND BOUNDARY

The scope and boundary of this report take into account the Group's organisational structure (*see Corporate profile*) implemented to enhance and ensure delivery on our strategic operating objectives. Annual comparative data is provided where applicable. For the 2018 financial year, annual data is provided where possible by region, type of operation and at group level. Note that the annual data provided at group-level for 2014 and 2015 in this report is comparable to that for the South Africa (SA) gold operations for 2016-2018. Where data for previous years has been restated, this is indicated.

Any material events occurring post year-end and before the date of approval by the Board are reported in this report.

AUDIENCE

While the principal audience for this report is investors and shareholders, we recognise that there are other stakeholders who have varied and specific information requirements, many of which we address, despite not producing a separate sustainable development report. Instead all non-financial reporting is either included in this integrated report or is available on the website, where referenced.

This report is intended to enable stakeholders to determine whether the material issues identified will affect the sustainability of Sibanye-Stillwater's business and its ability to create and sustain value in the short, medium and long term.

ASSURANCE

Sibanye-Stillwater's internal audit function provides an objective evaluation of the Group's internal control processes and systems devised to mitigate business risks and has ensured the accuracy of the information presented.

Internal audit is a management function.

Independent external assurance provider, KPMG Services Proprietary Limited (KPMG Services), provided limited assurance on selected sustainability performance indicators in accordance with the International Standards on Assurance Engagements (ISAE) 3000. KPMG Services' Statement of Assurance can be found on page 207.

STATEMENT OF DIRECTORS' ACCOUNTABILITY AND COMMITMENT

As required by King IV, our Board acknowledges its responsibilities in relation to good governance, ethical leadership and responsible corporate citizenship. Good, ethical governance is integral to value creation and the board applies the principles of King IV to govern, create, sustain and grow the company. Value creation is an integrated, complex process and our reporting reflects this.

The Board, supported by the Audit Committee, has ultimate responsibility for this integrated report and for overseeing and ensuring the integrity and completeness of the information presented.

The Board, having applied its collective mind and expertise, has determined that the information presented in this report represents a fair and transparent review of Sibanye-Stillwater, its principal material matters, its current profile and performance, and its ability to create value in the short, medium and long term.

This integrated report, which is presented in line with the International Integrated Reporting Framework, was approved for release to stakeholders, by the Board, on 29 March 2019 and signed on its behalf by:

Sello Moloko
Chairman

Neal Froneman
CEO

Charl Keyter
CFO

Keith Rayner
Audit Committee: Chairman

Barry Davison
Safety and Health Committee: Chairman

Timothy Cumming
Remuneration Committee: Chairman

Jerry Vilakazi
Social and Ethics Committee: Chairman

Richard Menell
Risk Committee: Chairman

CORPORATE PROFILE

Sibanye-Stillwater is an independent, global, precious metals mining company producing a unique mix of metals that includes platinum group metals (PGMs) and gold.

Globally, Sibanye-Stillwater is the largest primary producer of platinum* and the second-largest palladium* producer. It is also the second-largest producer of gold from South Africa.

Domiciled and with its head office in South Africa, Sibanye-Stillwater owns and operates a portfolio of high-quality global operations, processing facilities and projects made up as follows:

United States (US) PGM operations

The East Boulder and the Stillwater (including Blitz) mines are located in Montana, in the United States. The Columbus Metallurgical Complex, which smelts the material mined to produce PGM-rich filter cake, also recycles PGMs from autocatalysts.

Southern Africa (SA) PGM operations

The Kroondal, Rustenburg and Platinum Mile operations are located on the western limb of the Bushveld Complex in South Africa, while the Mimosa joint venture is situated on the southern portion of the Great Dyke in Zimbabwe. Platinum Mile is a retreatment facility, which reprocesses arisings from Rustenburg.

South Africa (SA) gold operations

The Driefontein, Kloof and Cooke surface operations and associated processing facilities are located on the West Rand of the Witwatersrand Basin, while Beatrix is in the southern Free State goldfields. Sibanye-Stillwater also has an interest in surface tailings retreatment facilities located from the East Rand to the West Rand through our 38.05% stake in DRDGOLD Limited (DRDGOLD).

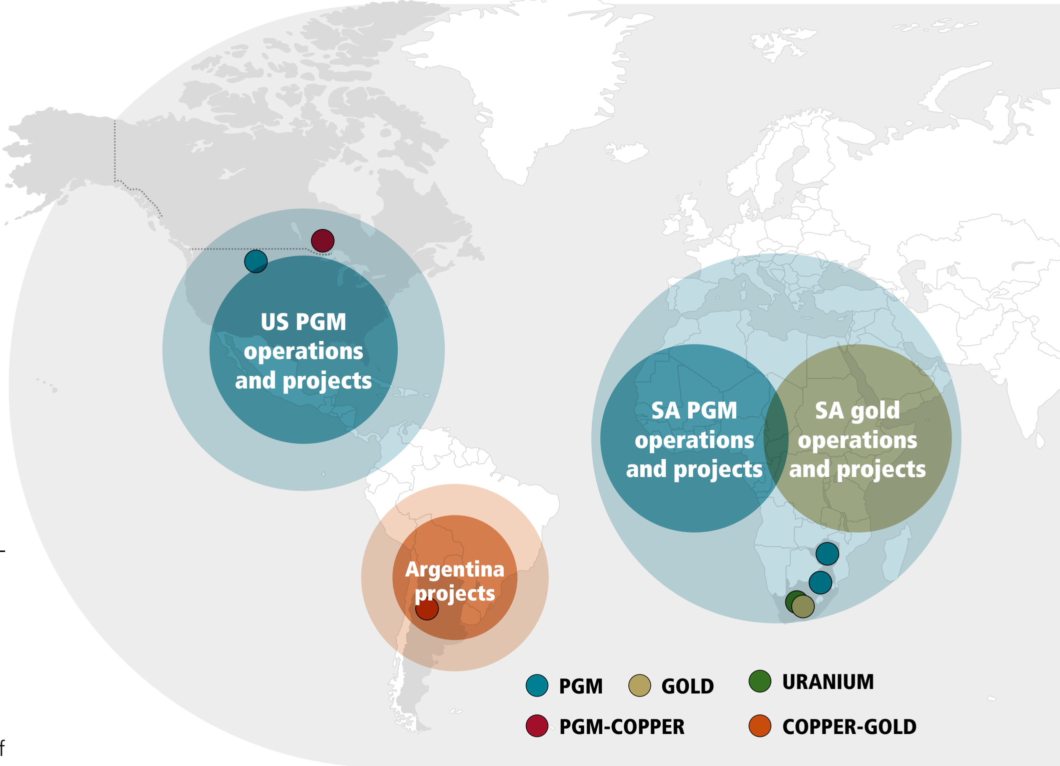
Projects

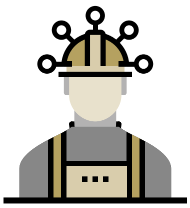
Our projects include:

- The Marathon PGM project in Ontario, Canada
- The Altar and Rio Grande copper-gold projects in the Andes in north-west Argentina, close to the Chilean border
- The Hoedspruit, Zondernaam and Vygenhoek, PGM projects in South Africa
- The Burnstone and the southern Free State gold projects in South Africa

** Including proforma of the Lonmin transaction*

LOCATION OF OUR OPERATIONS AND PROJECTS





OPERATING FRAMEWORK

Our operating framework is underpinned by strong, ethical corporate governance that is based on the principles of accountability, transparency, competence, responsibility, fairness and integrity, which are fundamental to the long-term sustainability of our business and to sustained value creation for all stakeholders. These principles, which are implicit in and integral to our CARES values, are applied in the management of our business and in engaging with and reporting to shareholders and other stakeholders. Our governance structures, processes and policies, together with our code of ethics, underpin execution of our strategy and support our business model.

OUR HISTORY

Following the unbundling by Gold Fields of its South African gold assets (other than South Deep) in 2013 to form Sibanye Gold Limited, the Company has transformed geographically and by metal produced – from being a South African gold mining company to an internationally competitive, diversified precious metals miner producing gold and the full suite of PGMs.

With the acquisition of the Stillwater Mining Company in May 2017, Sibanye Gold was rebranded as Sibanye-Stillwater.

In line with our strategy, we have continued to advance the proposed acquisition of Lonmin plc (Lonmin), which was initially announced towards the end of 2017.

Sibanye-Stillwater also has a 38.05% stake in DRDGOLD, following the vending of certain of Sibanye-Stillwater's surface gold tailings facilities and processing assets into that company. DRDGOLD is a world leader in the retreatment of gold tailings.

OPERATIONAL PROFILE
A SNAPSHOT

US PGM operations

	Units	2018	2017
No. of operating mining units [1]		**2**	2
Production of mined PGMs	2E Moz	**0.59**	0.38
Contribution to group PGM production	%	**34**	21
Contribution to group revenue	%	**31**	20
Contribution to adjusted EBITDA [2]	%	**50**	24
Mineral Reserves	2E Moz	**25.6**	21.9
Fatalities		**0**	0
LTIFR [3]	Per million hours worked	**9.97**	7.80

SA PGM operations

	Units	2018	2017
No. of operating mining units [4]		**4**	4
Production of mined PGMs	4E Moz	**1.2**	1.2
Contribution to group PGM production	%	**66**	68
Contribution to group revenue	%	**30**	29
Contribution to adjusted EBITDA [2]	%	**34**	18
Mineral Reserves	4E Moz	**20.4**	22.4
Fatalities		**3**	2
LTIFR [3]	Per million hours worked	**4.68**	4.69

SA gold operations

	Units	2018	2017
No. of operating mining units [5]		**4**	4
Production of gold	Moz	**1.2**	1.4
Contribution to group revenue	%	**39**	51
Contribution to adjusted EBITDA [2]	%	**16**	59
Mineral Reserves	Moz	**16.6**	25.7
Fatalities		**21**	9
LTIFR [3]	Per million hours worked	**6.52**	6.33

[1] *Includes Stillwater and East Boulder mines*

[2] *The Group reports adjusted earnings before interest, taxes, depreciation and amortisation (EBITDA) based on the formula included in the facility agreements for compliance with the debt covenant formula. For a reconciliation of profit/loss before royalties and tax to adjusted EBITDA, refer to the relevant notes in the condensed consolidated interim financial statements*

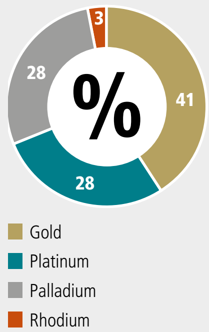
[3] *Lost-time injury frequency rate*

[4] *Includes Kroondal (50% attributable pool and share agreement with Anglo American Platinum), Rustenburg operation, Platinum Mile (91.7% stake in this operation which treats chrome tailings to recover PGMs) and Mimosa (50:50 joint venture with Impala Platinum Holdings which manages this operation)*

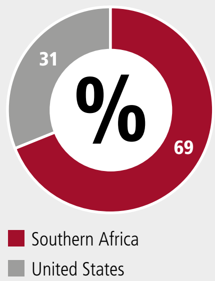
[5] *Includes Driefontein, Kloof, Beatrix, Cooke surface sources and DRDGOLD*

[6] *Excludes ounces from recycling operation*

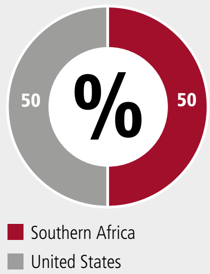
Production by metal[6] (2018)



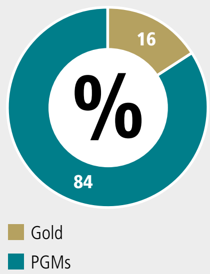
Revenue contribution (2018)



Geographic contribution to adjusted EBITDA[2] (2018)



Contribution to adjusted EBITDA by metal (2018)



CORPORATE PROFILE CONTINUED

LISTINGS AND SHAREHOLDER INFORMATION

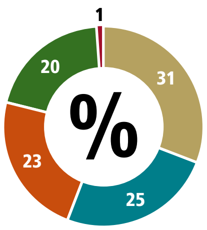
Sibanye-Stillwater has its primary listing on the JSE, South Africa, where it is included in the FTSE/JSE Responsible Investment Index. The company is also listed on the NYSE, with its shares quoted as American Depositary Receipts (ADRs).

For further details, see *Shareholder engagement* as well as our corporate website, *www.sibanyestillwater.com.*

As at 31 December 2018:

- Our biggest shareholder was Gold One at 20.06% while the three largest institutional shareholders were the Public Investment Corporation (9.87%), Exor Investments UK (8.15%) and Investec Asset Management (5.00%)
- Our market capitalisation was R22.7 billion (US$1.6 billion) (2017: R34.3 billion; US$2.8 billion) (2016: R23.6 billion; US$1.7 billion)

Geographic distribution of shareholders



- United States
- South Africa
- Europe (including United Kingdom)
- China (Gold One)
- Rest of the world

OUR PRODUCTS

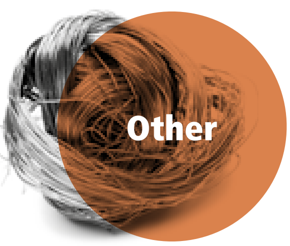
At our PGM operations in South Africa and Zimbabwe, the primary PGMs produced are platinum, palladium and rhodium, which together with gold, are referred to as 4E (3PGM+Au). Production by ratio is approximately 58% platinum (Pt), 32% palladium (Pd), 8% rhodium (Rh) and 2% gold (Au). The PGM-bearing ore mined here is processed to produce PGMs-in-concentrate, which is currently processed and refined by third parties.

The US PGM operations primarily produce palladium and platinum (78% palladium and 22% platinum), referred to as 2E (or 2PGM). The PGM-bearing ore mined is processed and smelted to produce a PGM-rich filter cake. A third party refines the filter cake to produce refined PGMs.

The major sources of demand for PGMs are for use in autocatalysts and jewellery. Combined, these two areas accounted for around 69%* of gross platinum and palladium demand in 2018. Autocatalysts alone accounted for 40%* of gross platinum demand and for 85%* of gross palladium demand in 2018.

Sibanye-Stillwater mines, extracts and processes gold-bearing ore at its SA gold operations to produce a beneficiated product, doré, which is then refined at Rand Refinery Proprietary Limited into gold bars with a purity of at least 99.5% in accordance with the London Bullion Market Association's standards of Good Delivery. Sibanye-Stillwater holds a 44% interest in Rand Refinery, one of the largest refiners of gold globally, and the largest in Africa. Rand Refinery markets and sells refined gold on international markets to customers around the world.

The main sources of demand for gold are as a store of value (such as central bank holdings), as an investment (exchange traded funds, bars and coins), jewellery and for various industrial purposes.



At our PGM operations in both regions, the minor PGMs – iridium and ruthenium – are produced as co-products. They, together with the three primary PGMs, are referred to as 6E (5PGM+Au).

In addition, at the SA region's PGM operations, nickel, copper and chrome, among other minerals, are produced as by-products.

** Source: Johnson Matthey*

OUR PURPOSE, VISION AND STRATEGY

We care about safe production, our stakeholders, our environment, our company and our future, and live our values. Our values underpin all that we do – all the decisions we make, how we conduct our business, our actions and behaviour.

OUR PURPOSE

Our mining improves lives

OUR VISION

Superior value creation for all our stakeholders through the responsible mining and beneficiation of our mineral resources

OUR STRATEGY

To deliver on our vision and purpose, we aim to consolidate and strengthen our competitive position as a leading international precious metals company

(see *Delivering on our strategy*)

OUR STRATEGY

DELIVERING ON OUR STRATEGY

We have defined five strategic focus areas, designed to strengthen our position as a leading, international precious metals mining company. Our strategic focus is on creating stakeholder value.

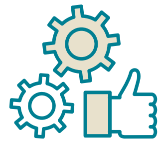
We aim to do this by seeking to ensure that we have in place a values-based organisational culture that:

- supports our strategy
- focuses on employee safety and health as well as operational excellence
- ensures consistent delivery on our commitments
- is led from the top by a trusted, high-performing leadership

Our aim is to position Sibanye-Stillwater optimally in global capital markets to enable us to deliver on our strategy and to pursue value-accretive growth. In recent years, strategic development has encompassed diversification by commodity and by region.

Timeline of value-accretive growth

April 2016:	Initial foray into the SA PGM sector with acquisition of Aquarius Platinum (Kroondal, Mimosa and Platinum Mile)
November 2016:	Followed by acquisition of our Rustenburg operations Delivered ~R1 billion of annual synergies from these two transactions, well ahead of schedule
May 2017:	Entry into US PGM sector with acquisition of Stillwater Mining Company
December 2017:	Announced proposed acquisition of Lonmin – significant potential synergies with existing SA PGM operations and aligned with our mine-to-market strategy (completion expected during 2019)
February 2019:	Acquisition of SFA (Oxford) announced – will contribute institutional knowledge of the broader fundamentals and outlook for PGMs and high-tech metals and their use in future technologies



01 Establishing a values-based culture

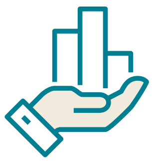
See CEO's review

02 Focus on safe production and operational excellence

See Delivering value from operations, projects and technology, Ensuring safe production, and Occupational health and well-being

03 Deleveraging our balance sheet

See CFO's report



04 Addressing our South African discount

See CFO's report

05 Pursuing value-accretive growth

See CEO's review and Delivering value from operations, projects and technology

2018: What we did	Rating	2019: What we plan to do
• Emphasised our core CARES values, which also underpin our enhanced safety strategy and framework • Emphasised the importance of leadership's example in living our values		• Grow leadership capability to foster culture of CARES, based on trust • Strengthen our values-based decision making culture • Advance strengths of leadership personnel • Ensure continued robustness of leadership succession plans
• Enhanced senior leadership structure to better support production delivery and drive organisational priorities • Secured strong adjusted EBITDA ahead of expectations from our PGM operations accounting for 84% of Group adjusted EBITDA in 2018 • Enhanced safety framework and restored our benchmark safety record in medium to deep-level hard-rock mining following aberrational safety incidents in the first half of 2018 • Continued Blitz production ramp-up		• Continue to entrench enhanced safety strategy and framework • Reposition SA gold operations for sustained profitability and growth • Maintain positive performance at PGM operations in South Africa and the United States and sustain Blitz ramp-up • Make progress towards increased formal accreditation under responsible mining codes and strengthening our environmental, social and governance (ESG) credentials • Encourage leadership qualities necessary to achieve innovative operating and leadership excellence
• Concluded stream financing agreement, providing an alternative source of financing to buy-back bonds, which reduced debt repayment obligations and annual coupon costs significantly • Refinanced and increased revolving credit facility to improve liquidity		• Generate strengthened cash flow through focus on operating effectiveness and business improvement, in particular leveraging off opportunities enabled through digitalisation, in a strengthening commodity price environment • Transition to toll refining arrangement at our SA PGM operations boosting revenue and cash flow • Target 1.5x for the net debt to adjusted EBITDA ratio
• Our geographic diversification has resulted in an increasing portion of our adjusted EBITDA being generated outside of South Africa – 50% in 2018 versus 24% in 2017 – a consequence of the growing significance of the US PGM operations within the Group • Improvements in policy quality and regulatory certainty have been secured in the South African mining sector as evidenced by the 2018 Fraser Survey findings		• Enhance the operating context for effective safe production delivery, building on commitments to competitiveness, growth and transformation through meaningful social compacting in an improving policy and regulatory environment
• Consolidated benefits derived from acquisitions with a balanced commodity and geographic footprint • Lonmin transaction progressed towards conclusion as the fourth step of our PGM strategy to provide full mine to metal access in South Africa • Concluded transaction to acquire 38.05% of DRDGOLD through the vending of certain surface sources to DRDGOLD thus retaining optionality to their upside • Progressed acquisition of SFA (Oxford) to enhance access to strategic market intelligence around powertrain evolution, energy trends and related minerals		• Conclude the Lonmin acquisition and secure benefits of integration and mine to metal access • Prepare for future strategic growth opportunities by: – Deepening investigation into potential of high-tech metals – Crystallising target acquisition pipeline

Good Unchanged More work to be done

HOW WE CREATE VALUE – OUR BUSINESS MODEL

We create and share value to improve lives through our business activities. In so doing, we invest in and optimise the responsible use of our capital inputs, to ensure sustained value creation in the long term.

A strong, principled governance framework, underpinned by our values and Code of Ethics, ensures responsible conduct of our business, secures our licence to operate and supports our aim to deliver sustainable value and ensure our long-term sustainability.

GOVERNANCE

RESOURCE INPUTS

HUMAN CAPITAL AND INTELLECTUAL CAPITAL

- Skilled, motivated workforce
- Training and development
- Strong, committed leadership
- Service providers and contractors

Challenge: Employee safety, organised labour disputes, requisite skills and productivity levels

FINANCIAL CAPITAL

- Equity, debt and cash flow
- Applied to enhance other resource inputs
- Efficient capital management and allocation

Challenge: Subdued commodity prices, exchange rate volatility and cost of capital

NATURAL CAPITAL

- Economically viable orebodies
- Land, water and energy consumed

Challenge: Scarcity of viable orebodies, water and energy, environmental impact and compliance

SOCIAL AND RELATIONSHIP CAPITAL

- Positive, constructive stakeholder relations ensure we maintain our licence to operate
- Honest, transparent, regular engagement based on trust
- Thoughtful and ethical procurement
- Investor and financial institution confidence

Challenge: Community activism and expectations

MANUFACTURED CAPITAL

- Six PGM and four gold mining operations in two geographic areas together with associated infrastructure, plant and equipment
- Optimising processes to ensure cost-efficient operations
- PGM recycling facility
- Projects at various stages of prospecting and development

Challenge: Workplace safety, eliminating harm and containing costs

PRIMARY BUSINESS ACTIVITIES

- Developing and mining of underground and surface resources
- Processing and refining (including PGM recycling)
- Sale of end products and financial management
- Environmental management, land rehabilitation and mine closure
- Management of stakeholder relations

MATERIAL RISKS

- Government action
- Socio-political instability and unrest in South Africa
- Safety incidents and breaches of safety policies
- Mining Charter outcome and Mineral and Petroleum Resources Development Act amendments
- Under-delivery on plans
- Significant PGM, gold and other commodity price decreases
- Global economic downturn or strengthened US economy
- Financial covenants and net debt
- Organised labour
- Change in regulatory requirements

Our Board:
- sets and guides strategy and strategic objectives and oversees policy
- has ultimate accountability for Sibanye-Stillwater's conduct as an ethical, responsible corporate citizen

FACTORS AFFECTING VALUE CREATION

What we can control
- Grade and volumes mined safely
- Operational efficiency
- Cost management
- Stakeholder relationships

What is beyond our control
- Rand-dollar exchange rate
- Commodity prices and demand fundamentals
- Regulatory changes
- Geopolitics and state of the global economy
- Power supply insecurity
- Seismic events

FACTORS SUPPORTING VALUE CREATION

- Strength and quality of our leadership teams
- Employee skills and expertise
- Product diversity
- Regional diversity

RESOURCE OUTPUTS AND OUTCOMES 2018

HUMAN CAPITAL AND INTELLECTUAL CAPITAL
- Employed 64,906 (2017: 66,472) people
- R559 million (2017: R532 million) spent on employee training and development
- Continued focus on safe production and adoption of Zero Harm Strategic Safety Framework

FINANCIAL CAPITAL
- Generated revenue of R50 billion (2017: R46 billion)
- Borrowings of R25 billion (2017: R26 billion) at year end

NATURAL CAPITAL
- Mined 54.5Mt (2017: 46.1Mt) of ore and produced 1.2Moz (2017: 1.4Moz) of gold, 1.18Moz (2017: 1.19Moz) of 4E PGMs and 0.59Moz (2017: 0.38Moz) of 2E PGMs
- 6 (2017: 18) level 3 and higher environmental incidents
- 56,000ML (2017: 55,000ML) of water used
- Carbon intensity of 0.14t CO_2e (2017: 0.13t CO_2e) per tonne milled

SOCIAL AND RELATIONSHIP CAPITAL
- Concerted effort to improve stakeholder engagement and relations at our operations
- Social compact introduced

MANUFACTURED CAPITAL
- Progressed proposed acquisition of Lonmin
- Maintenance of infrastructure

DISTRIBUTION OF VALUE CREATED IN THE GROUP

EMPLOYEES	SUPPLIERS	GOVERNMENT	COMMUNITIES	SUSTAINING AND GROWING THE BUSINESS	INVESTORS/ CAPITAL PROVIDERS
• Paid R15.7bn (2017: R15.3bn) in salaries and wages • R559m (2017: R532m) on training and development	• Spent R29.3bn (2017: R23.6bn) on procurement in the Group* • R10.8bn (2017: R10.6bn) of procurement spend in South Africa was with BEE companies	• Paid R542m (2017: R899m) in taxes and royalties • Paid R2.5bn (2017: R2.7bn) in personal income tax on behalf of employees in SA	• Invested R1.4bn (2017: R1.2bn) in socio-economic development and CSI	• Growth project capital expenditure of R2.3bn (2017: R1.5bn) • Sustaining capital expenditure and ore reserve development of R4.8bn (2017: R4.6bn)	• Reduced net debt: adjusted EBITDA from 2.6x to 2.5x

* *Procurement expenditure reflects cost of sales including transaction costs, capital expenditure and other sundry costs, but excluding employee costs, utilities, amortisation and depreciation. 2018 is higher due to 12 months inclusion of the US PGM operations compared to 8 months inclusion in 2017 since the acquisition.*

FIVE-YEAR STATISTICAL REVIEW

Our performance statistics for the year ended 31 December 2018, elaborated in our suite of reports, are listed in this table.

SUSTAINABLE DEVELOPMENT STATISTICS

		2018				2017			
		Group	US operations	SA operations		Group	US operations	SA operations	
	Unit		PGM	PGM	Gold		[1] PGM	PGM	Gold
Employment									
Salaries and wages paid	R million	**15,710**	**2,583**	**5,483**	**7,645**	15,323	1,599	5,724	8,000
Employee costs share % of cost of sales before amortisation and depreciation	%	**38**	**22**	**45**	**43**	42	23	49	45
No. of employees including contractors – Total [4]		**64,906**				66,472			
Female representation in the workforce	%	**13**	**8.5**	**15**	**12**	13	7	14	12
Safety									
No. of fatalities		[5] **24**	**0**	**3**	**21**	11	0	2	9
Lost-time injury frequency rate (LTIFR) [6]		[5] **5.89**	**9.97**	**4.68**	**6.52**	5.78	[7] 7.80	4.69	[7] 6.33
Medically treated injury frequency rate (MTIFR) [6,8]		[5] **2.69**	**24.51**	**1.95**	**2.32**	2.60	24.65	2.44	[7] 2.26
Health									
No. of cases reported:									
Silicosis [9]		[5] **165**	**NA**	**106**	**59**	261	NA	68	193
Noise-induced hearing loss (NIHL) [10]		[5] **243**	**0**	**167**	**76**	193	0	100	93
Chronic obstructive airways disease		[5] **70**	**NA**	**41**	**29**	50	0	13	37
Cardiorespiratory tuberculosis (TB) – new and retreatment cases		[5] **480**	**NA**	**155**	**325**	570	NA	148	422
TB incidence – new and relapse cases		[5] **539**	**NA**	**157**	**382**	623	NA	148	475
Highly-active antiretroviral treatment (HAART) patients on treatment and in active employment	Number	[5] **9,745**	**NA**	**3,090**	**6,655**	9,761	NA	3,133	6,628
HIV prevalence of employees	%	[5] **4**	**NA**	**1**	**8**	6	NA	1	10

		2016			2015	[3] 2014
		Group	SA operations		SA operations	SA operations
	Unit		[2] PGM	Gold	Gold	Gold
Employment						
Salaries and wages paid	R million	9,276	1,483	7,793	7,345	6,665
Employee costs share % of cost of sales before amortisation and depreciation		45	44	45	45	47
No. of employees including contractors – Total [4]		74,531			46,269	44,411
Female representation in the workforce	%					
Safety						
No. of fatalities		14	2	12	7	12
Lost-time injury frequency rate (LTIFR) [6]		6.62	4.84	6.99	6.74	5.87
Medically treated injury frequency rate (MTIFR) [6,8]		3.85	5.72	3.47	3.60	3.37
Health						
No. of cases reported:						
Silicosis [31]		240	89	151	186	264
Noise-induced hearing loss (NIHL) [10]		188	62	126	105	138
Chronic obstructive airways disease		46	16	30	57	45
Cardiorespiratory tuberculosis (TB) – new and retreatment cases		707	73	634	744	832
TB incidence – new and relapse cases		707	[23] 73	634	744	832
Highly-active antiretroviral treatment (HAART) patients on treatment and in active employment	Number	9,925	3,545	6,380	5,750	5,283
HIV prevalence of employees	%	8	4	13	22	21

FIVE-YEAR STATISTICAL REVIEW CONTINUED

SUSTAINABLE DEVELOPMENT STATISTICS CONTINUED

		2018				2017			
		Group	US operations	SA operations		Group	US operations	SA operations	
	Unit		PGM	PGM	Gold		[1] PGM	PGM	Gold
Environment									
Cyanide consumption	000t	**3,450**	**NA**	**NA**	**3,450**	7,552	NA	NA	7,552
Total CO_2e emissions:									
Scope 1 and 2 [11]	000t	[5] **5,666**	**141**	**1,442**	**4,083**	6,598	215	1,616	4,766
Scope 3 [12]	000t	[5] **2,157**	**569**	**995**	**593**	2,539	544	980	1,016
Emissions intensity [13]	tCO_2e/t milled	**0.14**	**0.11**	**0.07**	**0.24**	0.13	0.01	0.06	0.25
SO_2 emissions [14]	tonnes	**660**	[5] **4.4**	**197**	**459**	611	6	200	405
Electricity consumed	TWh	[5] **5.60**	**0.32**	**1.49**	**3.79**	6.01	0.24	1.61	4.16
Diesel	TJ	[5] **1,003**	**314**	**481**	**208**	853	179	460	214
Total water withdrawn	000ML	[5] **126**	**4**	**16**	**106**	126	2	14	109
Water used [15]	000ML	**56**	**1.2**	**16**	**39**	55	1	14	40
Water use intensity	kL/t treated	**1.35**	[17] **0.35**	**0.78**	**2.23**	1.32	[17] 0.43	[21] 0.69	2.10
Environmental incidents: level 3 and higher	Number	[5] **6**	**1**	**3**	**2**	18	6	3	9
Gross rehabilitation liabilities	R billion	**7.77**	**0.67**	**2.83**	**4.27**	7.46	0.56	2.72	4.18
HDSA representation (South Africa) [22]									
Top management (Board)	%	[5] **46**				45			
Senior management (Executives)	%	[5] **36**				40			
Middle management (E band)	%	[5] **40**	**NA**	**33**	**43**	36	NA	38	35
Junior management (D band)	%	[5] **49**	**NA**	**52**	**48**	50	NA	53	49
Social and procurement spend [22]									
Total socio-economic development	R million	[5] **1,390**	**5.13**	**399**	**986**	1,161	3	367	792
Social and labour plan (SLP) projects [18]	R million	[5] **18**	**NA**	**15**	**3**	24	NA	11	13
Total BEE procurement spend [19]	R million	[5] **10,841**	**NA**	**5,505**	**5,336**	10,605	NA	4,901	5,704
Capital goods [19]	%	[5] **82**	**NA**	**83**	**75**	81	NA	82	81
Services [19]	%	[5] **76**	**NA**	**85**	**81**	77	NA	82	73
Consumables [19]	%	[5] **81**	**NA**	**83**	**70**	78	NA	78	77
% of total procurement [19]	%	**79**	**NA**	**83**	**75**	78	NA	80	76
Other									
Current tax and royalties	R million	**308**				903			
Research and development	R million	**19**				13			

		2016			2015	[3] 2014
		Group	SA operations		SA operations	SA operations
	Unit		[2] PGM	Gold	Gold	Gold
Environment						
Cyanide consumption	000t	11,967	NA	11,967	11,924	11,758
Total CO_2e emissions:						
Scope 1 and 2 [11]	000t	5,432	575	4,857	5,016	5,175
Scope 3 [12]	000t	1,029	180	849	867	863
Emissions intensity [13]	tCO_2e/t milled	0.22	0.12	0.24	0.25	0.28
SO_2 emissions [14]	tonnes	667			499	632
Electricity consumed	TWh	4.72	0.6	4.16	4.23	4.27
Diesel	TJ	462	207	255	231	225
Total water withdrawn	000ML	112	4	107	115	117
Water used [15]	000ML	46	4	41	42	[16] NA
Water use intensity	kL/t treated	1.71	0.66	2.05	2.09	[16] NA
Environmental incidents: level 3 and higher	Number	19	13	6	8	9
Gross rehabilitation liabilities	R billion	6.15	2.03	4.12		
HDSA representation (South Africa) [34]						
Top management (Board)	%	31	NA	NA	31	42
Senior management (Executives)	%	45	NA	NA	43	41
Middle management (E band)	%	29	33	25	30	25
Junior management (D band)	%	53	58	48	48	46
Social and procurement spend						
Socio-economic development	R million	656	87	569	691	1,055
Social and labour plan (SLP) projects [18]	R million	59	12	47	27	24
Total BEE procurement spend [19]	R million	7,585	2,689	4,896	4,700	4,680
Capital goods [19]	%	81	85	77	56	54
Services [19]	%	84	93	79	76	72
Consumables [19]	%	68	88	62	72	67
% of total procurement [19]	%	77	90	71	72	67
Other						
Current tax and royalties	R million	1,678			1,097	1,310
Research and development	R million	16			18	5

FIVE-YEAR STATISTICAL REVIEW CONTINUED

OPERATING STATISTICS

		2018	[1] 2017	2016	2015	[3] 2014
US PGM operations (acquired in May 2017)						
Production						
Ore milled	000t	**1,339**	855			
2E PGM production	kg	**18,432**	11,706			
	000oz	**593**	376			
Price and costs						
Average PGM basket price	R/2Eoz	**13,337**	12,330			
	US$/2Eoz	**1,007**	927			
Operating cost [20]	R/2Eoz	**7,576**	7,001			
	US$/2Eoz	**572**	526			
Adjusted EBITDA [23]	R million	**4,152**	2,143			
Adjusted EBITDA margin [24]	%	**26**	23			
All-in sustaining cost [25]	R/2Eoz	**8,994**	8,707			
	US$/2Eoz	**677**	651			
All-in sustaining cost margin [25]	%	**37**	29			
Total capital expenditure	US$ million	**214**	1,654			
	R million	**2,833**	124			
SA PGM operations (attributable) [2]						
Production						
Ore milled	000t	**25,841**	26,196	11,612		
4E PGM production	kg	**36,568**	37,148	13,087		
	000oz	**1,176**	1,194	421		
Price and costs [26]						
Average PGM basket price	R/4Eoz	**13,838**	12,534	12,209		
	US$/4Eoz	**1,045**	942	832		
Operating cost [20]	R/4Eoz	**11,019**	10,831	7,993		
	US$/4Eoz	**832**	814	545		
Adjusted EBITDA [23]	R million	**2,882**	1,594	350		
Adjusted EBITDA margin [24]	%	**19**	12	9		
All-in sustaining cost [25]	R/4Eoz	**10,417**	10,399	10,403		
	US$/4Eoz	**787**	782	709		
All-in sustaining cost margin [25]	%	**14**	16	8		
Total capital expenditure	R million	**1,000**	1,035	327		
	US$ million	**76**	78	23		

OPERATING STATISTICS CONTINUED

		2018	2017	2016	2015	[3] 2014
SA OPERATIONS						
SA gold operations						
Production						
Ore milled	000t	**27,199**	19,030	20,181	19,861	18,325
Gold produced	kg	**36,600**	43,634	47,034	47,775	49,432
	000oz	**1,177**	1,403	1,512	1,536	1,589
Price and costs						
Gold price	R/kg	**535,929**	536,378	586,319	475,508	440,615
	US$/oz	**1,259**	1,254	1,242	1,160	1,267
Operating cost [20]	R/kg	**490,209**	408,773	369,707	342,857	289,509
Adjusted EBITDA [23]	R million	**1,362**	5,309	9,920	6,235	7,360
Adjusted EBITDA margin [24]	%	**7**	23	36	27	34
All-in sustaining cost [25]	R/kg	**557,530**	482,693	450,152	422,472	372,492
	US$/oz	**1,309**	1,128	954	1,031	1,071
All-in sustaining cost margin [25]	%	**(4)**	10	23	11	15
Total capital expenditure	R million	**3,248**	3,410	3,824	3,345	3,251
	US$ million	**245**	256	261	262	300

1 As the US PGM operations were acquired in May 2017, this represents eight months in that year

2 The SA PGM operations for 2016 represented nine months' data for Kroondal (50%), Mimosa (50%) and Platinum Mile (50%), where applicable and two months for Rustenburg operations. Health data for 2016 includes 12 months of SA PGM operations

3 As the Cooke operations were acquired on 15 May 2014, this does not represent full year data for that operation for that year

4 For a detailed breakdown of employees and contractor numbers, refer to the Superior value for the workforce section on page 92 of this report

5 The sustainable development indicators for 2018 have been externally assured by KPMG. Refer to the Statement of Assurance on page 207 of this report For details on similar assurance in prior years, refer to prior integrated reports available at www.sibanyestillwater.com

6 Rate per million hours worked

7 These indicators were restated due to rounding and the re-application of the Group definition

8 Includes certain minor injuries

9 Includes new and resubmission cases

10 The NIHL testing method differs at the US and SA operations

11 Scope 1 and 2 emissions include fugitive mine methane. The fugitive mine methane emissions for 2017 total 564 560t CO_2e. We have chosen to report our Scope 1 and Scope 2 emissions separately from our Scope 3 emissions as Scope 1 and Scope 2 emissions are under our direct control while Scope 3 emissions represent the effect of our business activities across the supply chain. Although it is not a mandatory Intergovernmental Panel on Climate Change reporting category, we are also reporting our fugitive mine methane emissions in the Free State province of South Africa in line with the transparency principle of the ISO greenhouse gas quantification standard. The 2016 carbon emissions include the emissions from the operations acquired as of the time the acquisitions became effective (Aquarius operations from April 2016 and Rustenburg operations from November 2016)

12 Refer to reference note relating to Scope 3 emissions on page 146 of this report

13 Emissions intensity (tCO_2e/t milled) is the intensity ratio of the total Scope 1 and 2 emissions from the operations under our operational control and, similarly, the tonnes milled from the operations under our operational control

14 Sulphur dioxide (SO_2) emissions for the SA and US operations are derived by the multiplication of fuels (diesel, petrol, liquid petroleum gas, coal, helicopter fuel and paraffin) by the corresponding emission factors. The US operations are reporting SO_2 emissions from the metallurgical processes as those may be regulated with a cap

15 This year we report on the volume of water used rather than on the volume recycled and reused. Sibanye-Stillwater operates mines that generate almost zero effluent (100%) consumed and mines that must discharge certain volumes of water in terms of their water use licences to satisfy the requirements of the environmental reserve and/or to satisfy dewatering requirements. Nevertheless, Sibanye-Stillwater continues to practice effective water conservation and water demand management in accordance with the requirements each of its water use licence

16 Data not available to report

17 Water use intensity in the US operations is 0.35kL/tonne treated. The US mines are relatively dry and water use is low, given that most of the water withdrawn is discharged through the water recycle/reuse systems in place. In addition, given the high rainfall, water is collected and a significant amount of storm water is used in the process facilities. Almost all the water discharged is treated

18 Includes spend on approved social and labour plans

19 The BEE proportion of total procurement applies to procurement spend in South Africa only

20 Operating cost is average cost of production, and operating cost per ounce and kilogram is calculated by dividing the cost of sales before amortisation and depreciation and change in inventory in a period by the PGM or gold produced in the same period

21 For detail on these figures, refer to footnote 8 on page 133 in Minimising the environmental impact (under water management)

22 HDSA in management includes management classified as designated groups and employed at management levels (excluding foreign nationals and white males)

FIVE-YEAR STATISTICAL REVIEW CONTINUED

GROUP FINANCIAL STATISTICS

Income statement (extract)		2018	2017	2016	2015	[3] 2014
Revenue	R million	**50,656**	45,912	31,241	22,717	21,781
(Loss)/profit for the year	R million	**(2,521)**	(4,433)	3,043	538	1,507
Earnings per share	cents	**(110)**	(229)	225	47	106
Headline earnings per share	cents	**(1)**	(12)	162	44	97
Number of shares in issue at end of period	000	**2,266,261**	2,168,721	929,004	916,140	898,840
Statement of financial position (extract)						
Cash and cash equivalents	R million	**2,549**	2,062	968	717	563
Total assets	R million	**84,923**	76,072	41,721	28,266	27,922
Borrowings [27]	R million	**24,505**	25,650	8,974	3,804	3,170
Total liabilities	R million	**60,199**	52,074	25,252	13,281	12,936
Statement of cash flows (extract)						
Net increase/(decrease) in cash and cash equivalents	R million	**352**	1,403	408	155	(930)
Other financial data						
Adjusted EBITDA [23]	R million	**8,369**	9,045	10,270	6,235	7,360
Net debt [28]	R million	**21,269**	23,176	6,293	1,362	1,506
Net debt to adjusted EBITDA	ratio	**2.5**	2.6	0.6	0.2	0.2
Net asset value per share	R	**10.91**	11.07	17.73	16.36	16.67
Debt to equity [29]	ratio	**243.5**	217.0	153.3	88.6	86.3
Dividends declared per share	R	**–**	–	1.45	1.00	1.12
Dividend yield [30]	%	**–**	–	5.7	4.4	5.0
Average exchange rate [31]	R/US$	**13.24**	13.31	14.68	12.75	10.82
Closing exchange rate [32]	R/US$	**14.35**	12.36	13.69	15.54	11.56
Share data						
Market capitalisation at year end	R billion	**22.7**	34.2	23.6	20.9	20.3
	US$ billion	**1.58**	2.77	1.72	1.34	1.76
Average daily volume of shares traded	000	**10,567**	9,080	6,165	3,024	2,869
Ordinary share price – high	R/share	**17.16**	33.26	70.23	32.26	29.52
Ordinary share price – low	R/share	**6.82**	14.15	21.98	13.66	12.34
Ordinary share price at year end	R/share	**10.02**	15.78	25.39	22.85	22.55

[23] Adjusted EBITDA (earnings before interest, taxes, depreciation and amortisation) is based on the formula included in the facility agreements for compliance with the debt covenant formula. For a reconciliation of loss before royalties and tax to adjusted EBITDA, see the Annual Financial Report 2018

[24] Adjusted EBITDA margin is calculated by dividing adjusted EBITDA by revenue

[25] Sibanye-Stillwater presents the financial measures 'All-in sustaining cost', 'All-in cost', 'All-in sustaining cost per kilogram', 'All-in sustaining cost per ounce', 'All-in cost per kilogram' and 'All-in cost per ounce', which were introduced during the year ended 31 December 2013 by the World Gold Council and are not IFRS measures. Total All-in cost excludes income tax, costs associated with merger and acquisition activities, working capital, impairments, financing costs, one-time severance charges and items needed to normalise earnings. All-in cost is made up of All-in sustaining cost, being the cost to sustain current operations, given as a sub-total in the All-in cost calculation, together with corporate and major capital expenditure growth. For a reconciliation of cost of sales before amortisation and depreciation to All-in sustaining cost and All-in cost, see the Annual Financial Report 2018. All-in sustaining margin is defined as revenue minus All-in sustaining cost divided by revenue, and All-in cost margin is defined as revenue minus All-in cost divided by revenue

[26] The total SA PGM operations' unit cost benchmarks (including capital expenditure) exclude the financial results of Mimosa, which is equity-accounted, and excluded from revenue and cost of sales

[27] Borrowings of R23,769 million (2017: R25,206 million) that have recourse to Sibanye-Stillwater exclude the Burnstone Debt and include derivative financial instruments

[28] Net debt represents borrowings and bank overdraft less cash and cash equivalents. Borrowings are only those borrowings that have recourse to Sibanye-Stillwater and therefore exclude the Burnstone Debt and include derivative financial instruments. Net debt excludes Burnstone cash and cash equivalents

[29] The debt to equity ratio is a debt ratio used to measure the Group's financial leverage and is calculated by dividing total liabilities by equity

[30] The dividend yield is a financial ratio that indicates how much a company pays out in dividends each year relative to its share price. Dividend yield is represented as a percentage and is calculated by dividing the dividends per share declared in a given year by the ordinary share price at the end of the year

[31] The average exchange rate during the relevant period as reported by I-Net Bridge

[32] The closing exchange rate at financial year end

Employees commute to the surface using the chairlift transportation at the K6 shaft at the SA PGM operations

section 02 view from the top

A review of our internal and external context

PERSPECTIVE FROM THE CHAIR

Sello Moloko
Chairman

It is again my privilege to report to all our stakeholders on the progress made by the Group during 2018. Despite the significant vicissitudes and challenges that we had to contend with during the past year, I am pleased to report that we have emerged from this difficult period in a robust state with the appropriateness of our carefully considered strategy to diversify, geographically and by commodity, already proven.

Specific challenges, which impacted on our SA gold operations, persisted at the end of the year. I am confident though that the careful and forthright management of these will result in a satisfactory and progressive outcome with our organisation poised to benefit from a constructive global climate for precious metals prices.

Elsewhere in this report, our CEO, Neal Froneman, discusses in detail the challenges that occurred and other developments that characterised our overall performance during the past year. I will, therefore, confine my review to those aspects that determined and affected our operating environment.

It is impossible to reflect on 2018 without recognising the tragic safety incidents, which occurred in the first half of 2018. The health and safety of Sibanye-Stillwater's employees is our key priority. This unparalleled sequence of tragic events, which resulted in the deaths of our colleagues, traumatised and consumed everyone at Sibanye-Stillwater. The Board and management of Sibanye-Stillwater again extend their deepest condolences to the dependants and loved ones of the deceased employees. We will continue to provide appropriate support as required.

These tragic events were inconsistent with Sibanye-Stillwater's historical safety performance and it has been heartening to observe the manner in which management responded to the Group-wide crisis. As a result of swift short-term measures by management and other stakeholders, and the subsequent implementation of longer-term safe production initiatives, which are described in more detail later in this report, Sibanye-Stillwater's industry leading safety performance was re-established and improved in H2 2018.

On 1 March 2019, the Group recorded more than seven million fatality-free shifts since mid-August 2018, and on 6 March 2019, the SA gold and PGM operations combined, also achieved seven million fatality-free shifts. Both these milestones were record performances for these operations. These are commendable achievements considering the deep levels at which a significant proportion of our mining is conducted across the Group, and the number of people who operate in this environment on a daily basis. These achievements are in stark contrast to what we experienced in the first half of 2018.

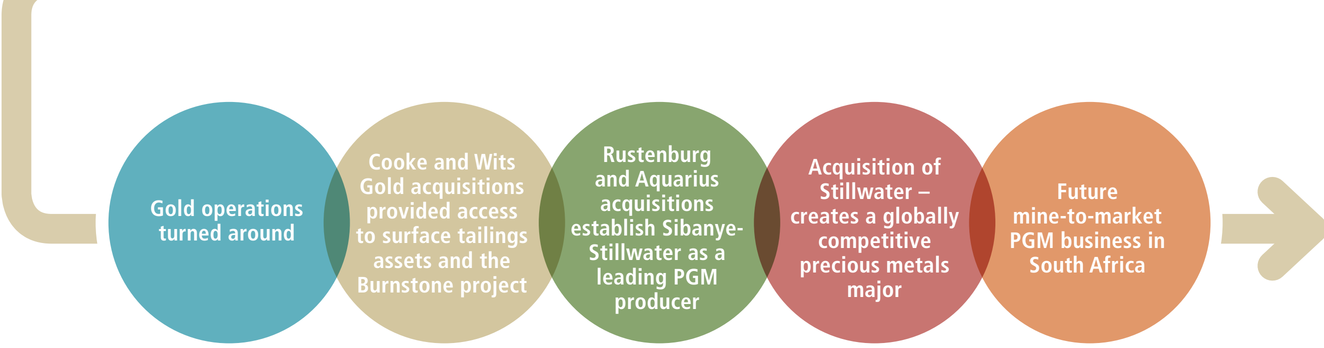
While this performance has restored and improved on Sibanye-Stillwater's historical industry-leading safety record, we are conscious that we operate in a dynamic environment, which can change rapidly. As such we require continual vigilance, review and innovation to ensure ongoing improvement towards our ultimate goal of zero harm in the workplace. While the reduction in injury rates since August 2018 gives us confidence that the safety enhancement programmes we have implemented are proving effective, we remain focused on maintaining our position as the benchmark safety performer in the South African gold and PGM mining industries.

Following the unbundling by Gold Fields and establishment of the organisation as an independently listed entity on 11 February 2013, the management of Sibanye-Stillwater was successful in the turnaround of the mature gold assets we inherited in 2013 into strongly cash-generative operations, with significantly extended operating lives. This facilitated the transition of the Group into a multi-commodity, precious-metals mining company. This was initially achieved through the acquisitions of the Aquarius and Rustenburg platinum operations in 2016 and, subsequently, the acquisition of the high-quality US-domiciled Stillwater Mining Company (Stillwater) in 2017. Sibanye-Stillwater became a globally diversified precious-metals producer with a unique commodity mix and truly international geographic footprint.

The transformative Stillwater acquisition not only secured exposure to low-cost primary palladium-rich assets and significant production growth from the Blitz project at an attractive stage in the PGM price cycle but also included a world-class precious-metals processing and recycling business, giving it direct access to PGM end-user markets, which is of strategic significance.

PERSPECTIVE FROM THE CHAIR CONTINUED

SIBANYE-STILLWATER'S GROWTH TRAJECTORY



Our continued belief and commitment to our long-term future in South Africa was underscored by the announcement, in December 2017, of our intention to acquire Lonmin. The integration of Lonmin into our existing SA PGM business, is expected to unlock additional value for stakeholders, including through the realisation of attractive synergies, and overhead and processing synergies with Lonmin's PGM processing smelting and refining operations. This would complement and strengthen our existing SA PGM mine-to-market strategy, which was also recently achieved through the transition of the processing arrangement for our Rustenburg operations' PGM concentrate with Anglo American platinum, from a Purchase of Concentrate (PoC) arrangement to a toll processing arrangement from 1 January 2019. These are key components in delivering the fifth element of our planned growth trajectory illustrated above.

While the operating environment in South Africa remains challenging, with the uncertain outlook for the unstable state utility Eskom posing the greatest risk to industry sustainability, the transition in leadership of the ANC, and subsequently the South African government, in late 2017 and early 2018 respectively, has ushered in a renewed sense of optimism in the outlook for the South African economy and the industry.

Indeed, the initial signs following this transition have been generally positive. The government has a renewed commitment to economic growth with President Ramaphosa actively pursuing a target of US$100 billion in new investment. There also seems to be a greater commitment to addressing regulatory shortcomings and tackling under-delivery of services and mismanagement at state-owned enterprises.

Unfolding revelations of deep-rooted and widespread corruption have threatened to cloud these positive signs as political manoeuvring by radical and vocal elements within the ANC and the opposition parties, feeds ongoing uncertainty. However, the commitment expressed by the government to root out corruption, and the transparent manner in which the various commissions of enquiry have been allowed to progress, is extremely positive. It may be too early to firmly say that South Africa is back on the path of progress it embarked upon in 1994 but, for the first time in a decade, the outlook for South Africa seems more positive.

For the South African mining industry, specifically the appointment of Gwede Mantashe, a mining veteran who understands the complexities of the industry, as Minister of Mineral Resources in early 2018, has improved relations between the industry and the regulators across the board. Among the first initiatives undertaken by Minister Mantashe was the redrafting of the punitive Mining Charter gazetted by the previous Minister in mid-2016, which had largely undermined the confidence needed to encourage new investment and reinvestment in the country's mines. The more inclusive and consultative approach has delivered a revision of the Mining Charter, which, while not perfect, is much-improved.

The general improvement in relations between the South African mining industry and its regulatory authorities is welcome. The continuation of this more co-operative and collaborative policy and regulatory environment suggests a more constructive outlook for future investment and growth in the local mining industry.

Sadly, though relations with organised labour and communities remain strained. The triple developmental challenges of unemployment, inequality and poverty in South Africa, which have been compounded by a slowdown in growth and poor service delivery, pose a significant threat to social stability in South Africa, and directly threaten the sustainability of the mining industry. The mining industry's ability to continue to shoulder an ever-increasing responsibility to deliver services and infrastructure to communities is limited and uncompetitive, and needs to be addressed with some urgency.

> "The commitment expressed by ANC leadership to root out corruption, and the transparent manner in which the various commissions of enquiry have been allowed to progress, is extremely positive"

Investors cite the complex and often hostile industrial relations environment in South Africa as a significant impediment to investment. The militant actions taken by some unions, which should be representing the interests of workers, are perplexing and destructive. The strike called by the Association of Mineworkers and Construction Union (AMCU) on 21 November 2018 at our SA gold operations is a clear case in point of negotiating in bad faith.

This strike interrupted the emerging recovery in the operational performance of our SA gold operations following significant disruptions in the first half of 2018. While ostensibly related to the wage negotiations, that began in July 2018, we continue to believe that this violent protest action is not in the best interests of all stakeholders, particularly the workers. The strike has continued into 2019 with the union raising legal and procedural challenges in order to maintain and extend the protected status of the strike. While management plans have been implemented across the operations in order to mitigate the impact of the strike action, our SA gold operations are affected to varying extents.

Throughout the strike, we continued to pursue all avenues to bring this unhelpful strike action to an end and ensure the well-being of our employees. On 20 March 2019, the Labour Court of South Africa held that the gold wage extension agreement concluded on 18 February 2019 with the National Union of Mineworkers (NUM), UASA and Solidarity, and extended to AMCU and other non-unionised employees, is valid and lawful in terms of Section 23(1)(d) of the Labour Relations Act 66 of 1995 (S23(1)(d)). As a result of the legally binding nature of the extension agreement, the Company proceeded with an independent verification process to confirm the various unions' level of representivity required to implement the extension agreement. The court judgement provides a clear path forward to resolving the ongoing strike in a manner that does not compromise our values or undermine our other stakeholders who have also been negatively impacted by the AMCU strike action.

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

Our strategic focus is unchanged, with ongoing improvements in safe production and optimisation of our operational performance at our existing operations. A critical step in achieving this key objective will be the successful integration of Lonmin following the completion of the transaction. Delivery of these operational imperatives, along with higher prevailing precious metals prices, should accelerate Group deleveraging, which is a necessary step in addressing market concerns, and facilitate a rerating in relative value.

The Group's growth in the PGM markets provided an informed view of automobile markets, specifically positioning the Group to understand and project future powertrain scenarios in relation to internal combustion engines, hybrid electric, battery electric and fuel cell-powered vehicles. The continued understanding of both automobile market forces and analysis of likely advances in battery and powertrain technologies will provide Sibanye-Stillwater with an opportunity to continue to leverage off this knowledge base in order to position Sibanye-Stillwater to play an ongoing, significant role in delivery of metals necessary for future powertrain requirements to the market.

To support the implementation of this strategic positioning and continued delivery of value to stakeholders, Sibanye-Stillwater has agreed to acquire SFA (Oxford), pending certain conditions. SFA is an established analytical consulting company that is a globally recognised authority on PGMs and has, for several years, provided in-depth market intelligence on battery materials and precious metals for industrial, automotive, and smart city technologies. The acquisition cost compares favourably to the cost of setting up a similar analytical and research group internally but significantly leapfrogs the time required to build up the intellectual knowledge.

I am convinced that Sibanye-Stillwater offers tangible fundamental value and is strategically positioned to benefit from any further upside in precious metals prices.

It is imperative that I express my gratitude to my fellow directors for their guidance and wisdom in what was a very challenging year for the Group. I welcome Harry Kenyon-Slaney to our Board. He has extensive experience in the mining sector – in South Africa and internationally – and his expertise in health and safety, as well as business transformation programmes, will be invaluable.

Finally, it would be remiss not to thank the members of the Sibanye-Stillwater management team, particularly Neal Froneman. Under his leadership, the management team has worked tirelessly and methodically to create and build a diversified and sustainable business that stands high in the ranks of its industry. They have dealt effectively, confidently and candidly with the challenges they have faced. After dealing comprehensively with unprecedented challenges during 2018, I look forward to observing the Group going from strength to strength.

Sello Moloko
Chairman

29 March 2019

CHIEF EXECUTIVE OFFICER'S REVIEW

Neal Froneman
Chief Executive Officer

"We are positive that our mining improves lives and our vision to create superior value for all stakeholders is unwavering"

Sibanye-Stillwater has undergone many fundamental changes since it was established in February 2013, transforming from a gold only producer with three mines in South Africa into a globally diversified precious metals producer with operations and projects in five jurisdictions. Following the completion of the proposed acquisition of Lonmin, the Group will rank as one of the largest primary producers of platinum and palladium, and associated PGMs, in the world.

What has not changed, however, is our commitment to our purpose, vision and values. We are positive that our mining improves lives and our vision to create superior value for all stakeholders is unwavering with all of our decisions and actions underpinned by our CARES values. Of these values – commitment, accountability, respect, enabling and safe production – our first, second and third priority is safe production and the safety, health and well-being of our employees. The tragic incidents at our SA gold operations, in the first half of the year therefore had such a harrowing impact on the Group as a whole.

The manner in which the Sibanye-Stillwater team responded to and dealt with the various crises, which led to a recovery and improvement in the Group's safety performance in the second half of the year, is extremely pleasing. I am confident that we are well-positioned to continue delivering superior value to all of our stakeholders and improving lives through our mining activities.

SAFETY

The anomalous spate of tragic safety incidents that we primarily experienced at the SA gold operations in the first eight months of 2018, which resulted in the deaths of 24 of our colleagues in South Africa, is unprecedented in the history of our organisation and contrary to our previous industry leading safety performance.

Two separate incidents in particular, at our Driefontein and Kloof operations, resulted in the disastrous loss of 12 of our colleagues. The first, a seismic event at Driefontein's Masakhane shaft on 3 May 2018, resulted in severe damage to the workings. While six employees were thankfully rescued, seven of our employees were fatally injured. Soon after this incident, on 11 June 2018 at our Kloof Ikamva shaft, five employees succumbed to heat exhaustion when a shift boss inexplicably led his team into a temporarily suspended and appropriately barricaded area, contrary to company policies. These incidents remain subject to investigations by the Department of Mineral Resources and we are assisting the regulators with those investigations.

We continue to mourn the 24 colleagues we lost in 2018 and our heartfelt condolences go to the families, friends and colleagues of Chicco Elmon Dube, Solly Ngobeni, Matela Mating, Zanempi Mncwanazi, Otshepeng Ernest Ramosito, Ntokozo Elias Ntame, Mlungisi Vukuthi, Luke Bongumusa Mngomezulu, Baptista Paulino Cuambe, X-Mas Madikizela, Mbulelo Albert Sonqowa, Thabo Abram Ntsekhe, Nkosiphendule Dudlela, Luis Ernesto, Lumbe Gazala, Lingani Innocent Mngadi, Lakhi Msada, Mthokozisi Msutu, Cedrick Nkuna, Kholekile Phelile, Thokozani Tembe, Bhekithemba Thembinkosi Ndabeni, Grace Mlambo and Philemon Mngakana. Our deceased colleagues remain in our thoughts and we will continue doing what is appropriate and right to support the dependants of the deceased.

In response to the crisis, we took immediate, well-defined steps to enhance the safety performance at our SA gold operations in particular. Near-term, high-impact measures were vigorously implemented across the operations and medium- to long-term safe production initiatives were developed, including *inter alia*:

- the development of a Zero Harm Strategic Framework through multi-stakeholder collaboration during three safety summits, which were convened by Sibanye-Stillwater – the safety summits are ongoing while joint implementation task teams monitor and report on progress made in the priority areas that were jointly identified by stakeholders at the summits
- the constitution of our Global Safe Production Advisory Panel, comprising five leading globally recognised safety experts, to assist in adopting a more forward-looking position that anticipates the emergence of new leading safety practices
- investing in the identification and development of new safe production technologies through the DigiMine partnership with the University of Witwatersrand, complemented by a

"Virtual Centre of Excellence in Innovative Safe Production", which is made up of a global academic network of 19 leading mine safety experts who will contribute to enhancing modernisation for safe and sustainable production

Taking into consideration the substantial behavioural component involved in many fatal incidents in the mining industry, the desire to review our organisational culture and leadership to ensure that safety is inculcated as the foremost consideration in decisions at all levels, was identified as a continued priority. In this regard, a core strategic thrust over the course of the next three years will be to further develop a values-based organisational culture that supports safe production and delivery of our strategy by continuing to instil our CARES values as the context within which we make all our decisions as a cornerstone of culture transformation.

For further detail on what is being done to ensure our workplaces are safe, and to address safety behaviour and performance, *see Ensuring safe production, and Occupational health and well-being in this report*.

The initial outcomes of these initiatives have been heartening with the safety performance in the second half of 2018, across the Group, in stark contrast to that of the first half. The Group operations have been fatality-free since mid-August 2018, recording a total of seven million fatality-free shifts by 1 March 2019, with the SA operations also achieving seven million fatality-free shifts on 6 March 2019. Group combined injury rates were essentially flat year-on-year with a slight deterioration in injury rates at the SA gold operations and the US PGM operations, offset by a significant improvement in injury rates at the SA PGM operations where the serious injury frequency rate (SIFR) improved by 15% – in the process setting new benchmarks for moderate to deep-level hard-rock mining in South Africa. These are commendable achievements considering the proportion of deep-level mining that is conducted across the Group and the number of people who operate in this environment on a daily basis.

This performance has restored and improved Sibanye-Stillwater's historic, industry-leading safety record but we are conscious that we operate in a dynamic environment, which can change rapidly, as we experienced in H1 2018, and as such, requires continuous vigilance, review and innovation to ensure ongoing improvement towards our ultimate goal of zero harm in the workplace. Consistent with our comprehensive approach and commitment to safe production, following the unfortunate tailings dam failure in Brazil, we have concluded additional audits of our tailings storage facilities globally – no immediate risks have been identified.

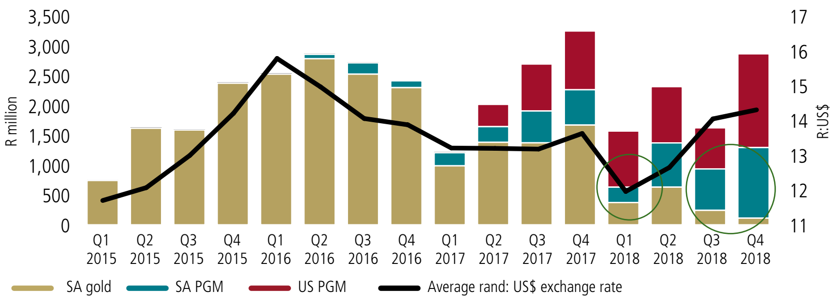
FINANCIAL REVIEW

As a result of the critical impact of the safety incidents and other unanticipated operational disruptions as well as the strike (as referred to by our Chairman in the preceding pages) on production at our SA gold operations, the Group delivered a underpar financial performance in 2018. Our strategic commodity diversification into the PGM sector and the geographical benefits of the Stillwater acquisition clearly compensated for the operational challenges experienced at the SA gold operations however, with Group adjusted EBITDA only R676 million (7%) lower year-on-year despite adjusted EBITDA from the SA gold operations declining by R3,946 million for the same period.

The Group's major source of earnings is now our US PGM operations, which accounted for approximately 50% of Group adjusted EBITDA of R8,369 million (US$632 million) in 2018 compared with R9,045 million (US$680 million) in 2017, primarily due to the increasing dollar palladium price and strong PGM operational performance. The higher rand PGM basket price and sustained operational performance from the SA PGM operations also resulted in the contribution from the SA PGM operations increasing substantially from 18% of Group adjusted EBITDA in 2017 to 34% in 2018. The SA gold operations contributed only 16% of Group adjusted EBITDA in 2018 compared with 59% in 2017.

"The Group's dominant source of earnings is now our US PGM operations"

Profitability (adjusted EBITDA) and R/US$ exchange rate



Consistent with our three-year strategic goals, proactive steps to address our balance sheet leverage were also taken during the year with the US$500 million stream transaction, secured in July, of which the largest portion was successfully applied towards reducing US$400 million of long-term debt. Significant progress on our deleveraging strategy was, however, delayed by the sharp decline in adjusted EBITDA from our SA gold operations in 2018 with the Group's net debt to adjusted EBITDA (net debt:adjusted EBITDA) ratio of 2.5x at the end of 2018 only marginally improved on the position at the end of 2017. Having secured an extension of the 3.5x net debt:adjusted EBITDA ceiling until

CHIEF EXECUTIVE OFFICER'S REVIEW CONTINUED

the end of 2019 and a covenant holiday for Q1 2019, we have sufficient headroom on our lender covenants and our liquidity remains adequate. Ongoing strength in spot precious metals prices in 2019 is expected to support our deleveraging efforts in the coming year.

Group adjusted free cash flow[1] (FCF) was similarly impacted by the operational disruptions experienced by the SA gold operations. The Group recorded negative FCF of R12 million (US$1 million) for 2018, which was an R851 million (US$64 million) improvement relative to the comparable period in 2017 with negative FCF of R1,093 million (US$83 million) from the SA gold operations, offset by a tenfold increase in FCF from the SA PGM operations to R881 million (US$67 million) and FCF from the US PGM operations of R387 million (US$29 million), which was significantly higher than negative FCF of R483 million (US$36 million) for 2017. The significant increase in precious metals prices in 2019 thus far, if sustained, will have extremely positive implications for Group FCF in 2019.

OPERATIONAL REVIEW

US PGM operations

Mined 2E PGM production for the year of 592,608 2Eoz was towards the upper end of guidance for the year, reflecting the ongoing build-up of production at Blitz and record production from the East Boulder mine with All-in-sustaining cost (AISC) of US$677/2Eoz in line with annual guidance.

The Columbus Metallurgical Complex performed steadily in 2018, processing 619,683oz of mined 2E PGM and 686,592oz of recycled 3E PGM, despite the rebuild and expansion of the second electric furnace (EF2) restricting processing flexibly. Recommissioning of EF2 in January 2019 will add smelter capacity and significantly enhance flexibility for the rest of the year. The recycling division averaged 22.0 tonnes of feed material per day in 2018, compared with an average feed rate of 24.2 tonnes per day in 2017. This was a noteworthy achievement, given the smelting constraints experienced by the complex during the year.

After regressing in the first half of 2018, the palladium price regained its momentum in August 2018 with palladium and rhodium ending the year strongly. The 9% year-on-year increase in the average 2E PGM basket price received to US$1,007/2Eoz, coupled with the strong operating performance, boosted adjusted EBITDA from the US PGM operations for 2018 to US$314 million (R4,152 million) from US$161 million (R2,143 million) in 2017 with the adjusted EBITDA margin of the underground operations increasing from 43% for 2017 to 46% for 2018 and the adjusted EBITDA margin for the US PGM operations as a whole (including the lower margin recycling operations) increasing from 23% for 2017 to 26% for 2018. The continued rise in the palladium spot price in 2019, which increased by 37% from an average PGM basket price for 2018 of US$1,007/2Eoz to a spot price of US$1,375/2Eoz, if maintained will have a considerable enhancement to profitability from the US PGM operations.

The production build-up at Blitz remains on schedule with three stope blocks successfully commissioned in 2018. Two additional stopes are scheduled for commissioning in 2019, which are expected to add a further 40,000 2Eoz to 60,000 2Eoz to annual production. A total of 10 producing areas or stopes are expected to be commissioned at Blitz by late 2021, adding 300,000 2Eoz of annual production, on average, from 2022.

Continuous improvement and optimisation of operational performance is a core focus area across the Group and incremental expansion of production at the East Boulder mine, the Fill the Mill (FTM) project, was recently approved by our Board. The FTM project is expected to deliver approximately 40,000oz of 2E PGM annually from late 2020 through incremental expansion of mining and certain support facilities at the East Boulder mine and Columbus Metallurgical Complex with the additional production from FTM expected to reduce operating costs at East Boulder by approximately 5% over the project's 10-year operating life.

SA PGM operations

The SA PGM operations continued to perform strongly with full-year 4E PGM production of 1,175,672oz for the year ended 31 December 2018, exceeding the upper limit of guidance, and average AISC well below the lower guidance limit of R10,750/4Eoz (US$825/4Eoz).

Despite ongoing weakness in the platinum price, the average 4E PGM basket price of R13,838/4Eoz (US$1,045/4Eoz) in 2018 was 10% higher than it was in 2017, primarily due to significant increases in palladium and rhodium prices (which comprise approximately 31% and 9% of the 4E prill split respectively) and a weaker rand exchange rate.

The significant leverage of the SA PGM operations to the higher basket prices, as a result of a disciplined operating performance, is evident in the 67% year-on-year increase in adjusted EBITDA to R1,881 million (US$136 million) for H2 2018. Similarly, adjusted EBITDA for the full year of

"Continuous improvement and optimisation of operational performance is a core focus area across the Group"

[1] *Adjusted free cash flow is defined as net cash from operating activities before dividends paid, net interest paid and deferred revenue advance received less additions to property, plant and equipment, and is not an IFRS measure. For a reconciliation of net cash from operating activities to adjusted free cash flow, see the Annual Financial Report 2018*

R2,882 million (US$218 million) was 81% higher than it was in 2017 with the adjusted EBITDA margin increasing from 12% in 2017 to 19% in 2018. As with the US PGM operations, at the spot 4E PGM basket price of R17,670/4Eoz at close of day on 6 March 2019, the proforma adjusted EBITDA from the SA PGM operations would have been approximately 100% higher at R3,812 million (US$268 million).

Impact of changes to processing arrangements for Rustenburg operation from 1 January 2019

In line with Sibanye-Stillwater's mine-to-market PGM strategy and according to the processing agreements with Anglo American Platinum, the processing arrangement for Rustenburg production changed from a PoC arrangement to a toll processing arrangement from 1 January 2019.

In terms of the PoC arrangement, Sibanye-Stillwater delivered metals concentrate from the Rustenburg operations to Anglo American Platinum for smelting and refining and Anglo American Platinum retained a percentage of the metal-in-concentrate as payment for processing the concentrate. The cost of this PoC charge was offset against revenue and reflected as an equivalent discount to the 4E PGM basket price received.

In terms of the toll arrangement, Sibanye-Stillwater will pay an agreed rate to Anglo American Platinum to smelt and refine concentrate from the Rustenburg operation but will own and sell all the refined metal produced. From a reporting perspective, Sibanye-Stillwater will no longer reflect a discount in its revenue and will receive the full average 4E PGM basket price although costs and unit costs will be higher than under the PoC arrangement, reflecting the additional tolling costs.

At the current spot 4E PGM basket price, the net result of this contractual change has a positive financial impact with the increased revenue more than offsetting the additional toll cost and, as a result, beneficial commercially and strategically. The change in the arrangement, however, results in a delay in the recognition of revenue due to the point of sale being extended to the end of the processing pipeline, which affects the recognition of revenue for 2019.

Under the PoC arrangement, a sale was recognised and accounted for on delivery of concentrate to Anglo American Platinum as the control transferred to Anglo American Platinum pursuant to the sales contract. The sale price was previously determined on a provisional basis and adjustments to the sale price were made, based on movements in the metal prices up to the date of final pricing.

Under the toll arrangement, a sale will only be accounted for after the refined metals are sold, approximately four months after delivery of the concentrate to Anglo American Platinum. From an accounting perspective, this is the point when the control is transferred to the customer.

This change has resulted in:

- the revenue recognition cycle being delayed with minimal revenue and earnings recognised from the Rustenburg operation during Q1 2019 and an associated deferral of the recognition of costs
- a permanent increase in inventory and a similar reduction in trade receivable balances so the net impact on working capital is minimal
- cash flow is largely unaffected

As a result of these changes, adjusted EBITDA from the Rustenburg operation will not be recognised during Q1 2019, which will impact our net debt:adjusted EBITDA leverage ratio during the transition of the commercial arrangements. Following further discussions with our lenders, a covenant holiday for Q1 2019 has been agreed. We consequently have sufficient headroom on our lender covenants and liquidity remains adequate.

SA gold operations

As announced on 1 August 2018, all conditions precedent to the DRDGOLD transaction were met and the transaction was implemented on 31 July 2018. Sibanye-Stillwater consolidated DRDGOLD in its operating and financial results from 1 August 2018 and the current operating results include 1,870kg (60,122oz) from DRDGOLD.

Total gold production, including DRDGOLD, declined by 16% year-on-year to 36,600kg (1,176,700oz) primarily due to the impact of the anomalous H1 2018 safety incidents and other operational disruptions (the disruption of electrical power to the Beatrix operations and seismic damage to infrastructure at the Driefontein 1 and Kloof 3 shafts) and the AMCU strike in the second half of the year, as well as cessation of underground mining at the Cooke operations in late 2017, which accounted for 956kg (30,736oz) or 32% of the reduction. On a like-for-like basis, gold production (excluding DRDGOLD and the Cooke underground operations) also declined by 16% year-on-year to 34,676kg (1,114,800oz).

The impact of the 16% decline in production year-on-year is evident in the 15% increase in AISC for 2018 to R557,530/kg (US$1,309/oz) despite cost of sales before amortisation and depreciation (including DRDGOLD and the Cooke underground operations) remaining flat year-on-year.

"In line with Sibanye-Stillwater's mine-to-market PGM strategy"

CHIEF EXECUTIVE OFFICER'S REVIEW CONTINUED

The significant fixed overhead cost component (over 80% of operating costs) for the SA gold operations makes costs very sensitive to production volume changes. As a result, unit costs such as AISC invariably increase with reductions in production volumes.

The average received rand gold price for 2018 of R535,929/kg (US$1,259/oz) was flat year-on-year. Combined with the significant decline in production, this resulted in adjusted EBITDA from the SA gold operations declining to R1,362 million (US$103 million) from R5,309 million (US$399 million) in 2017.

SECTION 189A

While the profitability of the SA gold operations is currently distorted by the production impact of the safety incidents and ongoing strike action, there are fundamental profitability issues, particularly at the Driefontein 2, 6, 7 and 8 shafts and at Beatrix 1 shaft. These will be addressed through consultation with stakeholders in terms of Section 189A of the Labour Relations Act. Notice in this regard was given to stakeholders on 14 February 2019.

This follows notices issued under Section 52(1)(a) of the Mineral and Petroleum Resources Development Act in October 2018 in respect of Beatrix and Driefontein, advising stakeholders of the marginal profitability of the mining rights that should have prompted engagements with the stakeholders on each of the mines about measures that could be taken to secure improved financial sustainability. Sadly, such constructive engagements did not transpire as strike-related issues dominated the intervening period.

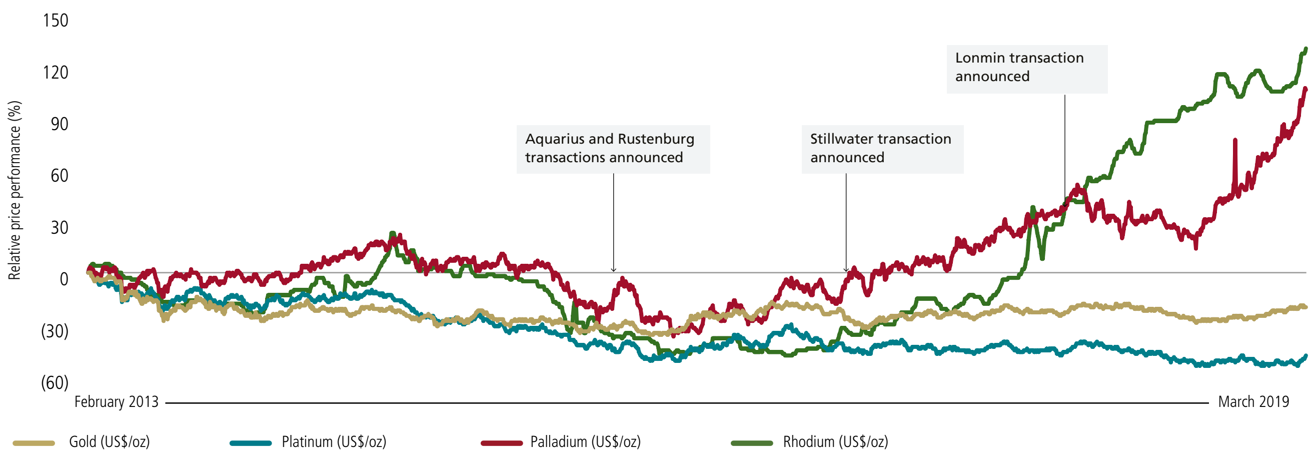
Through the formal Section 189A consultation process, Sibanye-Stillwater and affected stakeholders will together consider measures to avoid and mitigate possible retrenchments of up to 5,780 employees and 800 contractors, and seek alternatives to the potential cessation or downscaling of operations at the affected shafts. We are confident that this process will reposition the SA gold operations for sustainable, profitable safe production.

STRATEGIC REVIEW

Sibanye-Stillwater's transition from a South African gold producer to a diversified global precious metals producer was well-timed. The announcements of the Aquarius and Rustenburg acquisitions in late 2015 preceded a sustained period of increasing palladium and rhodium prices, which have risen by over 200% and 370% from respective low price points in 2016, more than offsetting the moribund platinum price.

"Sibanye-Stillwater's transition from a South African gold producer to a diversified global precious metals producer was well-timed"

Precious metals price performance (%)



The spot rand 4E PGM basket price of R17,695/4Eoz is approximately 60% higher than it was when the Aquarius and Rustenburg transactions were announced with the spot dollar 2E PGM basket price of US$1,375/2Eoz also approximately 60% higher than it was at the time of the Stillwater acquisition announcement.

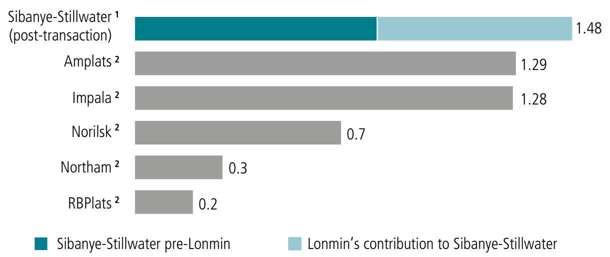
Through these acquisitions, Sibanye-Stillwater has built a sizeable PGM business producing 1.77Moz of 4E/2E at a favourable point in the PGM price cycle. The approximate R34 billion cost of these acquisitions (when PGM prices were significantly lower) is at the low end of historical acquisition prices in the sector and compares favourably with current market valuations for similar-sized peers in the PGM industry, which have recently significantly rerated. Following completion of the proposed acquisition of Lonmin, it is expected that Sibanye-Stillwater will become the largest producer of mined platinum in the world, the second largest producer of palladium globally after Norilsk Nickel, and joint largest rhodium producer with Impala Platinum Holdings. On a gold equivalent basis, Sibanye-Stillwater remains extremely relevant, ranking third behind the proposed Newmont Mining Corporation/Goldcorp and Barrick Gold Corporation.

On 14 December 2017, we announced an all share offer to acquire 100% of Lonmin. Despite achieving a number of significant milestones during the year, including the approval of the United Kingdom Competition and Markets Authority and the South African Competition Tribunal, subject to specific conditions, an appeal against the Competition Tribunal ruling by AMCU on 19 December 2018 has delayed the completion of the transaction. The Competition Appeal Court of South Africa has set down 2 April 2019 as the date for the hearing of the appeal. As announced on 15 January 2019, Sibanye-Stillwater and Lonmin have agreed to extend the long-stop date for completion of the proposed acquisition to 30 June 2019. Sibanye-Stillwater remains committed to the proposed acquisition – a logical step in further progressing our PGM strategy – which the Board believes will be value-accretive for Sibanye-Stillwater shareholders.

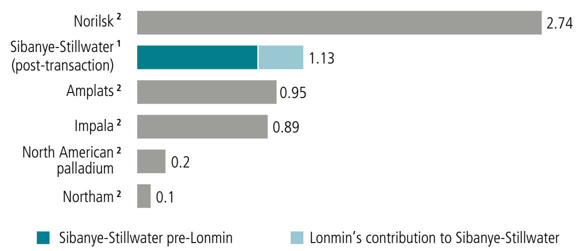
Further detail on the proposed Lonmin acquisition is available at www.sibanyestillwater.com/investors/transactions/lonmin

"Sibanye-Stillwater is expected to become the largest producer of mined platinum in the world"

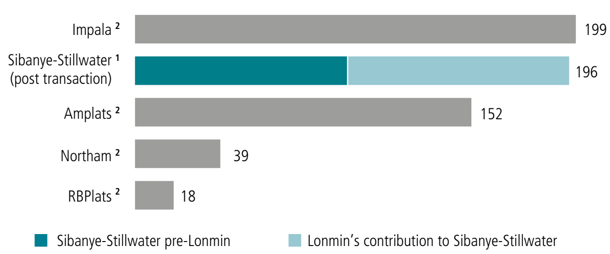
Ranking of 2018 platinum production (Moz)



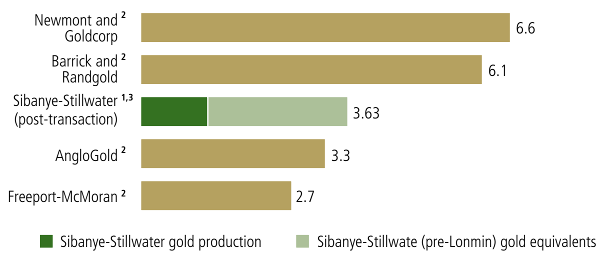
Ranking of 2018 palladium production (Moz)



Ranking of 2018 rhodium production (Moz)



Ranking of 2018 gold and gold equivalents production (Moz)



[1] *2018 full year production from Sibanye-Stillwater proforma Lonmin (September 2018 annuals) excluding recycling volumes – the inclusion of Lonmin information for 2018 is illustrative only as the Lonmin acquisition has not yet been completed and remains subject to a number of conditions, including Lonmin and Sibanye-Stillwater shareholder approvals and the approval of the High Court of England and Wales*

[2] *Peer group information using public company filings for platinum, palladium and rhodium reflect primary production (where available) for H1 2018 annualised unless full year numbers were available while compiling these rankings*

[3] *Sibanye-Stillwater gold equivalents completed on a 4E PGM basis, and gold equivalent ounces calculated as PGM basket price in the period (R14,729/oz)/average gold price (R552,526/kg) in the period multiplied by PGM production (4E) using the Sibanye-Stillwater 2018 prill split*

CHIEF EXECUTIVE OFFICER'S REVIEW CONTINUED

Palladium and rhodium prices have continued to rise in 2019 to date, underpinned by growing market consensus that the fundamental outlook for palladium and rhodium will remain positive for some years. Palladium is the primary product from our US PGM operations and forms an important component of the PGM basket from our South African PGM mines with rhodium, a critical component of diesel and gasoline autocatalysts, only produced in commercially relevant quantities in southern Africa.

The outlook for platinum is similarly constructive although a meaningful increase in the platinum price is still a couple of years out – by our estimation. Demand remains firm and a lack of capital investment in the South African mining industry, since the global financial crisis, is beginning to impact supply with a number of mine closures announced in the past two years. The rapid increase in palladium and rhodium prices has resulted in palladium trading at a more than US$650/oz premium over platinum, for the first time in more than a decade, which is significantly higher than the US$400/oz to US$500/oz price we expected to incentivise substitution. Indeed there are nascent signs that testing of platinum as a partial substitute for palladium is taking place. Consistent with our long-held outlook for platinum, this implies an improvement in future demand although it is likely to only occur over a period of two or three years.

The outlook for gold is similarly positive albeit more muted than the very solid PGM fundamentals. Global political and economic uncertainty is likely to persist for some years to come, which has historically been supportive of gold demand and the gold price. Despite the recent operational challenges we have experienced, we remain committed to our SA gold operations and to restoring these quality assets to profitability once the AMCU strike has concluded.

The gold assets we inherited – Beatrix, Driefontein and Kloof – have created significant value for stakeholders since the unbundling of Sibanye Gold by Gold Fields. When Sibanye Gold listed, reserves were stated as 13.5Moz with an approximate operating life of eight to 10 years. Since then, our SA gold operations have produced approximately 8.6Moz of gold (approximately 64% of the initial reserves) and enabled us to build a substantial, long-life PGM business while returning over R4.1 billion in dividends to shareholders (at an average 4.9% dividend yield over a five-year period), which is approximately 40% of our market capitalisation on listing. Moreover, after producing 8.6Moz of gold in the past six years, gold reserves of 16.6Moz at the end of 2018 are still 23% higher than they were when Sibanye Gold was constituted.

These quality assets provided a solid base from which we were able to build a large globally diversified precious metals company and will continue to contribute to the Group once the operations have normalised.

NET ASSET VALUE

Sibanye-Stillwater has, through a series of favourably priced acquisitions at a low inflection point in the PGM price cycle, built a sizeable PGM business, which offers significant upside to a higher price environment.

The significant increase in the palladium and rhodium prices since these acquisitions were made, combined with consistent delivery of solid operational results, in our view, will result in significant value being delivered to all stakeholders.

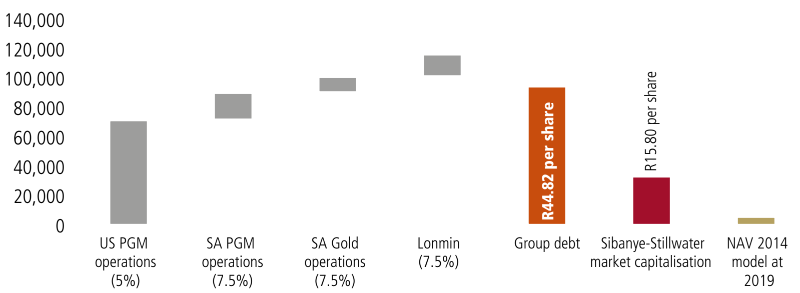
At current market consensus commodity prices and exchange rates, and based on our life of mine (LoM) plans (discounted at an average rate of approximately 7.5% real), we have determined a net asset value (NAV) for the Group of approximately R80 billion. At spot precious metals prices (at 18 February 2019), the NAV increases to approximately R110 billion*. Sibanye-Stillwater is currently trading at a 0.35x price to NAV, which is substantially lower than the average price to NAV of its South African gold and PGM peers.

Our primary focus in 2019 will be to ensure that the inherent value in our NAV flows through into our share price to reduce the price to NAV discount through consistent operational and financial delivery that reflects the benefits of the improved gold and PGM commodity price environments and ensures deleveraging of our balance sheet.

** Aspects beyond management control, such as volatile commodity prices, cost escalation, production disruptions, and changes to tax and other regulations, among others, could, however, materially impact the Group NAV*

"Quality assets provided a solid base from which we were able to build a large globally diversified precious metals company"

Sibanye-Stillwater NAV analysis at spot on 18 February 2019 – trading at 0.35x (R million)



Source: Company internal model

POSITIONING FOR A NEW WORLD – SFA (OXFORD)

In order to ensure that the Group is suitably positioned for continued delivery of value to stakeholders, Sibanye-Stillwater has agreed to acquire SFA (Oxford), pending certain conditions, which is an established analytical consulting company, a globally recognised authority on PGMs, providing in-depth market intelligence, for several years, on battery materials and precious metals for industrial, automotive and smart city technologies.

The acquisition cost compares favourably with the cost of setting up a similar analytical and research group internally but significantly leapfrogs the time required to build up the intellectual knowledge. While Sibanye-Stillwater will have Board representation consistent with its equity holding, SFA (Oxford) will continue to operate as an independent company, providing services to global clients on metal market analysis. As such SFA (Oxford) is expected to be operating cost neutral to Sibanye-Stillwater. Post completion of the acquisition of SFA (Oxford), Sibanye-Stillwater will retain an 80% equity stake in the company with the balance apportioned to employees as an incentive and retention scheme. In this regard, Stephen Forrest will remain as Chairman of the SFA (Oxford) Board and a non-executive director, Jim Sutcliffe, will be appointed to the SFA (Oxford) Board.

2019 OUTLOOK

The extent and severity of Sibanye-Stillwater's challenges in 2018 were unprecedented but, while we still face a number of challenges, the manner in which the Sibanye-Stillwater team has responded to and dealt with various crises gives me confidence that we are well-positioned to continue delivering superior value to all of our stakeholders.

Our significant investment in the PGM industry was not made lightly and was against conventional market wisdom. The fruits of this contrarian, but carefully considered, strategy have already delivered tangible benefits, which are not yet reflected in our market valuation. A positive and sustainable fundamental outlook for PGMs is being increasingly accepted, and Sibanye-Stillwater's commodity mix and geographical diversification offers a unique investment opportunity.

I am confident that the Section 189A consultations with stakeholders regarding the future of certain shafts at our SA gold operations will result in a more stable and profitable business segment, which will contribute positively to Group earnings in future.

Precious metal prices, particularly palladium and rhodium, have surged in 2019 with the recent depreciation of the rand US dollar rate, which is a significant revenue driver, boosting revenues for South African mining companies. The operating environment in South Africa remains challenging although recent political changes and a seemingly more investment-oriented approach by government are positive. While structural changes have yet to be seen, general sentiment about the country's prospects for economic stability and growth have improved.

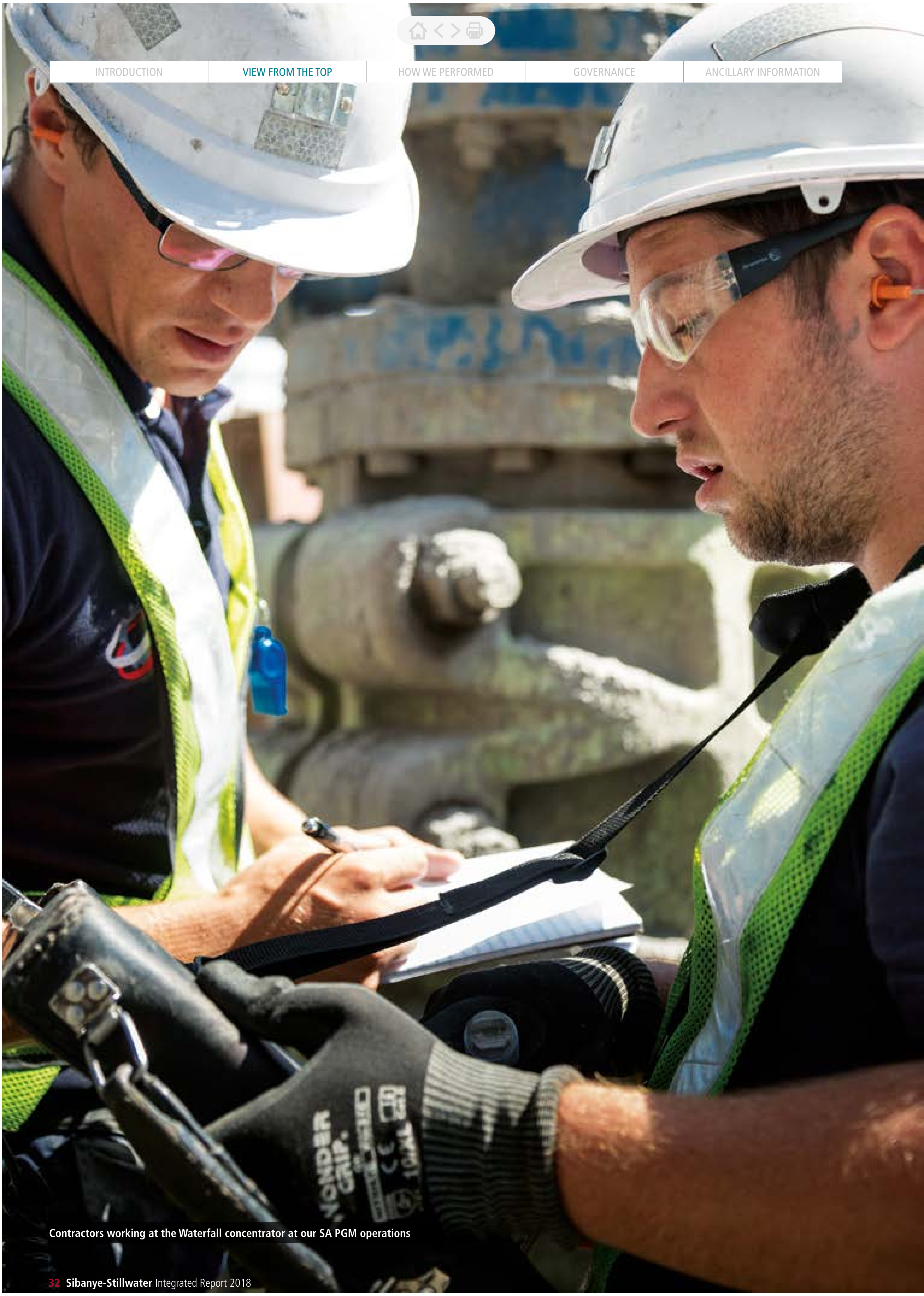
I am convinced that Sibanye-Stillwater offers tangible fundamental value and is strategically positioned to benefit from any further upside in precious metals prices.

RECOGNITION

During the past year of disparate challenges, I have been fortunate to have the support of a team fully committed to achieving the Group's strategic aims and willing at all times to go that extra mile. My thanks to them are unqualified and I am confident that their contributions will continue to be as fulfilling as ever. I am grateful too for the continuing support and wise counsel of the Board.

Neal Froneman
Chief Executive Officer

29 March 2019



Contractors working at the Waterfall concentrator at our SA PGM operations

CHIEF FINANCIAL OFFICER'S REPORT

Charl Keyter
Chief Financial Officer

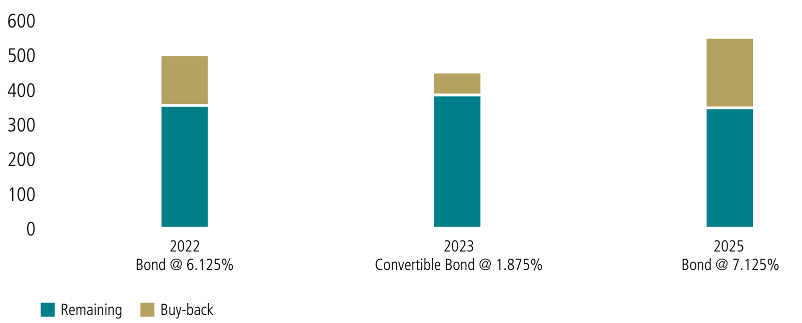
- **Group loss for the year decreased by 43% to R2,521 million**
- **Substantial increase in US and SA PGM adjusted EBITDA**
- **US$350 million revolving credit facility (RCF)** refinanced and upsized to US$600 million on improved terms in April 2018
- **US$500 million streaming transaction** completed in July 2018
- **US$395 million bond buy back** resulting in US$25 million annual interest saving
- **DRDGOLD transaction completed**

2018 will be remembered as one of the more challenging years for Sibanye-Stillwater. The safety incidents at our SA gold operations in the early part of the year as well as the extended strike action at these operations, which started on 21 November 2018, had a significant impact on the financial results of the Group. In stark contrast to this, the PGM operations in southern Africa and the United States maintained steady operating performances with revenues benefitting from higher palladium and rhodium prices in 2018. The well-timed entry into the PGM sector is clearly evident in the financial results, with solid operating and financial performance of our PGM operations compensating for the operational and industrial relations challenges experienced at the SA gold operations.

The Group's major source of earnings for 2018 was our US PGM operations, which accounted for 50% of Group adjusted EBITDA. The contribution from the SA PGM operations has also increased substantially, due to the improved rand PGM basket price and solid, sustained operational performance. In 2018 the SA PGM operations contributed 34% of Group adjusted EBITDA, up from 18% in 2017. Despite a flat average rand gold price received year-on-year, the impact of the safety incidents and other unanticipated operational disruptions as well as the strike, caused production from the SA gold operations to decrease by 7,034kg (226,157oz), resulting in adjusted EBITDA from the SA gold operations declining by 74% to R1,362 million. The SA gold operations contributed only 16% of Group adjusted EBITDA in 2018, compared with 59% in 2017.

The liquidity requirements of the Group were substantially improved through the refinancing of the three-year US$350 million RCF in April 2018.

Bond buy-backs during 2018 (US$ million)



The facility was refinanced for three years with two optional one-year extensions and was increased to US$600 million on improved terms. In anticipation of the change in revenue recognition at Rustenburg operation, where we are moving from a purchase of concentrate arrangement to a toll refining agreement, the Group approached its lending group to provide further covenant relief. The net debt to adjusted EBITDA covenant has been extended at 3.5 times till the end of 2019, thereafter it will step down to 2.5 times.

Sibanye-Stillwater completed a gold and palladium stream agreement with Wheaton Precious Metals International (Wheaton International) in July 2018. In terms of the agreement, Sibanye-Stillwater received US$500 million from Wheaton International in exchange for an amount of gold and palladium equal to a percentage of gold and palladium produced from our US PGM operations (comprised of its East Boulder and Stillwater mining operations). The US$500 million arising from the transaction was competitively priced relative to existing Group debt and alternative financing available in international capital markets.

A portion of the advanced proceeds of the streaming transaction of US$500 million was utilised to buy back US$415 million of the high yield and convertible bonds for a nominal consideration of US$395 million. The buyback has resulted in an annual interest saving of US$25 million and a saving of US$137 million over the remaining life of these bonds.

From an operational perspective, the rand gold price received for 2018 was in line with 2017 at R535,929/kg. The impact of the safety incidents and other unanticipated operational disruptions as well as the strike, caused production from the SA gold operations to decrease by 7,034kg (226,157oz).

CHIEF FINANCIAL OFFICER'S REPORT CONTINUED

The average rand basket price received at the SA PGM operations was 10% higher at R13,838/4Eoz in 2018, compared with R12,534/4Eoz in 2017. The SA PGM operations performed strongly with 4E PGM production of 1,175,672oz in 2018, compared with 1,194,348oz in 2017 mainly due to lower surface production. The US dollar average basket price received at the US PGM operations was 9% higher at US$1,007/2Eoz compared with US$927/2Eoz in 2017. 2E PGM production at 592,608 was 57% higher, reflecting the increased contribution from Blitz and the inclusion of a full year compared with eight months in 2017.

Cost performance at the SA PGM operations was again pleasing during 2018. The AISC at the SA PGM operations at R10,417/4Eoz was in line with the cost performance of 2017 at R10,399/4Eoz. The AISC at the US PGM operations increased by 4% for 2018 to US$677/2Eoz mainly due to the frontloading of skills for Blitz, increased royalties due to the improved basket price, higher maintenance cost and planned outages in the metallurgical complex. Unit costs at the SA gold operations were primarily affected by the safety incidents and other unanticipated operational disruptions as well as the strike. The AISC increased from R482,693/kg in 2017 to R557,530/kg.

Capital expenditure increased from R6,099 million in 2017 to R7,081 million in 2018 mainly due to the inclusion of a full year of US PGM expenditure compared with eight months in 2017. Capital expenditure at the SA gold operations excluding DRDGOLD declined from R3,410 million in 2017 to R2,930 million mainly due to the cessation of mining at the Cooke operations, reduced expenditure at the Burnstone project which is on care and maintenance and the impact of the strike. Capital expenditure from DRDGOLD included for 2018 was R318 million. Capital expenditure at the SA PGM operations reduced from R1,035 million in 2017 to R1,000 million in 2018, mainly due to the deferral of capital in the first half of 2018, following a period of low rand basket prices. Capital expenditure at the US PGM operations for 2018 was US$214 million (R2,833 million) of which US$119 million (R1,574 million) was spent on the Blitz project. This compares to capital expenditure for the eight months in 2017 of US$124 million (R1,654 million) of which US$67 million (R888 million) was spent on the Blitz project.

Consolidated income statement for the year ended 31 December 2018

Figures in million – SA rand	2018	2017
Revenue	**50,656.4**	45,911.6
Cost of sales	**(48,129.0)**	(42,182.4)
Interest income	**482.1**	415.5
Finance expense	**(3,134.7)**	(2,971.8)
Share-based payments	**(299.4)**	(231.9)
Gain/(loss) on financial instruments	**1,704.1**	(1,114.4)
Gain on foreign exchange differences	**1,169.1**	292.4
Share of results of equity-accounted investees after tax	**344.2**	291.6
Other income	**310.2**	300.0
Other costs	**(1,015.4)**	(932.7)
Gain on disposal of property, plant and equipment	**60.2**	40.7
Impairments	**(3,041.4)**	(4,411.0)
Gain on derecognition of borrowings and derivative financial instrument	**230.0**	–
Occupational healthcare expense	**(15.4)**	(1,106.9)
Restructuring costs	**(142.8)**	(729.8)
Transaction costs	**(402.5)**	(552.1)
Loss before royalties and tax	**(1,224.3)**	(6,981.2)
Royalties	**(212.6)**	(398.5)
Loss before tax	**(1,436.9)**	(7,379.7)
Mining and income tax	**(1,083.8)**	2,946.6
Loss for the year	**(2,520.7)**	(4,433.1)
Attributable to:		
Owners of Sibanye-Stillwater	**(2,499.6)**	(4,437.4)
Non-controlling interests	**(21.1)**	4.3
Earnings per share attributable to owners of Sibanye-Stillwater		
Basic earnings per share – cents	**(110)**	(229)
Diluted earnings per share – cents	**(110)**	(229)

Interest income increased from R416 million to R482 million due to higher average cash balances during 2018 and dividends received from Rand Mutual Assurance.

Finance expenses increased from R2,972 million in 2017 to R3,135 million. Interest on borrowings reduced from R2,092 million in 2017 to R1,573 million in 2018 following the close out of the bridge financing utilised for the Stillwater acquisition. However, this was offset by the unwinding of the amortised cost on the 2022 and 2025 notes and the 2023 convertible bond following the US$395 million buy back and the R160 million non-cash finance charge on the US$500 million streaming transaction.

The gain on financial instruments of R1,704 million was mainly due to a gain on the revised cash flow of the Burnstone Debt of R805 million, a fair value gain on the derivative financial instrument of R678 million, revised cash flows at the Rustenburg operation resulting in a decreased purchase price based on 35% of future cash flows (R151 million) and a decreased dividend expectation for our 26% BEE partners (R250 million).

Revenue

Figures in millions – SA rand	2018	2017	% change
Total	**50,656.4**	45,911.6	10
US PGM operations	**15,872.8**	9,161.6	73
SA PGM operations	**15,153.6**	13,276.4	14
SA gold operations (excluding DRDGOLD)	**18,609.2**	23,473.6	(21)
DRDGOLD	**1,047.5**	–	–
Group corporate	**(26.7)**	–	–

The Group's revenue for 2018 of R50,656 million was 10% higher than 2017. Revenue from the US PGM operations increased by 73% mainly due to the inclusion of a full year in 2018, compared with eight months in 2017, additional production from Blitz and a 9% increase in the average US dollar basket price received of $1,007/2Eoz. SA PGM revenue increased by 14% due to a 10% higher rand basket price received of R13,838/4Eoz. Revenue from the SA gold operations (excluding DRDGOLD) reduced by 21% due to 19% lower gold produced as a result of the safety incidents in the first half of 2018 and the AMCU strikes. The average rand gold price was in line with 2017 at R535,929/kg. DRDGOLD contributed R1,048 million to 2018 revenue following the successful conclusion of the DRDGOLD transaction in July 2018.

The gain on foreign exchange differences relates to foreign exchange gains of financial assets of R2,216 million as the closing exchange rate at 31 December 2018 of R14.35/US$ was 16% weaker than R12.36/US$ at 31 December 2017. This gain was partly offset by foreign exchange losses on the US dollar borrowing, including the US$600 million RCF, US$350 million RCF, convertible bond, derivative financial instrument and Burnstone Debt of R1,194 million

Cost of sales, before amortisation and depreciation

Figures in millions – SA rand	2018	2017	% change
Total	**41,515.2**	36,482.7	14
US PGM operations	**11,720.9**	7,011.7	67
SA PGM operations	**12,096.0**	11,591.8	4
SA gold operations (excluding DRDGOLD)	**16,678.3**	17,879.2	(7)
DRDGOLD	**1,020.0**	–	–

Cost of sales, before amortisation and depreciation increased by 14%. Costs at the US PGM operations increased by 67% due to the inclusion of a full year in 2018, compared with eight months in 2017 and additional production from Blitz. The increase of 4% at the SA PGM operations was mainly due to above inflation increases on wages and electricity cost increases partly offset by synergies realised. The decrease at the SA gold operations was the direct result of the strike action plans implemented to limit the impact of the AMCU strikes as well as the no work no pay principle that applies to striking workers.

Impairments

Ongoing losses at certain of the Beatrix and Driefontein shafts negatively affected group cash flow and threatened the sustainability and economic viability of other operations in South Africa. As a result, a decision was taken to impair the mining assets of and goodwill allocated to Driefontein by R2,172 million and R167 million, respectively. Goodwill allocated to Kloof of R166 million and the mining assets of and goodwill allocated to Beatrix of R167 million and R104 million, respectively were impaired. Development of the Burnstone project has been deferred to 2020 and, as a result of this, a decision was taken to impair the mine development assets by R194 million.

Royalties decreased from R399 million in 2017 to R213 million in 2018 impacted by the substantially reduced profitability of the SA gold operations.

Mining and income tax

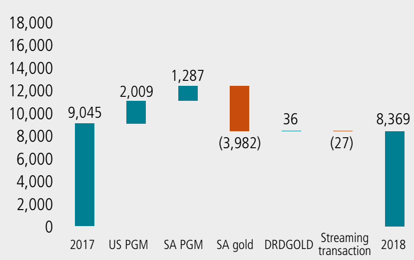
The deferred tax credit of R3,451 million of 2017 compares with a deferred tax charge of R989 million in 2018. The deferred tax charge for 2018 is as a result of the changes to the long-term deferred tax rates of the SA gold operations and the New Jersey Governor signing a number of bills implementing numerous tax changes, which affected the US PGM operations.

The most significant change in the law in the state of New Jersey (where the US PGM operations are subject to tax) resulted in tax being calculated together on all US entities under common control (greater than 50% voting ownership). This resulted in an increase in the estimated deferred tax relating to the US PGM operations and a deferred tax charge of R1,545 million (US$108 million).

Adjusted EBITDA of R8,369 million in 2018 decreased by 7% from R9,045 million in 2017, despite adjusted EBITDA from the US and SA PGM operations increasing by 94% and 81%, respectively. The 16% decline in gold production resulted in a 74% decrease in adjusted EBITDA from the SA gold operations. Adjusted EBITDA includes other cash costs and care and maintenance expenditures. Care and maintenance at Cooke and Marikana were R564 million and R12 million, respectively in 2018, compared with R236 million and R13 million, respectively in 2017. Other costs include corporate and social expenditure of R70 million and non-production royalties of R105 million for 2018. The adjusted EBITDA margin for the US PGM underground operations increased from 43% in 2017 to 46% in 2018, primarily due to the surging US dollar palladium price and strong operational performance. The adjusted EBITDA margin for the SA PGM operations increased year-on-year from 12% to 19% again, aided by the increase in palladium price. The SA gold operations adjusted EBITDA margin declined from 23% in 2017 to 7% in 2018 following the operational disruptions.

See Gearing on page 37

Adjusted EBITDA 2017 vs 2018 (R million)



CHIEF FINANCIAL OFFICER'S REPORT CONTINUED

Consolidated statement of financial position as at 31 December 2018

Figures in million – SA rand	2018	2017
Assets		
Non-current assets	**69,727.7**	64,067.3
Property, plant and equipment	**54,558.2**	51,444.6
Goodwill	**6,889.6**	6,396.0
Equity-accounted investments	**3,733.9**	2,244.1
Other investments	**156.0**	–
Environmental rehabilitation obligation funds	**3,998.7**	3,492.4
Other receivables	**314.4**	284.0
Deferred tax assets	**76.9**	206.2
Current assets	**15,195.3**	12,004.5
Inventories	**5,294.8**	3,526.5
Trade and other receivables	**6,833.0**	6,197.6
Other receivables	**35.2**	35.2
Tax receivable	**483.2**	182.8
Cash and cash equivalents	**2,549.1**	2,062.4
Total assets	**84,923.0**	76,071.8
Equity and liabilities		
Equity attributable to owners of Sibanye-Stillwater	**23,788.4**	23,978.4
Stated share capital	**34,667.0**	34,667.0
Other reserves	**4,617.2**	2,569.0
Accumulated loss	**(15,495.8)**	(13,257.6)
Non-controlling interests	**936.0**	19.8
Total equity	**24,724.4**	23,998.2
Non-current liabilities	**45,566.0**	43,635.8
Borrowings	**18,316.5**	23,992.0
Derivative financial instrument	**408.9**	1,093.5
Environmental rehabilitation obligation and other provisions	**6,294.2**	4,678.7
Post-retirement healthcare obligation	**5.6**	11.3
Occupational healthcare obligation	**1,164.2**	1,152.5
Share-based payment obligations	**168.9**	422.2
Other payables	**2,529.2**	3,760.4
Deferred revenue	**6,525.3**	–
Deferred tax liabilities	**10,153.2**	8,525.2
Current liabilities	**14,632.6**	8,437.8
Borrowings	**6,188.2**	1,657.5
Occupational healthcare obligation	**109.9**	0.8
Share-based payment obligations	**56.8**	12.3
Trade and other payables	**7,856.3**	6,690.4
Other payables	**303.3**	41.9
Deferred revenue	**30.1**	–
Tax and royalties payable	**88.0**	34.9
Total equity and liabilities	**84,923.0**	76,071.8

Gearing

Figures in millions – SA rand	2018	2017
Borrowings [1]	**23,768.5**	25,205.5
Cash and cash equivalents [2]	**2,499.4**	2,029.8
Net debt [3]	**21,269.1**	23,175.7
Adjusted EBITDA	**8,369.4**	9,045.1
Net debt [3] to adjusted EBITDA (ratio)	**2.5**	2.6

[1] *Borrowings are only those borrowings that have recourse to Sibanye-Stillwater. Borrowings, therefore, exclude the Burnstone Debt and include the derivative financial instrument*

[2] *Cash and cash equivalents exclude cash of Burnstone*

[3] *Net debt represents borrowings and bank overdraft less cash equivalents. Net debt excludes Burnstone Debt, and Burnstone cash and cash equivalents, and includes the derivative financial instrument.*

See adjusted EBITDA on page 35

During July 2018, Sibanye-Stillwater exchanged selected surface gold processing assets and tailings storage facilities for approximately 265 million newly issued DRDGOLD shares or 38.05% of the issued share capital of DRDGOLD. Although the Group owns less than half of DRDGOLD and has less than half of DRDGOLD's voting power, the Group controls DRDGOLD as a result of an option to subscribe for a sufficient number of DRDGOLD ordinary shares to attain a 50.1% shareholding in DRDGOLD at a 10% discount to the 30-day volume weighted average traded price, which is considered substantive.

Figures in million – SA rand	2018
Transaction with DRDGOLD shareholders (Consideration) [1]	**261.4**
Less: Fair value of identifiable net assets acquired	**1,166.8**
Property, plant and equipment	**1,443.2**
Environmental rehabilitation obligation funds	**244.7**
Other non-current assets	**28.7**
Inventories	**243.5**
Trade and other receivables	**138.4**
Cash and cash equivalents	**282.8**
Environmental rehabilitation obligation and other provisions	**(672.7)**
Deferred tax liabilities	**(132.2)**
Other non-current liabilities	**(54.9)**
Trade and other payables	**(337.1)**
Other current liabilities	**(17.6)**
Plus: Non-controlling interest, based on the proportionate interest in the recognised amounts of assets and liabilities [2]	**940.3**
Goodwill [3]	**34.9**

[1] *The purchase consideration was calculated as 61.95% of the fair value of Far West Gold Recoveries assets and liabilities. The fair value of assets and liabilities, excluding property, plant and equipment, approximate the carrying value. The fair value of property, plant and equipment was based on the expected discounted cash flows of the expected ore reserves and costs to extract the ore discounted at a real discount rate of 13.3%, an average gold price of R580,000/kg. Although Sibanye-Stillwater exchanged (disposed) the Far West Gold Recoveries assets and liabilities, the Group effectively retains control. The transaction with DRDGOLD shareholders, therefore, represents the difference between 61.95% of the fair value and carrying value of Far West Gold Recoveries assets and liabilities.*

[2] *Non-controlling interest, based on the proportionate interest (of 61.95%) in the carrying value of the Far West Gold Recoveries assets and liabilities, and fair value of the DRDGOLD net assets and liabilities acquired*

[3] *The goodwill is attributable to DRDGOLD's proven surface treatment capabilities*

CHIEF FINANCIAL OFFICER'S REPORT CONTINUED

Proposed Lonmin transaction

On 14 December 2017, the Boards of Sibanye-Stillwater and Lonmin announced that they had reached agreement on the terms of a recommended all-share offer pursuant to which Sibanye-Stillwater, and/or a wholly-owned subsidiary of Sibanye-Stillwater, will acquire the entire issued and to be issued ordinary share capital of Lonmin.

The Lonmin group is a major mine-to-market producer of PGMs with core operations in South Africa. It produces PGMs predominantly used in many industrial applications, and in jewellery and investment, with saleable by-products including gold, copper, nickel, chrome and cobalt. The Lonmin group is a major primary producer of PGMs worldwide. Lonmin shares are admitted to listing on the premium listing segment of the official list and to trading on the main market of the London Stock Exchange, and have a secondary listing on the JSE main board. Lonmin also has an American Depositary Receipt programme traded on the over-the-counter market in the US.

The Board believes that the proposed acquisition of Lonmin is compelling and value-accretive for Sibanye-Stillwater shareholders and is a logical step in executing its PGM strategy in southern Africa. By combining Sibanye-Stillwater's existing, and contiguous, South African PGM assets with Lonmin's operations, including Lonmin's processing facilities, Sibanye-Stillwater will be able to unlock operational synergies and complete its strategy to become a fully integrated PGM producer in South Africa. By combining Sibanye-Stillwater's existing, and contiguous, South African PGM assets with Lonmin's operations, including Lonmin's processing facilities, Sibanye-Stillwater will be able to unlock operational synergies* estimated at R730 million over the first three years while a further R780 million is expected to be unlocked should the Rustenburg PGM material be treated at the Lonmin facilities after 2021. We are also confident that this transaction will bring greater stability to the Lonmin assets, and ensure a more sustainable and positive future.

To date, several of the conditions precedent have been fulfilled including approvals from the South African Reserve Bank, the UK Competition and Markets Authority, as well as the South African Competition Commission approval received on 21 November 2018, subject to specific conditions*.

On 19 December 2018, AMCU filed an appeal with the Competition Appeal Court of South Africa against the South African Competition Commission decision, which will be heard on 2 April 2019. Sibanye-Stillwater and Lonmin have agreed to extend the long-stop date for completion of the proposed acquisition from 28 February 2019 to 30 June 2019.

Additional conditions precedent include, *inter alia*, the approvals of Lonmin and Sibanye-Stillwater shareholders and the courts of England and Wales.

A circular to Sibanye-Stillwater shareholders and the Lonmin scheme of arrangement document will be posted to the respective shareholders in due course. Included in those documents will be the expected dates of the shareholder meetings and timetable for the closing of the transaction.

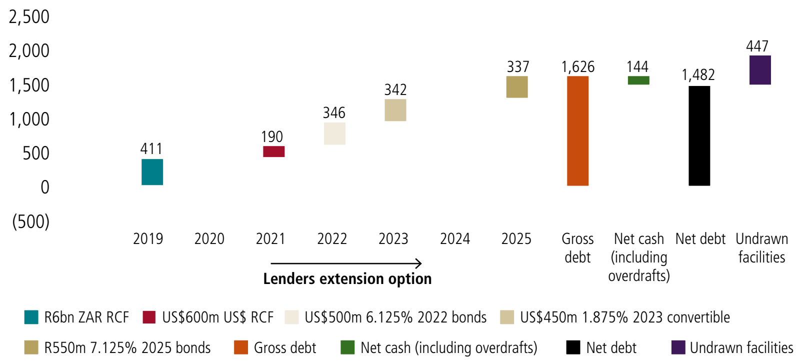
** For further information in relation to the expected synergies, refer to pages 17, 58 and 60 of the offer announcement dated 14 December 2017 while full details on the conditions imposed by the Competition Commission are also available at www.sibanyestillwater.com/investors/transactions/lonmin*

"The Board believes that the proposed acquisition of Lonmin is compelling and value-accretive for Sibanye-Stillwater shareholders and is a logical step in executing its PGM strategy in southern Africa"

FOCUS AREAS – 2019

The continued deleveraging of the organisation will be the primary focus for 2019 through earnings growth, cash flow generation and possible alternative financing solutions which may include pipeline financing. In order to maintain adequate liquidity, the refinancing of the R6.0 billion RCF, maturing in November 2019, will be prioritised. The facility will potentially be increased to provide adequate working capital requirements to the enlarged Group post completion of the Lonmin transaction.

Debt maturity (capital repayment profile) as at 31 December 2018 (US$ million)



The strong performance of commodity prices, more specifically palladium, rhodium and gold and the weakening of the rand against the US dollar, which started in 2018 and has continued into 2019, should assist with earnings growth and cash flow, which will have a substantial positive impact on the continued deleveraging.

Commodity prices	2018	Spot prices as at 8 March 2019	% change
Gold price	**R535,929/kg**	R602,104/kg	12
SA PGM average basket price	**R13,838/4Eoz**	R17,785/4Eoz	29
US PGM average basket price	**US$1,007/2Eoz**	US$1,353/2Eoz	34

The Group's main focus on successful closure of the Lonmin transaction will be the integration of the Lonmin assets and on leveraging the initial cost synergies identified during the due diligence. High-level planning of the integration effort and the associated timeline has already started.

ACKNOWLEDGEMENT

I continue to be supported by a strong and diligent finance team across the Sibanye-Stillwater group. The Group has been able to mitigate some of the adverse consequences relating to the volatile global environment in which we operate through proactive responses by the financial team. We continue to provide relevant, qualitative information and reporting to all our stakeholders that reflect our objectives and values. I would like to take this opportunity to thank the financial team for their unwavering support and look forward to 2019.

Charl Keyter
Chief Financial Officer
29 March 2019

MANAGING OUR RISKS AND OPPORTUNITIES

Sibanye-Stillwater views risk and opportunity management as an integral element of our strategy implementation that supports the Group in performing effectively and building confidence in the delivery of predictable outcomes in the dynamic environment in which we operate. A solid understanding and effective management of our risks and opportunities, and ensuring we have appropriate measures in place to mitigate risks and act on opportunities, will give us a competitive advantage. By effectively containing risks and realising opportunities in pursuit of our strategy, we are able to deliver on our strategic objectives and generate sustained value for all stakeholders over time.

Sibanye-Stillwater considers a risk and/or an opportunity to be material if it substantially affects our ability to create and sustain value in the short, medium and long term. The process to identify the material risks and opportunities facing Sibanye-Stillwater is three-pronged and involves taking into account:

- Our external operating environment
- Internal factors that may adversely affect business performance
- Stakeholder attitudes, concerns and expectations (see *Stakeholder engagement*)

Due consideration and understanding of these factors allows management to identify the most significant and material issues in terms of their potential impact on the Group's ability to achieve its strategic and business objectives and to create value. Management evaluates the likelihood and potential impact of material issues occurring from multiple perspectives, including strategic, financial and operational viewpoints, prioritising the most material and developing appropriate response plans to mitigate and manage the risks identified.

In this section we report on and discuss first our risks, how these are identified and how we mitigate and manage them. This is followed by a discussion on our approach to opportunities *(see our material opportunities).*

Management of our material risks entails identifying the relevant variables – strategic, external and internal – and understanding how they might impact Sibanye-Stillwater's ability to deliver on our strategy and achieve our strategic objectives.

OUR RISK MANAGEMENT FRAMEWORK

Risk management is a continuous, proactive, dynamic process, designed to identify, understand, manage and communicate risks that may impact Sibanye-Stillwater's ability to achieve its strategic business objectives. The Group-wide risk assessment process has been enhanced to ensure that our strategic objectives are included at all levels of risk determination, and to ensure alignment across the Group.

The Group-wide assessment process is cascaded to our major operating segments, which allows for customised identification and management of risks to safe production delivery and cash flow from each operating segment and the contextualising of these risks at a Group level. Many of the risks that are material to the Group are consolidated from an operating segment, commodity or territory specific risks, with strategic opportunities driven mainly as part of the Group strategic plan.

GOVERNANCE

Governance oversight of risk and opportunity management in 2018 included an annual independent review of Sibanye-Stillwater's updated enterprise risk management framework, practices and systems, and their effectiveness, by external assurance provider, PwC. The review confirmed that our risk management framework is compliant with King IV, ISO 31000 and the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In line with its duties and responsibilities, the Board of Directors, supported by the Risk Committee, monitored, reviewed, provided feedback on and approved the risk management framework, its components, and the systems and processes making up enterprise risk management.

"Sibanye-Stillwater views risk and opportunity management as an integral element of our strategy implementation"

An employee inspects one of the tailings storage facilities at the Rustenburg operations

The diagram below summarises the framework that is in place to identify material risks.

Identifying our material risks

1	**Gathering initial input**	**Operating environment** Analysis of factors over which we have no control that may affect our ability to deliver on strategic objectives	**Stakeholder engagement** Analysis of issues raised by stakeholder engagement (*see Stakeholder engagement and material issues*)	**Enterprise risk management** Analysis of information from internal business processes
2	**Evaluating input**	**Qualitative** Review of risks based on strategic, financial, non-financial and operational considerations	**Quantitative** Review of risks based on implications for reputation, licence to operate and compliance	
3	**Reviewing and prioritising**	Application of filters for risk determination and allocation of responsibilities to ensure control and further mitigation		
4	**Determining material risks**	Significant material risks are agreed, ranked and appropriate responses determined		

As part of ongoing monitoring of risk management, the Board deliberated and agreed on acceptable appetite and risk tolerance levels for key performance areas. Our risk appetite refers to the extent of business risk we are willing to take to achieve our strategic objectives and attain certain financial and commercial outcomes. In agreeing our risk appetite, we consider revenue growth, earnings sustainability, environmental impact, employee well-being, health, safety, the environment, human resources, business plan delivery, licence to operate, ethics and governance.

RISK APPETITE STATEMENTS

The Group is committed to operating responsibly in its pursuit of creating superior shareholder value. The following strategic risk appetite statements provide directional decision support for strategic decision making in line with this commitment.

HEALTH, SAFETY, SUSTAINABILITY AND ENVIRONMENT

- Sibanye-Stillwater will strive for zero harm and to minimise risk by not putting profits ahead of health, safety, sustainability or environment
- Sibanye-Stillwater strives to exceed industry standards and to avoid entering operating environments where health, safety, sustainability and environment (HSSE) records are not in line with international norms
- Sibanye-Stillwater seeks to avoid any activity that will compromise our alignment with leading industry health, safety, sustainability and environmental standards

FINANCIAL AND INVESTMENT DECISIONS

- Sibanye-Stillwater will strategically take on additional leverage in order to increase shareholder value only where the operational requirements, through detailed evaluation, are determined to be outweighed by the benefit
- Sibanye-Stillwater is not willing to accept any risk that has the potential to cause at least a 500-basis point deviation in margin from the plan
- As part of evaluating investment decisions or capital allocations, the Group applies relevant hurdle rates and discount factors, taking into account items such as level of study undertaken on the project or operation and country risk, among others

RISK ESCALATION

The top 10 risks identified in the risk register are:
- included in or escalated to the Group strategic risk register
- evaluated for further mitigation measures to reduce the risk to within the tolerance levels
- reported to the Board

"The Group is committed to operating responsibly in its pursuit of creating superior shareholder value"

MANAGING OUR RISKS AND OPPORTUNITIES CONTINUED

OUR TOP 10 MATERIAL RISKS

For 2018, we identified and monitored the following top 10 material risks. Given the transformative acquisition of Stillwater concluded in 2017 and the resulting geographic and product diversity, Sibanye-Stillwater's risk profile has substantially changed. This change is reflected in the change in our material risks and in regional differences. Diversification has reduced the potential impact of certain risks previously considered material. Further detail on each risk, its impact on our strategic objectives, and related mitigation measures can be found on page 44.

Risk assessments are conducted across the Group at operating unit, business unit, region and Group level with each area continuously monitoring its risk registers. These risk registers are reviewed formally by the Risk Committee twice a year. In 2018, the strategic risk assessments for the Group, and the US and SA operations were independently facilitated by Willis Towers Watson.

The risk methodology applied requires that the risks are inherently rated to provide a view of the risk profile. Controls in place are identified. The risks are then rated to provide a residual rating.

The top 10 strategic risk inherent and residual risk rankings are reflected in the heat maps (opposite).

SIBANYE-STILLWATER RISK MANAGEMENT HEAT MAP: INHERENT RISK

IMPACT	1	2	3	4	5
5			9	1,2,3,5	
4			8	4,6,7	
3				10	
2					
1					

LIKELIHOOD

SIBANYE-STILLWATER RISK MANAGEMENT HEAT MAP: RESIDUAL RISK

IMPACT	1	2	3	4	5
5					
4			9	1,2,3,4	
3			10	5,6,7,8	
2					
1					

LIKELIHOOD

In the laboratory at the Columbus Metallurgical Complex in the US

Details of the top 10 residual risks identified for 2018 are provided in the table below. Also provided is the risk movement since 2017 and the new risks identified as a result of our geographical and product diversification.

Top 10 material risks and opportunities in 2018

Ranking	Risk description in 2018	Comparison with 2017	
1	**Government actions**	**Incorporates the following risks from 2017:** Further deterioration in South African rating and potential adverse impact on valuations and cost of financing	**(4)**
2	**Socio-political instability and unrest in South Africa**	**Incorporates the following risks from 2017:** Unrealistic expectations for business to uplift communities in South Africa	**(8)**
3	**Impact of safety incidents, including those contrary to company policy**[1]	**Incorporates the following risks from 2017:** Safety, health and environmental incidents	**(7)**
4	**Mining Charter outcome and Mineral and Petroleum Resources Development Act amendments**	**Incorporates the following risks from 2017:** Maintaining and obtaining operating licences and other permits in uncertain political and regulatory environments	**(6)**
5	**Under-delivery on operational plans**	**Incorporates the following risks from 2017:** Under-delivery on operational targets owing to external factors	**(9)**
6	**Significant PGM, gold and other commodity price decreases**	New risk	
7	**Global economic downturn or strengthened US economy**	New risk	
8	**Financial covenants and net debt**	**Incorporates the following risk from 2017:** Ability to access, service and repay debt due to external and internal factors that may impact cash flow	**(2)**
9	**Organised labour**	**Incorporates the following risk from 2017:** Operational disruptions	**(25)**
10	**Change in regulatory requirements**	**Incorporates the following risk from 2017:** Adverse regulatory changes and socio-political instability	**(3)**

[1] *Safety and well-being of our employees is a priority for Sibanye-Stillwater at Group and regional level. As the anomalous spate of fatalities in 2018 is of great concern, a review of the circumstances of each incident was conducted and action was taken to enhance safety practices.*

Our Group and regional risk registers include the impact of safety, health and environmental incidents, as well as under-delivery on our plans among the top 10 Group and/or regional risks.

The Columbus Metallurgical Complex at our US operations

MANAGING OUR RISKS AND OPPORTUNITIES CONTINUED

Top 10 risks: Description, impact and related mitigating action

The top 10 risks have been ranked according to their residual risk, based on exposure levels after mitigating action and controls were applied.

TOP 10 RISKS AND RELATED MITIGATING ACTIONS

Risk and related strategic objectives	Underlying vulnerabilities	Potential consequences and impact on delivery of strategy	
1. GOVERNMENT ACTIONS **Related strategic objectives:** Addressing our South African discount Pursuing value-accretive growth For further information, see: *CEO's review, CFO's report and Minimising the environmental impact*	• Policy and regulatory uncertainty in South Africa • Nationalisation movement/discussion • Inability to comply with social licence and US political climate	• Low investor support • Further policy and regulatory uncertainty • Increased cost of compliance and doing business • Loss of international competitiveness • Lack of investment • Increased cost/decreased access to capital • Decreased revenue and SA operations' sustainability	
2. SOCIO-POLITICAL INSTABILITY AND UNREST IN SOUTH AFRICA **Related strategic objectives:** Addressing our South African discount Focus on safe production and operational excellence For further information, see: *CEO's review, CFO's report, Stakeholder engagement, Delivering value from operations, projects and technology, Ensuring safe production* and *Occupational health and well-being*	• Failure to meet community expectations • Failure of local economic development projects • Community uprising • Historic area of weakness • Hijacked by political interests • High unemployment • SA clash of vested interests • Dysfunctional local government • Lack of services (including electricity) and escalating cost of services • Heightened expectations	• Business and operational disruption • Safety and security compromised • Increased costs • Impact on employee morale • Unable to deliver on operational plans • Reduced cash flow • Mining licence uncertainty • Reputational impact • Company required to play government role • SLP pressure and costs	

	Enhancement action plan	Key performance indicators (KPIs)	Inherent risk rating	Residual risk rating	Risk tolerance	Source of risk
	• Broad stakeholder engagement • Direct legal challenges to legislation • Ongoing monitoring of regional compliance • Participation in organised business lobby groups • Active involvement in business associations to influence outcomes of regulatory certainty and policy making • Geographical diversity	• Favourable minerals policy • Costs of sustaining social licence • SA discount on share price • Optionality to address negative government policy	High	Medium	• Compliance with key laws, legal requirements and social requirements for social and labour plans (SLPs) and Mining Charter targets	EXTERNAL
	• Stakeholder engagement • Investment in local economic development • Community compacts	• Improved stakeholder relationships (evidenced by reduced community protest action and existence of compact agreements)	High	Medium	• Compliance with key laws, legal requirements and social requirements for SLPs and Mining Charter targets	EXTERNAL

MANAGING OUR RISKS AND OPPORTUNITIES CONTINUED

TOP 10 RISKS AND RELATED MITIGATING ACTIONS continued

Risk and related strategic objectives	Underlying vulnerabilities	Potential consequences and impact on delivery of strategy
3. IMPACT OF SAFETY INCIDENTS, INCLUDING THOSE CONTRARY TO COMPANY POLICY **Related strategic objectives:** Focus on safe production and operational excellence Deleveraging our balance sheet For further information, see: *Perspective from the chair, CEO's review, CFO's report, Delivering value from operations, projects and technology, Superior value for the workforce, Ensuring safe production, Occupational health and well-being, Corporate governance and leadership and Remuneration report*	• Lack of alignment between safety performance and values and culture • Technical complexity • Depth of operations • Propensity for high-risk behaviour • Disregard for rules and procedures by non-management personnel • Desensitisation to events • Safety perceived by some as exclusively management issue • Labour-intensive • Narrow nature of ore body • Mature mines	• Fatalities • Serious injuries • Reputational impacts • Employee morale and engagement • Damaged relationships (customers, organised labour, shareholders and communities) • Operational/business disruption • Increased regulatory and stakeholder scrutiny • Increased expense • Loss of production • Legal consequences • Fines and penalties • Sustainability of operations
4. MINING CHARTER AND MINERAL AND PETROLEUM RESOURCES DEVELOPMENT ACT AMENDMENTS **Related strategic objectives:** Addressing our South African discount Pursuing value-accretive growth For further information, see: *Perspective from the chair, Stakeholder engagement, Superior value for the workforce, Social upliftment and community development and Corporate governance and leadership*	• Uncertainty around new Mining Charter • Charter compliance is requirement to operate • Lack of clarity around legal status of Mining Charter • Uncertainty of Mining Charter negotiations • Trust deficit between business and communities • Unrealistic expectations created in government engagement with communities • Uncertain legal tenure over mineral rights	• Additional dilution to shareholders • Additional cost of compliance • Further discounts to share price • Loss of investor confidence • Increased operating costs • Lack of access to capital markets • Change to operating strategy • Sustainability of SA operations at risk • Loss of mining right/licence to operate

Enhancement action plan	Key performance indicators (KPIs)	Inherent risk rating	Residual risk rating	Risk tolerance	Source of risk
• Adoption of the zero harm safety framework, developed jointly with the Department of Mineral Resources and organised labour • Continued focus on enhancing safe production, based on an enabling environment and empowered employees • Establishment of the Global Safe Production Advisory Panel comprising international expects in the fields of mining and rock engineering • Continued focus on mine health and safety systems • Continued focus on employee training and awareness • Behavioural intervention • Appropriately skilled appointments • Safety campaigns • Safety rewards and recognition (and consequences for poor safety performance) • Participation in industry safety bodies • Auditing • Continued focus on seismic monitoring systems • Continued focus on safe operating standards and procedures • Safety function • Board sub-committee/oversight	• Percentage decrease in FIFR, SIFR and LTIFR year on year • Multi-stakeholder approach • Portfolio review reducing inherent risk	High	Medium	• Improved safety statistics compared to prior periods and better than industry norms • Low tolerance of any activity that will compromise alignment with industry-leading health, safety, security and environment	INTERNAL
• Broad stakeholder engagement • Direct legal challenges to legislation • Ongoing regional compliance monitoring • Organised business lobby groups • Active involvement in business associations to influence outcomes of regulatory certainty and policy making • Geographical diversity • Compliance with current Mining Charter	• Mining Charter conducive to competitiveness and investment • Costs of sustaining social licence • South African discount on share price • Optionality to address negative government policy	High	Medium	• Compliance with key laws, legal requirements and social requirements for SLPs and Mining Charter targets	EXTERNAL

MANAGING OUR RISKS AND OPPORTUNITIES CONTINUED

TOP 10 RISKS AND RELATED MITIGATING ACTIONS continued

Risk and related strategic objectives	Underlying vulnerabilities	Potential consequences and impact on delivery of strategy
5. UNDER-DELIVERY TO PLAN **Related strategic objectives:** Focus on safe production and operational excellence Deleveraging our balance sheet For further information, see: *CEO's review, CFO's report and Delivering value from operations, projects and technology*	• Under-performance • Failure to meet operational targets and stakeholder expectations • Cash flow generation from operations • Highly leveraged and marginal due to strong Rand and/or low commodity prices • Losing competitive edge in South Africa • Volatility of commodity pricing • High fixed costs • Safety performance • Organised labour • Lack of mining flexibility and technical complexity (such as seismicity) • Disengaged employees • Dependence on key infrastructure	• Reputational impact • Loss of investor confidence • Low morale • Job losses • Inability to repay debt • Domino effect • Loss of revenue • Asset restructuring • Unable to retain key employees • Difficulty delivering on community programmes • Reduced cash flow • Poor stakeholder relations
6. SIGNIFICANT PGM, GOLD AND COMMODITY PRICE DECREASES **Related strategic objectives:** Deleveraging our balance sheet For further information, see: *CEO's review and CFO's report*	• Tight margins • Highly operationally leveraged • Financial leverage • High levels of debt • Earnings dependent on prices • Difficult to plan confidently • Lack of flexibility to adapt to or absorb lower prices (long-term planning decisions) • Fewer high-grade resources (gold) available • Cash flow pressures • Investors desire for pure commodity exposure	• Decrease in revenue • Increased leverage • Potential layoffs • Further social instability • Shutting down operations • Constrained capital • Increase in unit costs • Reputational impact • Revision of strategy – Covenant breach – Increase in cost of capital projects due to stop/start nature – Equity issuance

Enhancement action plan	Key performance indicators (KPIs)	Inherent risk rating	Residual risk rating	Risk tolerance	Source of risk
• Planning and review systems • Competent people • Strong regional operational leadership • Operating model • Board oversight • Role clarity • Realistic targets • Flexibility • Regional organisational structure • Change management capability • Decoupling of gold mines	• Reduced variance on delivery to plan • Review of SA gold operations completed • Improved grade projection implemented at US PGM operations	High	Medium	• Achievement of targets to business and operational plans • Compliance with key laws, legal requirements and social requirements for SLPs and Mining Charter targets	INTERNAL AND EXTERNAL
• Hedging • Geographical and commodity diversification • Inherent agility and moderate flexibility to cut costs and growth capital • Restructuring regional cost base • Making use of available borrowing facilities • Targeting to become a lower cost quartile producer • Forecast market dynamics based on strategic market intelligence	• Corporate financing strategy implemented • Reduced debt profile	High	Medium	• Achievement of targets to business and operational plans	EXTERNAL

MANAGING OUR RISKS AND OPPORTUNITIES CONTINUED

TOP 10 RISKS AND RELATED MITIGATING ACTIONS continued

Risk and related strategic objectives	Underlying vulnerabilities	Potential consequences and impact on delivery of strategy
7. GLOBAL ECONOMIC DOWNTURN OR STRENGTHENED US ECONOMY **Related strategic objectives:** Deleveraging our balance sheet Pursuing value-accretive growth For further information, see: *CEO's review and CFO's report*	• Significant exposure to PGM markets • PGM markets are relatively volatile • Platinum is in downturn • Significant exposure to South Africa • Uncertainty about direction of economy and political uncertainty • Economy drives demand • Social instability • Strong US economy has negative impact on gold	• Decrease in revenue • Decreasing commodity demand and prices • Increased leverage • Potential layoffs • Further social instability • Shutting down operations • Lack of capital investment • Increase in unit costs • Reputational impact • Revision in strategy • Covenant breach
8. FINANCIAL COVENANTS AND NET DEBT **Related strategic objectives:** Focus on safe production and operational excellence Deleveraging our balance sheet For further information, see: *CEO's review and CFO's report*	• High debt leverage • Operational under-performance • Safety stoppages • Low cash flows • Not producing sufficient cash to reduce debt in line with projections • Alternative financing options may not materialise • Sensitivity to strong Rand and commodity pricing	• Refinancing on more expensive terms • Investor perception • Reputational impact • Loss of shareholder confidence • Increased scrutiny over management of business • Loss of liquidity • Major restructuring
9. ORGANISED LABOUR **Related strategic objectives:** Focus on safe production and operational excellence For further information, see: *Perspective from the chair, CEO's review, Stakeholder engagement and Superior value for the workforce*	• Unionised workforce across all operations • Inter-union rivalry and militancy in South Africa • Destructive nature of unions • Safety performance • Politicisation of union activities • Lack of alignment, mistrust between Sibanye-Stillwater and unions • Social inequality in South Africa • Large labour force (~65,000 people and growing)	• Loss of production efficiency • Impacts on employee engagement, morale, productivity and accountability • Employee safety • Reputational damage • Property damage • Loss of lives • Job loss • Unrealistic wage demands

Enhancement action plan	Key performance indicators (KPIs)	Inherent risk rating	Residual risk rating	Risk tolerance	Source of risk
• Geographical and commodity diversification • Hedging • Inherent flexibility and agility to respond rapidly • Restructuring regional cost base • Managing capital structure • Ensuring borrowing facilities are available • Targeting lower cost quartile producer	• Improved PGM market intelligence	High	Medium	• Achievement of targets to business and operational plans	EXTERNAL
• Ensuring delivery on operational plan • Hedging • Pursuing alternative financing options • Sale of non-core assets • Facilities and Hedging Committee • Review of operational costs and capital • Lender and investor management	• Reduced variance on delivery to plan • Net debt:adjusted EBITDA ratio • Corporate financing strategy implemented	Medium	Medium	• Achievement of targets in business and operational plans	EXTERNAL AND INTERNAL
• Employee relations structure • Collective agreements • People Advisory Committee • Benchmarking • Competitive wages and benefits (US) • Direct employee communication • Community outreach programmes • Diversification • Effective security function	• Successful wage agreement	High	Medium	• Compliance with key laws, legal requirements and social requirements for SLPs and Mining Charter targets	INTERNAL AND EXTERNAL

MANAGING OUR RISKS AND OPPORTUNITIES CONTINUED

TOP 10 RISKS AND RELATED MITIGATING ACTIONS continued

Risk and related strategic objectives	Underlying vulnerabilities	Potential consequences and impact on delivery of strategy
10. CHANGE IN REGULATORY REQUIREMENTS **Related strategic objectives:** Focus on safe production and operational excellence Deleveraging our balance sheet For further information, see: *Perspective from the chair, CEO's review and Minimising the environmental impact*	• Environmental lobby group in Montana, US • Carbon emissions regulations • Changing regulatory environment (ongoing) • Complexity of global regulatory and compliance environment • Geographic footprint • Increased visibility of Sibanye-Stillwater • Well-funded and well-organised anti-mining non-governmental organisations (NGOs) • Political uncertainty • Lack of technical expertise of regulators (South Africa) resulting in delays and onerous requirements • Anti-diesel movement • Transport emission standards	• Increased cost of compliance and cost of doing business • Periods of non-compliance • Fines and penalties • Loss of revenue • Reputational impact • Contracting market • Human capital impacts • Imposition of further taxes


Our Beatrix gold operations are located in the Free State province of South Africa

	Enhancement action plan	Key performance indicators (KPIs)	Inherent risk rating	Residual risk rating	Risk tolerance	Source of risk
	• Ongoing monitoring of regulatory changes (internal and external) • Membership of influential organisations, including Minerals Council South Africa, National Mining Association, PGM associations and World Gold Council • External legal advisors • Strategic market intelligence • Measure and track compliance • Internal audits • External regulators	• Influencing the regulatory change • Compliance with changed regulations • Quality of relationships with lobby groups	Medium	Medium	• Compliance with key laws, legal requirements and social requirements for SLPs and Mining Charter targets	EXTERNAL

MANAGING OUR RISKS AND OPPORTUNITIES CONTINUED

IDENTIFYING AND MANAGING OUR MATERIAL OPPORTUNITIES

Our process for reviewing and developing our strategy is the primary mechanism for identification and prioritisation of material opportunities. At operating segment level, the strategies incorporate mainly opportunities for enhancing operating effectiveness and business improvement that can yield improved safe production results and reductions in the unit costs of mining.

At Group level, we maintain strategic intelligence around developments that are of relevance to the commodity markets in which we are active and that may also result in the emergence of attractive commodity segments as extensions of our business. Our acquisition of SFA (Oxford) early in 2019 represents an enhancement of our capacity to maintain a credible strategic intelligence platform.

OPERATING IN A DYNAMIC WORLD

During the year, external developments and internal events in several spheres resulted in our view of risks in particular, and to a lesser extent opportunities, evolving during the course of the year. Key developments and events included the regulatory framework for the mining sector in South Africa, global trends related to transportation and energy, and the tragic safety events and hostile industrial action at our South African gold operations.

BUSINESS IMPROVEMENT IN OUR OPERATING SEGMENTS

Our refreshed Group architecture and leadership arrangements have been designed to address strategic priorities providing dedicated focus on the specific requirements of our operating segments and driving key focus areas through dedicated functional executive portfolios. The main operating segment specific opportunities may be summarised as follows:

Sustaining the strong safe production momentum at our SA and US PGM operations while preparing for the expected integration of Lonmin in South Africa and continuing to secure the ramp up from the Blitz expansion in the United States are the primary priorities while the South African gold operations are in need of structuring for sustained profitable operations with enhancement of the safety improvements delivered in H2 2018. We are confident that the refreshed leadership arrangements will address strategic risks to the business and capitalise on opportunities through increased executive leadership focus on critical areas.

"Our process for reviewing and developing our strategy is the primary mechanism for identification and prioritisation of material opportunities"

COMMODITY CONFIDENCE THROUGH RESPONSIBLE ASSURANCE

Scrutiny of the integrity of minerals supply chains is intensifying globally with the imperative of demonstrating the responsibility of our mining operations becoming an increasingly critical priority for all our stakeholders. In addition to local stakeholders who have direct interest in the impact of our operations and with whom we need to sustain our social licence to operate, investors, lenders and offtakers are progressively insisting on adherence to more exacting standards with respect to the demonstration of responsible mining and our ESG performance in particular.

We recognise the opportunity to build enhanced confidence among the financial and commercial markets, and among social stakeholders, by sustaining and intensifying our focus on and strengthening where necessary our ESG performance. We expect that this will be supported by securing formal assurance under relevant and appropriate codes, and progressively acquiring certification to management systems relevant to the most critical dimensions of our ESG performance.

The evolving political climate in South Africa, with significant improvements in regulatory certainty and commitments to address systemic corruption, has created new opportunities for meaningful social compacting and the establishment of an operating context conducive to more effective operations. The 2018 Fraser Institute survey results provide strong indications of investor sentiment being restored to historical levels. While there is still substantial progress to be made in securing the broad stakeholder alignment that is necessary, opportunities are improving for growth in investment in South African mining commensurate with a reducing discount on returns.

Our confidence in the robustness of the global precious metals markets remains intact with prospects for the positive accelerated trend in PGM basket prices continuing as the supply and demand balance tightens. This has already strengthened cash flows beyond the original projections when we entered the PGM markets during a low phase in the commodity price cycles, and we foresee opportunities for this to continue. Pursuit of an accelerated deleveraging trajectory is further enhanced through the opportunities inherent in increasing direct access to the PGM metal markets with the proposed Lonmin acquisition representing the fourth step in our PGM acquisitions and concluding establishment of our mine-to-metal value chain in South Africa. We consider that the chrome and gold markets also have solid fundamentals with prospects for further price consolidation and accretion over the short to medium term.

NEW AGE MINERALS

We also recognise potential for emergence of a spectrum of New Age minerals as the global transportation and energy markets evolve. While it is premature to be definitive about the most credible opportunities, we are strengthening our strategic intelligence in this area from which we expect a firm strategy to emerge.

LINKAGE TO GROUP STRATEGIC FOCUS AREAS

The reviewed risks and opportunities have substantially informed the evolution of our strategic focus areas that are described in the strategy section on page 8 and 9 of this report.

> "Scrutiny of the integrity of minerals supply chains is intensifying globally"

Our Group CEO engages with stakeholders at the REAP WHAT YOU SOW co-operative close to the SA gold operations

STAKEHOLDER ENGAGEMENT

APPROACH

Alignment with our stakeholders is critical to the success and sustainability of our business. Maintaining honest and positive relationships with our stakeholders is essential if we are to ensure their support and positive contributions towards achieving mutual success. We also believe that, by engaging meaningfully with our stakeholders, we are in a better position to understand their expectations of value and will be able to deliver accordingly for mutual benefit.

We subscribe to the principles of various local and global bodies, such as the International Council on Mining and Metals (ICMM) and the World Gold Council, on sustainable development and corporate governance to guide our approach to engagement, and to ensure that our engagements are transparent and integrate sustainable development and, specifically, our values into our decision-making processes. We also believe that, through partnerships with governments, civil society and development agencies, we will be able to ensure that our contribution is impactful and takes into account the needs of the environments in which we operate.

Stakeholder engagement informs our business objectives and we strive to maintain sustainable stakeholder relationships based on trust, mutual respect and meaningful interactions.

In South Africa, our communities extend beyond our demarcated boundaries to include a wide range of stakeholders, including government and NGOs, and suppliers, among others.

Constructive relations with our communities, in particular, are essential to our success and sustainability, and understanding the needs of our communities and the challenges they face is key in enabling us to deliver on our purpose of ensuring that our mining improves lives.

Stable community relations are becoming a critical element in maintaining a social licence to operate for mining companies globally, with increasing focus on ensuring socio-economic stability that will be sustained long after our mines have depleted their economic reserves.

IN LINE WITH SUSTAINABLE DEVELOPMENT GOALS

We continue to make progress in aligning our performance with the United Nations (UN) Sustainable Development Goals (SDGs).

We refer to these in the specific sections further on in this report.

SUSTAINABLE DEVELOPMENT GOALS

An employee at one of our SA gold operations

STAKEHOLDER IDENTIFICATION

Sibanye-Stillwater is committed to proactive, open and constructive stakeholder engagement, which informs participative decision-making. Our stakeholder engagement aims to:

- Strategically inculcate a culture of effective engagement within the organisation
- Develop and implement formal and informal systems of communication for the benefit of the Group and stakeholders
- Ensure regular engagement and response to issues that are material to stakeholders
- Accurately understand the influence of business activities on stakeholders and the potential impact that stakeholders may have on the business, whether positive or negative, to enhance the engagement process
- Ensure engagement is conducted in a timely, accurate and relevant manner
- Continuously monitor, review and improve engagement activities

As a responsible corporate citizen, Sibanye-Stillwater fosters and maintains constructive engagement with all stakeholders in order to deliver on our vision to create superior value for all stakeholders, to maintain our licence to operate, and ultimately for the long-term success and sustainability of the business.

Our stakeholders[1]

Group	Form, frequency and reasons for engagement	Key expectations
Employees We employ about 65,000 people with a diverse set of skills, and various educational and cultural backgrounds. Our employees provide services ranging from core mining to processing and support. In the US, we are the largest industrial employer in Montana with over 1,600 employees and a total annual payroll of over US$170 million.	Regular (daily, monthly and quarterly): • Written communication • Electronic communication • Meetings • Events In the US, employee communication is ongoing.	• Information sharing • Education • Consultation
Organised labour (unions) Allied to employee relations is engagement with organised labour, which includes unions representing certain employee categories, principally those involved in core mining and processing. The US employees are represented by the United Steel Workers of America International Union (USW).	• Written communication • Meetings In the US, labour communication is ongoing.	• Information • Consultation and bargaining • Issues management
Investors and providers of capital Our investors and providers of capital are geographically diverse, located predominantly in the US, China (Gold One), the UK and South Africa.	• Results presentations • Market announcements • Conferences • Mine visits • Investor days • One-on-one investor and analyst meetings • Conference calls	• Information sharing • Communicating strategy • Addressing questions and concerns
Suppliers Suppliers and contractors are categorised into three groups: strategic, tactical and local. Strategic suppliers provide services and products that could have a high impact on our operations, such as reagents and underground support. Tactical suppliers provide the bulk of the day-to-day goods and services required for production. Local suppliers are small, medium and micro enterprises (SMMEs) within communities around our operations.	• Written communication • Meetings	• Information • Contractual issues • Issues management

STAKEHOLDER ENGAGEMENT CONTINUED

Our stakeholders continued

Group	Form, frequency of and reasons for engagement	Key expectations
Government and regulators We engage with all levels of government, including the departments of Environmental Affairs, Water and Sanitation, Labour, Health and Education, among others. The US operations maintain routine communication with local, state and federal legislators, regulators and other governmental stakeholders.	As necessary to inform regulators of operational activities and allow regulators access to all levels of the organisation's leadership: • Meetings • Audits • Written communication • General compliance engagement (reporting)	• To provide statutory reports, to engage on issues of mutual interests and to deal with issues as they arise • Regular tours and other information sessions for stakeholders
Traditional leaders Some of the SA operations are close to or on communal land. As a result, traditional leaders are significant stakeholders. The US operations' Good Neighbor Agreement fosters collaboration between local landowners and the organisation.	• Written communication • Meetings	• Information • Development planning • Issues management
NGOs, community-based organisations and faith-based organisations These organisations advocate for communities, mainly around mining companies, on a myriad of issues (environment, social development, health and human rights). The US collaborates with the community organisations that are party to the Good Neighbor Agreement, as well as other local and governmental entities on environmental issues. The Community Giving Team addresses social and other issues with charitable donations.	• Written communication • Meetings	• Information • Development planning • Issues management *For more detail on activities in the US operations, refer to the Good Neighbor Agreement fact sheet*
Communities Communities in the vicinity of Sibanye-Stillwater operations, and others in the Southern African Development Community (SADC) labour-sending areas, are important stakeholders. In the US, local county governments receive the majority of funds paid in terms of Montana's Hard Rock Impact Act. The organisation contributes financially to local communities through these impact funds, the Community Giving Team and other regular interactions.	• Meetings • Written communication • Quarterly or as required In the US, regular meetings with the Good Neighbors are held at many levels. The Community Giving Team meets monthly to award community grants, and awards scholarships to community and employee dependants annually.	• Information sharing • Development planning • Issues management

[1] *Not in any specific order of importance*

We also engage with other entities who do not share directly in the value created. We engage with the media, which we rely on as a conduit for our messaging, and to amplify and support engagement with other stakeholders. Similarly, the SA operations engage with the Minerals Council South Africa, and the US operations with the National Mining Association, the Montana Mining Association, the American Exploration and Mining Association, the Montana Chamber of Commerce, and the Treasure State Resources Association, which are all industry groups. The Minerals Council and peer engagement focus on issues pertinent to the industry as a whole, such as wage negotiations for the gold mining sector, the Mining Charter, legacy matters and illegal mining.

As we strive to create a conducive environment that will enable us to realise our business objectives and create value – safety, cost, volume and grade – we aim to align stakeholder interests and aspirations.

PERFORMANCE

SA operations

We introduced our Stakeholder Perception Index in 2018 – a tool aimed at measuring stakeholder perceptions in line with King IV and our shared value approach – which we tested among community leaders and local government in communities around our gold operations in the West Rand and the Free State *(see social upliftment and community development)*.

We used convergent interviewing (unstructured interviews without specific questions and structured face-to-face surveys as well as focus groups) as reliable information gathering techniques. The interviews revealed the following:

- **Organisation** – Many interest groups do not have a formal representative or governing structure and therefore lack cohesion
- **Communication** – Stakeholders expect regular and consistent communication
- **Transparency** – Different interest groups need to know that they are receiving the same messages
- **Education** – Stakeholders need to know how mines operate
- **Co-planning** – Stakeholders want to be involved in development project identification and planning
- **Decision-making process** – Decisions have to be reviewed regularly and stakeholders need to be engaged in making decisions about projects
- **Consultation** – Stakeholders want to be consulted before changes are made that might affect them
- **Focus area** – Stakeholders expect Sibanye-Stillwater to be consistent in communicating focus areas (such as procurement, employment and social development)
- **Conflict resolution** – Conflicts between stakeholders and Sibanye-Stillwater need to be resolved timeously and amicably

The result of the index will be used as a baseline for the organisation to review its stakeholder engagement processes and thus ensure that they serve the interests of the organisation and the stakeholders. We intend to conduct biennial studies to test the status and the strength of our relationship against this baseline.

Given the importance of the participation of local stakeholders in our supply chain activities, we have also strengthened our engagements with business forums and individual small, medium and micro enterprises (SMMEs) with a view to facilitating their participation in local economic development programmes. We also engaged with over 400 local businesses in 2018 to address challenges in local procurement and enterprise development, which was the main cause of strained community relationships throughout the year.

Through our engagements with communities, business forums and individual SMMEs, municipalities and traditional leaders, our own officials and unions, and the Department of Mineral Resources, among others, the primary challenges concerning stakeholders were identified, including:

- Local procurement
- Community development
- Recruitment
- Community safety
- Education and skills development

We also conducted internal workshops on stakeholder relations, which covered the cost of conflict, and the need to establish sound internal and external stakeholder relationships. Participants considered our commitments (social and labour plans, transformation and others), challenges and solutions. This workshop revealed the need for executive leadership in external stakeholder engagement.

In a trust-building process in the Rustenburg region, we met with a variety of stakeholders, including internal functional heads, the municipality, ward councillors and traditional leaders, to engage on and explain our approach and methodology, which differs from those of the companies that previously managed our operations.

An action plan on the outcomes of these interventions is expected to be rolled out in 2019.

Group CEO, Neal Froneman presents at a stakeholder event in Montana in the US

STAKEHOLDER ENGAGEMENT CONTINUED

US operations

In early 2018, two environmental groups made public their efforts to place an anti-mining ballot initiative in the November general election. The proposed ballot language stated that a mine proponent must provide "clear and convincing evidence" that a mine would not require "perpetual water treatment" following closure in order for the state to grant an operating permit. Industry believed that, if this initiative were enacted, it would cause significant delay in permitting new mines and may make it effectively impossible to secure a permit to begin operating a new hard-rock mine in Montana. By June, the environmental groups responsible for the initiative had collected the required number of citizen signatures and Montana's Secretary of State had certified the initiative as Citizen Initiative 186 (I-186) to appear on the general election ballot. A mining coalition made up of Sibanye-Stillwater and four other hard-rock mining entities with a presence in Montana launched an opposition campaign, "Stop I-186 to Protect Miners and Jobs". Pre-campaign polling in June indicated that the initial "no" vote was predicted at less than 30% while the initial "yes" vote was predicted at greater than 50% with a number of voters undecided. The US operations took a leadership role in the campaign: engaged the workforce and community leaders to oppose the initiative, encouraged them to participate actively on social media and with signs, letters to the editor, and other public engagement, and communicated routinely with elected officials and others in influential positions in an effort to convince the electorate to "Vote No on 186". The organisation also facilitated the filming of two of the five opposition campaign commercials near Stillwater operations. In addition to the organisation's direct efforts, we worked closely with the USW union, which publicly opposed the initiative with a powerful letter to the editor and a mailing to all of its Montana members. To complement the USW's position, the Montana chapter of the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO) also vehemently opposed the initiative. We believe this alignment with labour was key to convincing the electorate that the initiative would negatively impact Montana. The efforts were markedly successful, and Montana voted down the initiative in the general election. In spite of the unfavourable initial polling, the "no" votes prevailed with 56% of voters voting "no" and only 44% voting "yes".

Our Head of the US PGM operations addresses a Good Neighbors meeting

Refer to the economic impact report and Good Neighbor Agreement fact sheets for more information on stakeholder engagement

FUTURE FOCUS

SA operations

Into 2019, our SA operations plan to focus on optimising community relations and communication with stakeholders. The challenges relating to service delivery, unemployment and historic issues related to mining continue to pose undue pressure on our mines, and increase the demands for Sibanye-Stillwater's involvement in social issues beyond social and labour plan commitments. Our objectives are therefore to manage our reputation and address issues accordingly while delivering strategic socio-economic development programmes in line with stakeholder expectations.

Our key focus areas will be:

- **Impact** – ensuring that our initiatives have broader and positive impact
- **Sustainability** – ensuring that our projects are sustainable (owned and driven by communities)
- **People** – focusing on people and ensuring that we continue to uphold our CARES values

US PGM operations

Although the ultimate vote was a success, the campaign surrounding I-186 was a reminder of the complex history of hard-rock mining in Montana, and the general need to tell our positive mining story that is built on the collaboration of the Good Neighbor Agreement principles. In 2019, the US operations are committed to sharing publicly collaboration successes and encouraging others in mining and other industries to consider this collaborative approach. The US operations are also committed to supporting similar collaborative efforts through the Community Giving programme.

section 03

performance review

Our operational excellence and innovative value creation

HOW WE PERFORMED

Progress made in delivering on our strategic objectives and our commitment to create stakeholder value and improve lives through the responsible mining and beneficiation of our mineral resources in 2018

DELIVERING VALUE FROM OPERATIONS, PROJECTS AND TECHNOLOGY

- **1,768,000oz** 4E-2E PGMs produced (2017: 1,571,000oz)
- Gold produced: **1,177,000oz** (2017: 1,403,000oz)
- **Six PGM and four gold mining operations in two geographic areas** together with associated infrastructure, plant and equipment
- **Optimising processes to ensure cost-efficient operations**

See pages 63-73

MINERAL RESOURCES AND MINERAL RESERVES – SUMMARY

- **204.4Moz 2E and 4E PGM** Mineral Resources
- **104.2Moz** Gold Mineral Resources
- **18,795.8Mlb** Copper Mineral Resources
- **46.1Moz** 2E and 4E PGM Mineral Reserves
- **16.6Moz** Gold Mineral Reserves
- **78.7Mlb** Uranium Mineral Resources

See pages 75-85

SUPERIOR VALUE FOR THE WORKFORCE

- **Skilled, motivated workforce** of 52,631 permanent employees and 10,887 contractors
- **48%** HDSAs in management
- **SA operations invested R559 million and US operations, US$2.6 million,** in HR training and development
- **Introduction of world-class leadership programmes**

See pages 86-101

ENSURING SAFE PRODUCTION

- **FIFR 0.16** (2017: 0.07)
- **LTIFR 5.89** (2017: 5.78)
- **SIFR 3.70** (2017: 3.57)
- **TRIFR 2.69** (2017: 2.60)
- **Intensified focus on safe production resulted in a marked improvement in safety performance** from the first to the second half of 2018

See pages 100-101

OCCUPATIONAL HEALTH AND WELL-BEING

- **165 silicosis cases reported** (2017: 261)
- **539 tuberculosis cases reported** (2017: 623)
- **243 noise-induced hearing loss cases reported (2017: 193)**
- **4% HIV prevalence** (2017: 6%)
- **Settlement agreement reached in the silicosis and TB class action** on 3 May 2018.

See pages 112-129

SOCIAL UPLIFTMENT AND COMMUNITY DEVELOPMENT

- SA operations invested **R1,374** million in socio-economic development, while US operations spent **$387,830** on philanthropic activities
- **SA operations spent R10,879** with local HDSA businesses
- **Bokamoso Ba Rona, a large-scale agriculture and bio-energy project** launched in the West Rand district (SA operations)

See pages 122-129

MINIMISING THE ENVIRONMENTAL IMPACT

- **Group Scope 1 and 2 carbon emissions declined** by 14% from 2017 to 2018
- **A- CDP score** for the second consecutive year.
- **Zero** Level 4 and above environmental incidents
- **3% decrease** in the consumption of purchased water

See pages 130-151

Kloof plant

DELIVERING VALUE FROM OPERATIONS, PROJECTS AND TECHNOLOGY

APPROACH

Operational excellence and innovative growth create sustainability as our strategy drives us to create superior value for all stakeholders at our mining operations and projects in the United States, South Africa, Zimbabwe, Canada and Argentina.

We remain globally competitive yet proudly South African by focusing on commodity and geographical diversification that delivers clear strategic and financial benefits.

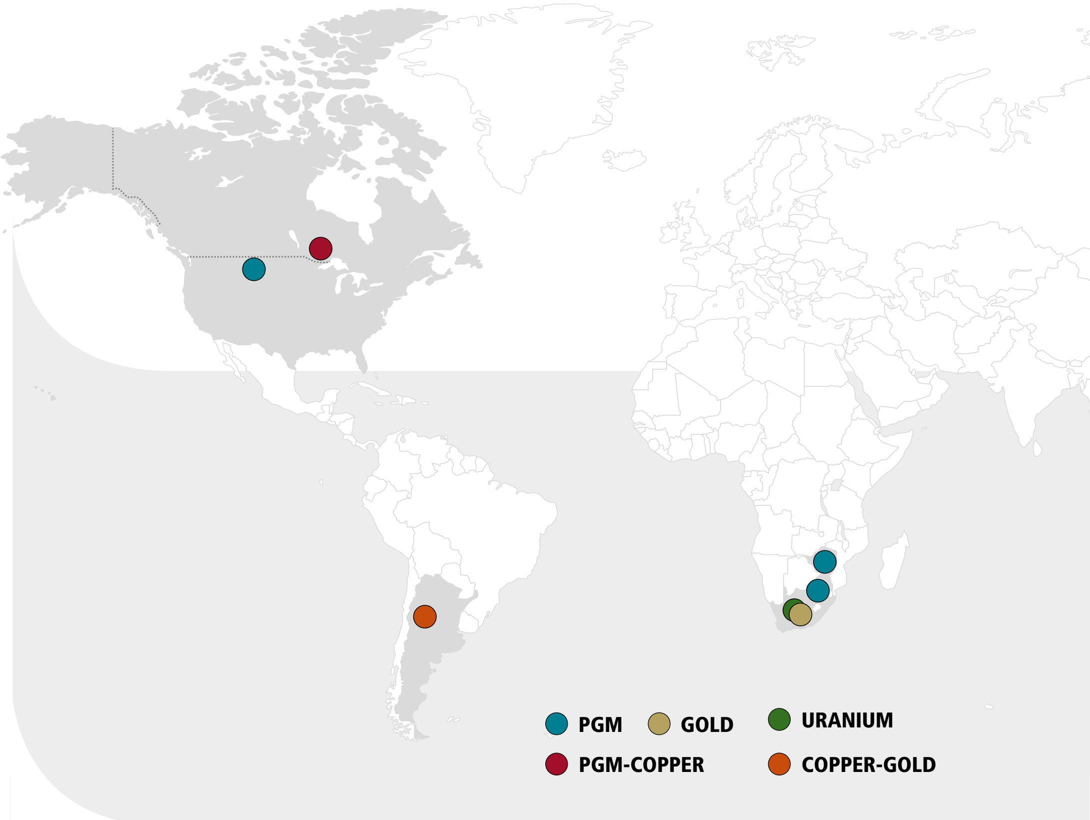
IN LINE WITH SUSTAINABLE DEVELOPMENT GOALS

We continue to make progress in aligning our operations and projects with the United Nations (UN) Sustainable Development Goals (SDGs), focusing particularly on Goal 12.

SUSTAINABLE DEVELOPMENT GOALS

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

LOCATION OF OUR OPERATIONS AND PROJECTS



UNITED STATES

PGM OPERATIONS
- East Boulder
- Stillwater (including Blitz)

OTHER PROJECTS
- Altar (Argentina)[1]
- Marathon (Canada)
- Rio Grande (Argentina)

SOUTHERN AFRICA

PGM OPERATIONS
- Rustenburg
- Mimosa (50%) [1]
- Kroondal (50%)
- Platinum Mile (91.7%) [1]

PGM PROJECTS
- Hoedspruit (74%)
- Zondernaam (74%)
- Vygenhoek (50%)
- Blue Ridge (50%)[2]

GOLD OPERATIONS
- Beatrix
- Cooke[2]
- Driefontein
- DRDGOLD (Ergo and FWGR[3]) (38%)[1]
- Kloof

GOLD PROJECTS
- Burnstone
- SOFS [4]

[1] Non-managed
[2] Underground operations on care and maintenance
[3] Far West Gold Recoveries
[4] Southern Orange Free State project

DELIVERING VALUE FROM OPERATIONS, PROJECTS AND TECHNOLOGY

CONTINUED

OPERATIONAL PERFORMANCE

Our US and SA PGM operations maintained steady operating performances with revenues benefiting from higher palladium and rhodium prices in 2018, which have continued to strengthen into 2019. The benefits of our well-timed diversification into the PGM sector, as well as our geographical diversification, are clearly evident in the PGM financial results of the segments. The solid operating and financial performance of our PGM operations compensated for challenges experienced by our SA gold operations.

US PGM operations

Our dominant source of earnings is now our US PGM operations, which accounted for approximately 50% of Group adjusted EBITDA in 2018 with the adjusted EBITDA margin for the US PGM operations increasing from 43% in 2017 to 46% in 2018, primarily due to the higher dollar palladium price and strong operational performance. Adjusted EBITDA from the US PGM operations (including the lower margin recycling operations) increased from 23% in 2017 to 26% for 2018.

Mined 2E PGM production for the year of 592,608 2Eoz was towards the upper end of market guidance, reflecting the ongoing build-up of production at Blitz and record production from the East Boulder mine. AISC of US$677/2Eoz was in line with annual guidance.

The 9% year-on-year increase in the average 2E PGM basket price for the year of US$1,007/2Eoz, coupled with the strong operating performance, boosted adjusted EBITDA for 2018 to US$314 million (R4,152 million).

Despite the ongoing rebuild and expansion of the second electric furnace (EF2), the Columbus Metallurgical Complex performed well, processing 619,683oz of mined 2E PGM and 686,592oz of recycled 3E PGM. The recycling division averaged 22.0 tonnes of feed material per day in 2018 in comparison with an average feed rate of 23.9 tonnes per day in 2017.

Capital expenditure of US$214 million was marginally lower than market guidance of US$220 million. This capital expenditure is evenly split between sustaining and growth/project capital associated with the ongoing development and production ramp-up from Blitz, which is on schedule with three stope blocks successfully commissioned and in production.

US PGM operations: production and recycling (ounces)

Mined 2E production	**2018**	**2017** [1]
Stillwater	**364,167**	[2]228,268
East Boulder	**228,441**	148,088
Total mined	**592,608**	**373,356**
Recycling 3E[3] at Columbus Metallurgical Complex		
PGM fed	**686,592**	517,148
PGM sold	**540,546**	377,793
PGM tolled returned	**144,172**	108,728

[1] May to December 2017
[2] Includes 7,000 2Eoz produced by Blitz project in 2017 and 40,232 2Eoz in 2018
[3] Recycling production includes rhodium

SA PGM operations

The contribution from the SA PGM operations has increased substantially due to the improved rand PGM basket price and solid, sustained operational performance. In 2018, the SA PGM operations contributed 34% of Group adjusted EBITDA, up from 18% in 2017, with the adjusted EBITDA margin increasing year-on-year from 12% to 19%.

Full-year 4E PGM production was 1,175,672oz for the year ended 31 December 2018, exceeding the upper guidance limit.

Kroondal attributable built on the record performance of the previous year increasing the record by 5.8% from the previous year's production to 255,172oz attributable.

Rustenburg was 3.9% lower than the previous year at 778,346oz mainly as result of lower surface production, underground production is in line with the previous year's performance.

Attributable 4E PGM production from Mimosa was up 0.34% from the previous year to 124,576oz another consistent performance despite the turbulent political and economic environment in Zimbabwe.

Platinum Mile Resource was down 9.6% from the previous year to 17,578oz, mainly as a result of the improved recoveries from the Rustenburg operations resulting lower feed grade to Platinum Mile, subsequently Platinum Mile embarked on a plant improvement strategy (see Project section).

The average 4E PGM basket price for the year ended 31 December 2018 of R13,838/4Eoz (US$1,045/4Eoz) was 10% higher year-on-year.

Adjusted EBITDA for the full year of R2,882 million (US$218 million) was 81% higher than it was in 2017 with the adjusted EBITDA margin increasing from 12% in 2017 to 19% in 2018.

Mechanised drilling underground at our US PGM operations

Underground at the K6 mine at our SA PGM operations

SA gold operations

Including 1,870kg (60,122oz) from DRDGOLD, total gold production declined by 16% year-on-year to 36,600kg (1,176,600oz), primarily due to the impact of the safety incidents in the first half of the year and other operational disruptions (power cuts at Beatrix, and seismic damage to infrastructure at the Driefontein 1 and Kloof 3 shafts), the AMCU strike in the second half of the year, and the cessation of underground mining at the Cooke operations in late 2017, which accounted for 956kg (30,736oz) or 32% of the reduction.

Gold production (excluding DRDGOLD and the Cooke underground operations) also declined by 16% to 34,676kg (1,114,800oz).

Underground production from the Driefontein operations decreased by 33% year-on-year to 8,952kg (287,800oz) due to repairs to the footwall infrastructure of the Masakhane shaft, following the seismic damage in May 2018 and the impact of the AMCU strike. The footwall infrastructure has been rehabilitated successfully but anticipated production build-up in the area was delayed by the strike.

Gold production from surface sources decreased by 64% to 621kg (20,000oz) due to the depletion of surface reserves and the disposal of the 2 and 3 plants to DRDGOLD. The possible restructuring of specific shafts at Driefontein, and recovery in volumes once the strike has ended, are expected to return the operation to profitability in 2019.

Underground production from the Kloof operations decreased by 13% to 12,933kg (415,800oz) in comparison with 2017. Production volumes decreased by 16%, most notably at 3, 4 and 7 shafts, which were affected by the trauma of safety incidents and the AMCU strike. Surface production increased by 39% to 2,231kg (71,700oz) due to the additional milling capacity as a result of lower underground production, and the decision to process Kloof surface material at the Driefontein and Ezulwini metallurgical processing facilities.

At the Beatrix operations, underground gold production decreased slightly by 6% to 8,291kg (266,600oz), primarily due to the strike that affected production in the fourth quarter. Gold production from surface sources increased by 7% to 246kg (7,900oz) due to a 23% improvement in mined grades to 0.4g/t.

Underground production from the Cooke operations decreased by 97% to 81kg (2,600oz), following cessation of underground operations in November 2017 and final clean-up in December 2017. No underground gold was produced from the Cooke operations other than that from the clean-up of mud dams. Surface gold production increased by 64% to 1,265kg (40,700oz) due to a 26% increase in processed volumes to 4.0Mt due to the inclusion of Dump 38 and the acquisition of third-party material, which resulted in an additional 531kg (17,000oz) of gold for the period under review.

The impact of the 16% decline in production year-on-year is evident in the 15% increase in AISC for 2018 to R557,530/kg (US$1,309/oz) although cost of sales before amortisation and depreciation (including DRDGOLD and the Cooke underground operations) remained flat year-on-year. The significant fixed overhead cost component (over 80% of operating costs) for the SA gold operations makes costs very sensitive to production volume changes and, as a result, unit costs such as AISC invariably increase with reductions in production volumes.

The average received rand gold price for 2018 of R535,929/kg (US$1,259/oz), which was flat year-on-year, combined with the significant decline in production, resulted in adjusted EBITDA from our SA gold operations declining to R1,362 million (US$103 million) from R5,309 million (US$399 million) in 2017.

"Our successful commodity and geographic diversification is evident in our results"

Shaft headgears at the Driefontein SA gold operations

DELIVERING VALUE FROM OPERATIONS, PROJECTS AND TECHNOLOGY

CONTINUED

SA and US PGM operations (2018)

		Total PGM operations	SA PGM operations					US PGM operations
			Total	Kroondal	Mimosa	Platinum Mile	Rustenburg	Stillwater
Production (attributable)[1]								
Ore milled	000t	**27,180**	25,841	3,865	1,402	7,712	12,862	1,339
Underground	000t	**13,720**	12,381	3,865	1,402	0	7,114	1,339
Surface	000t	**13,460**	13,460	0	0	7,712	5,748	0
Plant head grade	g/t	**2.65**	2.01	2.48	3.56	0.63	2.52	15.01
Underground	g/t	**4.40**	3.25	2.48	3.56	0	3.60	15.01
Surface	g/t	**0.87**	0.87	0	0	0.63	1.19	0
Plant recoveries	%	**76.34**	70.40	82.65	77.59	11.19	74.59	91.29
Underground	%	**86.24**	83.60	82.65	77.59	0	85.13	91.29
Surface	%	**25.23**	25.23	0	0	11.19	35.22	0
Yield	g/t	**2.02**	1.42	2.05	2.76	0.07	1.88	13.77
Underground	g/t	**3.79**	2.71	2.05	2.76	0	3.06	13.77
Surface	g/t	**0.22**	0.22	0	0	0.07	0.42	0
PGM production (4E/2E)	000oz	**1,768**	1,176	255	125	18	778	593
Underground	000oz	**1,673**	1,080	255	125	0	701	593
Surface	000oz	**95**	95	0	0	18	78	0
PGM sales (4E/2E)	000oz	**1,770**	1,176	255	125	18	778	594
Price and costs[2]								
Average PGM basket price received[3]	R/oz	**13,657**	13,838	14,203	13,525	13,618	13,723	13,337
	US$/oz	**1,031**	1,045	1,072	1,021	1,028	1,036	1,007
Adjusted EBITDA margin[4]	%	**23**	19	22	33	22	18	46
All-in sustaining cost[5]	R/oz	**9,904**	[7] 10,417	9,849	9,069	8,676	10,642	8,994
	US$/oz	**748**	[7] 787	744	685	655	804	677
All-in cost[5]	R/oz	**10,897**	[7] 10,472	9,849	9,069	11,924	10,643	11,651
	US$/oz	**823**	[7] 791	744	685	900	804	880
Capital expenditure								
Ore reserve development	Rm	**1,477**	[7] 478	0	0	0	478	999
Sustaining capital	Rm	**725**	[7] 464	141	171	10	314	260
Growth projects[6]	Rm	**1,632**	[7] 58	0	0	57	1	1,574
Total	Rm	**3,833**	**1,000**	**141**	**171**	**67**	**792**	**2,833**
	US$m	**290**	**76**	**11**	**13**	**5**	**60**	**214**

Average exchange rate in 2018 was R13.24/US$

Figures may not tally as they are rounded independently

The US PGM operations' underground production is converted to metric tonnes and kilograms, and performance is translated into South African rand. In addition to the US PGM operations' underground production, recycled material is treated, which is excluded from the statistics

[1] Kroondal and Mimosa represent 50% attributable production while Platinum Mile is 91.7% owned and 100% incorporated

[2] The Group and total SA PGM operations' unit cost benchmarks exclude the financial results of Mimosa, which is equity accounted, and excluded from revenue and cost of sales

[3] The average PGM basket price is the PGM revenue per 4E/2E ounce prior to a purchase-of-concentrate adjustment

[4] Adjusted EBITDA margin is calculated by dividing adjusted EBITDA by revenue

[5] All-in cost excludes income tax, costs associated with merger and acquisition activities, working capital, impairments, financing costs, one-time severance charges and items needed to normalise earnings. All-in cost is made up of All-in sustaining cost, as the cost to sustain current operations and presented as a sub-total in the All-in cost calculation, together with corporate and major capital expenditure associated with growth. All-in sustaining cost per ounce (and kilogram) and All-in cost per ounce (and kilogram) are calculated by dividing the All-in sustaining cost and All-in cost respectively, in a period, by the total 4E/2E PGM production in the same period.

[6] The US PGM operations' growth project expenditure in 2018 was R71 million (US$5 million) – the majority of which related to the Altar and Marathon projects

[7] Excludes Mimosa due to it being equity accounted

SA and US PGM operations (2017)

		Total PGM operations	SA PGM operations					US PGM operations
			Total	Kroondal	Mimosa	Platinum Mile	Rustenburg	Stillwater
Production (attributable)[1]								
Ore milled	000t	27,051	26,196	3,778	1,385	8,050	12,983	855
Underground	000t	13,116	12,261	3,778	1,385	0	7,098	855
Surface	000t	13,935	13,935	0	0	8,050	5,885	0
Plant head grade	g/t	2.50	2.09	2.42	3.58	0.65	2.72	15.01
Underground	g/t	4.06	3.30	2.42	3.58	0	3.70	15.01
Surface	g/t	1.02	1.02	0	0	0.65	1.52	0
Plant recoveries	%	72.37	68.06	81.91	77.87	11.62	71.41	90.95
Underground	%	85.22	83.42	81.91	77.87	0	84.99	90.95
Surface	%	24.25	24.25	0	0	11.62	31.58	
Yield	g/t	1.81	1.42	1.99	2.79	0.08	1.94	13.69
Underground	g/t	3.46	2.75	1.99	2.79	0	3.15	13.69
Surface	g/t	0.25	0.25	0	0	0.08	0.48	
PGM production (4E/2E)	000oz	1,571	1,194	241	124	19	810	376
Underground	000oz	1,460	1,084	241	124	0	719	376
Surface	000oz	110	110	0	0	19	91	
PGM sales (4E/2E)	000oz	1,550	1,194	241	124	19	810	355
Price and costs[2]								
Average PGM basket price received[3]	R/oz	12,477	12,534	12,564	12,572	12,679	12,505	12,330
	US$/oz	938	942	944	945	953	940	927
Adjusted EBITDA margin[4]	%	17	12	15	31	27	11	43
All-in sustaining cost[5]	R/oz	9,959	[7] 10,399	10,176	9,781	6,696	10,554	8,707
	US$/oz	748	[7] 782	765	735	503	793	651
All-in cost[5]	R/oz	10,582	[7] 10,401	10,176	9,781	6,815	10,554	11,097
	US$/oz	795	[7] 782	765	735	512	793	821
Capital expenditure								
Ore reserve development	Rm	1,004	[7] 465	0	0	0	465	539
Sustaining capital	Rm	572	[7] 568	191	223	11	366	227
Growth projects[6]	Rm	891	[7] 2	0	0	2	0	[6] 888
Total	Rm	2,466	1,035	191	223	13	831	1,654
	US$m	202	78	14	17	1	62	124

Average exchange rate in 2017 was R13.31/US$

Figures may not tally as they are rounded independently

The US PGM operations' underground production is converted to metric tonnes and kilograms, and performance is translated into South African rand. In addition to the US PGM operations' underground production, recycled material is treated, which is excluded from the statistics shown

[1] *Kroondal and Mimosa represent 50% attributable production while Platinum Mile is 91.7% owned and 100% incorporated*

[2] *The Group and total SA PGM operations' unit cost benchmarks exclude the financial results of Mimosa, which is equity accounted, and excluded from revenue and cost of sales*

[3] *The average PGM basket price is the PGM revenue per 4E/2E ounce prior to a purchase-of-concentrate adjustment*

[4] *Adjusted EBITDA margin is calculated by dividing adjusted EBITDA by revenue*

[5] *All-in cost excludes income tax, costs associated with merger and acquisition activities, working capital, impairments, financing costs, one-time severance charges and items needed to normalise earnings. All-in cost is made up of All-in sustaining cost, as the cost to sustain current operations and presented as a sub-total in the All-in cost calculation, together with corporate and major capital expenditure associated with growth. All-in sustaining cost per ounce (and kilogram) and All-in cost per ounce (and kilogram) are calculated by dividing the All-in sustaining cost and All-in cost respectively, in a period, by the total 4E/2E PGM production in the same period.*

[6] *The US PGM operations' corporate project expenditure in 2017 was R40 million (US$3 million) – the majority of which related to the Altar and Marathon projects*

[7] *Excludes Mimosa due to it being equity accounted*

DELIVERING VALUE FROM OPERATIONS, PROJECTS AND TECHNOLOGY

CONTINUED

SA gold operations (2018)

	Unit	Total	Driefontein	Kloof	Beatrix	Cooke	DRDGOLD
Production							
Ore milled	000t	27,199	3,143	7,108	2,952	4,092	9,904
Underground	000t	5,811	1,634	1,821	2,282	74	0
Surface	000t	21,388	1,509	5,287	670	4018	9,904
Yield	g/t	1.35	3.05	2.13	2.89	0.33	0.19
Underground	g/t	5.21	5.48	7.11	3.63	1.08	0
Surface	g/t	0.30	0.41	0.44	0.37	0.33	0.19
Gold production	kg	36,600	9,573	15,253	8,536	1,394	1,844
	000oz	1,177	308	490	275	45	59
Underground	kg	30,263	8,952	12,940	8,291	80	0
	000oz	973	288	416	267	3	0
Surface	kg	6,337	621	2,313	245	1,314	1,844
	000oz	204	20	72	8	42	59
Gold sales	kg	36,489	9,573	15,164	8,536	1,346	1,870
	000oz	1,173	308	488	275	43	60
Price and costs							
Gold price received	R/kg	535,929	533,918	536,250	539,046	550,223	560,160
	US$/oz	1,259	1,254	1,259	1,266	1,292	1,316
Adjusted EBITDA margin[1]	%	7	(13)	21	14	(50)	3
All-in sustaining cost[2]	R/kg	557,530	707,375	489,587	521,884	476,003	569,893
	US$/oz	1,309	1,661	1,150	1,226	1,118	1,338
All-in cost[2]	R/kg	583,409	707,417	498,938	522,083	476,003	732,086
	US$/oz	1,370	1,661	1,172	1,226	1,118	1,719
Capital expenditure							
Ore reserve development	Rm	2,054	817	840	397	0	0
Sustaining capital	Rm	546	228	221	83	0	15
Growth projects[3]	Rm	648	1	142	2	0	303
Total	Rm	3,248	1,046	1,202	481	0	318
	US$m	245	79	91	36	0	24

Average exchange rate in 2018 was R13.24/US$

Figures may not tally as they are rounded independently

[1] Adjusted EBITDA margin is calculated by dividing adjusted EBITDA by revenue

[2] All-in cost excludes income tax, costs associated with merger and acquisition activities, working capital, impairments, financing costs, one-time severance charges and items needed to normalise earnings. All-in cost is made up of All-in sustaining cost, as the cost to sustain current operations and presented as a sub-total in the All-in cost calculation, together with corporate and major capital expenditure associated with growth. All-in sustaining cost per kilogram (and ounce) and All-in cost per kilogram (and ounce) are calculated by dividing the All-in sustaining cost and All-in cost, respectively, in a period by the total gold sold in the same period.

[3] Growth project expenditure in 2018 was R201 million (US$15 million) – the majority of which was related to the Burnstone project

SA gold operations (2017)

	Unit	Total	Driefontein	Kloof	Beatrix	Cooke
Production						
Ore milled	000t	19,030	6,042	5,844	3,515	3,722
Underground	000t	7,575	2,137	2,177	2,737	524
Surface	000t	11,455	3,905	3,667	778	3,198
Yield	g/t	2.29	2.48	2.86	2.59	0.83
Underground	g/t	5.19	6.21	6.81	3.24	4.46
Surface	g/t	0.38	0.45	0.45	0.30	0.24
Gold production	kg	43,634	15,004	16,432	9,091	3,107
	000oz	1,403	482	528	292	100
Underground	kg	39,285	13,262	14,826	8,859	2,338
	000oz	1,263	426	477	285	75
Surface	kg	4,349	1,742	1,606	232	769
	000oz	140	56	52	8	25
Gold sales	kg	43,763	15,088	16,466	9,091	3,118
	000oz	1,407	485	529	292	100
Price and costs						
Gold price received	R/kg	536,378	535,319	537,167	536,333	537,684
	US$/oz	1,254	1,251	1,256	1,254	1,257
Adjusted EBITDA margin[1]	%	23	23	34	19	(31)
All-in sustaining cost[2]	R/kg	482,693	487,951	430,572	502,761	673,445
	US$/oz	1,128	1,141	1,007	1,175	1,574
All-in cost[2]	R/kg	501,620	490,893	439,506	503,036	677,197
	US$/oz	1,173	1,148	1,027	1,176	1,583
Capital expenditure						
Ore reserve development	Rm	2,288	876	876	482	54
Sustaining capital	Rm	531	235	210	63	9
Growth projects[3]	Rm	591	44	147	1	12
Total	Rm	3,410	1,156	1,234	546	74
	US$m	256	87	93	41	6

Average exchange rate in 2017 was R13.31/US$

Figures may not tally as they are rounded independently

[1] *Adjusted EBITDA margin is calculated by dividing adjusted EBITDA by revenue*

[2] *All-in cost excludes income tax, costs associated with merger and acquisition activities, working capital, impairments, financing costs, one-time severance charges and items needed to normalise earnings. All-in cost is made up of All-in sustaining cost, as the cost to sustain current operations and presented as a sub-total in the All-in cost calculation, together with corporate and major capital expenditure associated with growth. All-in sustaining cost per kilogram (and ounce) and All-in cost per kilogram (and ounce) are calculated by dividing the All-in sustaining cost and All-in cost, respectively, in a period by the total gold sold in the same period.*

[3] *Growth project expenditure in 2017 was R402 million (US$30 million) – the majority of which was related to the Burnstone project*

DELIVERING VALUE FROM OPERATIONS, PROJECTS AND TECHNOLOGY

CONTINUED

FUTURE FOCUS

The Group is poised to benefit from the sharp increase in precious metals prices in the first three months of 2019, particularly palladium and rhodium, and most recently a recovery in the platinum price, which are well supported by robust fundamentals.

Mined 2E PGM production from the US PGM operations is forecast at between 645,000oz and 675,000oz due to continued production build-up from Blitz. AISC is forecast to be between US$690/2Eoz and US$730/2Eoz, an increase range of 2% to 8% versus 2018's reported AISC of US$677/2Eoz. This anticipated increase is largely attributed to maintenance equipment capital spend at Stillwater and increased royalties and taxes as a result of higher prevailing US$ PGM prices. Unit cash operating cost, which is calculated before these specific items, is expected to decline year-on-year as lower cost production from Blitz supplements stable production from Stillwater West and East Boulder. Total capital spend for the year is guided at between US$235 million and US$245 million. Approximately half of this anticipated spend is growth capital, including expenditure on the Fill the Mill (FTM) project.

From the SA PGM operations, 4E PGM production in 2019 is forecast at 1.0Moz – 1.1Moz with AISC between R12,500/4Eoz and R13,200/4Eoz (US$922/4Eoz and US$974/4Eoz), reflecting the transition to the toll processing arrangement. Capital expenditure is forecast at R1,400 million (US$103 million), including approximately R230 million (US$17 million) of project capital, excluding Mimosa. The dollar costs are based on an average exchange rate of R13.55/US$.

DRDGOLD has been fully consolidated into Group operating and financial results from 1 August 2018 but, at this stage, we can report that guidance for our SA gold operations will be available only once the protracted AMCU strike has been terminated and the restructuring process has been completed.

FILL THE MILL GROWTH PROJECT

The Fill the Mill (FTM) project, a low capital-investment, high-return, growth project at the US PGM operations is expected to deliver approximately 40,000oz of annual 2E PGM production, over an expected 10-year period from late 2020, through incremental expansion of mining and certain support facilities at East Boulder and the Columbus Metallurgical Complex.

Incremental project capital is approximately US$19 million (excluding additional operating costs) over two years until first production.

An employee at our US PGM operations

PROJECTS

Refer to Sibanye-Stillwater Mineral Resources and Mineral Reserves Report 2018 for details on each project

Expenditure on organic growth projects in 2018 was R2,279 million (US$172 million) in comparison with R1,482 million (US$111 million) in 2017.

Our projects are reviewed, evaluated and ranked every year in line with our strategic planning in order to determine execution priority and thus ensure highest capital efficiency for the entire portfolio.

US PGM projects

BLITZ

The Blitz section, a significant expansion project currently under development, started ore production in 2017 and produced 40,232 oz in 2018 as part of the Stillwater mine. The current section is accessed by a 580m-deep shaft and five portals.

The Blitz project will expand the Stillwater mine 6,000m to the east of the existing mining operations (*refer to schematic below*). All primary development in the Blitz area will be 5m high by 5m wide, which will significantly reduce underground support personnel per tonne mined. The average Blitz reserve grade is 24g/t with localised stoping (ore) areas in excess of 30g/t.

The Blitz project is expected to add an additional 300,000 2E PGM ounces to the existing Stillwater and East Boulder production by 2021/2022. Planned production expansion in the Blitz project area requires accelerated manpower hiring, expansion of concentrator capacity and shorten permitting time lines for tailings expansion.

MARATHON

During 2018, at the Marathon PGM-copper project, approximately 10km north of Marathon, Ontario, adjacent to the Trans-Canada Highway 17 on the north-east shore of Lake Superior, geological prospecting mapping and trench sampling continued at the Boyer zone where surface mineralisation was extended by 800m. In addition, a passive seismic survey was completed over the Marathon property (1,024 geophones) as a project funded by the Horizon 2020 European Union research and innovation programme. The data is currently being processed with a view to locating high-velocity zones that correlate with massive sulphide high-grade feeders at Marathon. The gravity survey line (6,000m) was also surveyed in 2018 across a seismic high-velocity zone to verify higher density. Baseline environmental stream sampling and a community relations programme continued at the same time.

SA PGM operations

CHROME OPTIMISATION

A chrome spiral recovery plant currently exists at the Waterval UG2 concentrator to treat flotation tails. In order to improve chrome recovery, fine fraction chrome recovery technology trade-off studies were conducted in 2018. The trade-off studies concluded that a reflux classifier was the preferred technology solution. The chrome optimisation project introduces two modular reflux classifiers to increase the recovery of chrome in the -75 micron tailings fraction. The project envisages the recovery of an additional 10,000 tpm of chrome concentrate equivalent to 20% of current production.

A contracting company, Linhleko Projects, will recover the chromite concentrate in terms of an outcome-based business model and the SA PGM operations will initially account for the contract as a finance lease that will be reflected as a right of use asset and finance lease liability (considered to be debt) of approximately R230 million. Sibanye-Stillwater will not directly fund the project but will pay for the plant in terms of an outcome-based business model that is related to actual chrome production. The project is expected to be commissioned in Q4 2019.

PLATINUM MILE RECOVERY FLOTATION EXPANSION PROJECT

The aim of the Platinum Mile recovery flotation expansion project is to increase throughput by 520m^3 and retention time from eight minutes to 24 minutes thereby significantly improving 4PGE recovery.

The increased rougher retention time resulted in an overall plant recovery of about 2%.

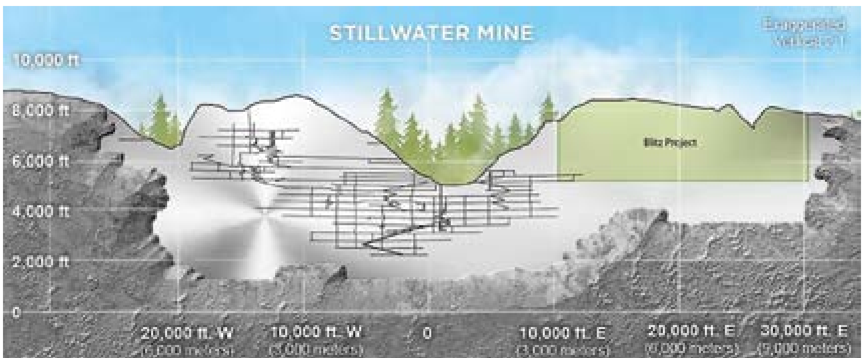
Earthworks for the rougher cell expansion to the Platinum Mile recovery flotation expansion project commenced on 23 January 2018 and the project was commissioned during Q4 2018 for a capital cost of R60 million.

SA gold projects

BURNSTONE

The Burnstone project is a shallow to intermediate depth gold mining project near Balfour in Mpumalanga, 80km north-west of Johannesburg. The Burnstone development project was purchased by Sibanye-Stillwater in 2014. The project feasibility study that was prepared was independently reviewed in 2015 and finance was approved in 2016 with development starting in 2016. As from commencement of development in 2016 to May 2018, 12,368 metres of development had been completed which includes seven reef raises that are production ready.

The capital approved for the Burnstone project during 2018 was R442.0 million. On completion of a detailed engineering design, the project capital provision approved for 2018 was reduced to R417.6 million in order to deliver new infrastructure on a just in time basis with an expected expenditure of R198.0 million by end December 2018. Development was stopped in May 2018, due to a capital preservation exercise. The operational requirements subsequently focused on the establishment of underground engineering infrastructure in preparation for mining production in 2021.



Schematic of the Stillwater mine as part of the US PGM operations

DELIVERING VALUE FROM OPERATIONS, PROJECTS AND TECHNOLOGY

CONTINUED

The Burnstone project focus for 2019 is to continue establishing underground engineering infrastructure in preparation for expected mining production commencing in 2021. The Burnstone 2019 operational plan project capital provision of R125 million has been allocated to complete the required engineering infrastructure to support mining production from 2021.

SOUTHERN ORANGE FREE STATE

Sibanye-Stillwater acquired the Southern Orange Free State (SOFS) project (which includes the Bloemhoek and De Bron Merriespruit projects) near Virginia in the Free State in 2014 through the acquisition of Witwatersrand Consolidated Gold Resources (Wits Gold).

The De Bron Merriespruit project was at feasibility stage and an application for a new mining right over the SOFS project area was submitted to the Department of Mineral Resources in terms of Section 22 of the Mineral and Petroleum Resources Development Act. The SOFS mining right was granted in February 2014 and executed on 14 June 2017. The right expires on 13 June 2040.

A feasibility study on Bloemhoek, which began in 2016, is expected to be finalised in 2019. If the project is approved, the development is expected to enter the Bloemhoek project area from Beatrix 3 shaft in 2021. The Bloemhoek and De Bron Merriespruit projects envisage using existing Beatrix support infrastructure in order to limit the amount of capital funding required to reach production phase.

FAR WEST GOLD RECOVERIES

In August 2018, the sale of selected surface assets to DRDGOLD was concluded. Select West Rand Tailings Retreatment Project (WRTRP) assets were traded for 38.05% of all DRDGOLD shares. DRDGOLD's gold reserves increased by approximately 83% from 3.28Moz to 6.00Moz following the transaction.

Renamed Far West Gold Recoveries, 30km west of Johannesburg, this project, which is now in operation, includes historic tailings storage facilities over an area of 412.3ha with a combined Mineral Reserve estimate of 246Mt at an average grade of 0.344g/t gold for a total gold content of 2.72Moz.

DRDGOLD commissioned a "reduced" Phase 1 of the Far West Gold Recoveries project, with the pumping of reclaimed tailings from the Driefontein 5 tailings facility into the upgraded Driefontein 2 carbon-in-leach (CIL) circuit. The project is on track to process the designed 500 000tpm in Q1 2019.

DRDGOLD intends developing the assets into a large-scale 1.2Mtpm, 20-year operation that will reclaim gold in a phased approach.

KLOOF OPTIMISATION PROJECT

The extension project at Kloof's 4 shaft, to access the area between 45 and 47 levels, progressed to a point just below 46 level in 2018. Development will continue to 47 level.

In addition, the Kloof 8 shaft expansion project, designed to increase current production levels at 8 shaft, was approved in 2018 and will be fully operational by 2020.

The Kloof integration project, designed to optimise operating shafts and close redundant infrastructure, also began in 2018. This project will significantly decrease operating costs.

Other projects

ALTAR

On 5 November 2018, Sibanye-Stillwater concluded a transaction with Regulus Resources and a newly formed subsidiary of Regulus, Aldebaran Resources creating a strategic partnership to unlock value at the Altar copper-gold project in the province of San Juan, Argentina, 180km west of the city of San Juan.

During 2018, Regulus Resources spun out its Argentine assets, including the Rio Grande project, into a newly formed company, Aldebaran Resources, which has entered into a joint venture and option agreement with Stillwater Canada (an indirect subsidiary of Sibanye-Stillwater) to acquire up to an 80% interest in Peregrine Metals, a wholly owned subsidiary of Sibanye-Stillwater, which owns the Altar copper-gold project.

A drill programme to test the deep extensions down to 1,500m depth of the Quebrada de la Mina (QDM)-radio-porphyry, Altar East and Altar Central was conducted in 2018. The core drilling programme of 4,923m was completed with three new holes and one drillhole extension with maximum depths of 1,540m from surface. In addition, work continued on extension of the QDM ground magnetic survey, the talus fine geochemical survey and surface prospecting.

In terms of the agreement, Sibanye-Stillwater will retain a direct interest in the Altar project of either 40% or 20% (should Aldebaran Resources exercise its additional earn-in option), as well as indirect exposure to all Aldebaran assets (including the Rio Grande project) through its 19.9% shareholding in Aldebaran Resources.

The Rio Grande project (owned and managed by Aldebaran Resources) is an iron oxide copper-gold type, copper-gold exploration stage project in north-western Argentina, approximately 1,400km north-west of Buenos Aires. Lindero, a Fortuna Silver property, 10km from Rio Grande with a similar type of mineral deposit, began development in 2018 and initial production is expected in 2019.

Altar project (Argentina)

TECHNOLOGY AND INNOVATION

STRATEGY DEVELOPMENTS IN 2018

The Technology and Innovation department has transformed in terms of its research and development focus, corporate and regional alignment strategies and management of internal and external initiatives, ensuring that the resourcing of initiatives remains aligned with the growth and transformation of the organisation.

Technology and Innovation is now contained within the Group Technical function with the intention of implementing a comprehensive and cohesive global technology and innovation strategy that will be implemented by appropriate structures in each geography. The focus will be on value creation through three key tiers, namely:

- The strategic long-term tier will operate from a global perspective and manage the consolidation of long-term internal initiatives and strategies that have global relevance, such as the digital transformation theme. The strategic tier will also be responsible for external research and development initiatives and partnerships with research institutions.
- The medium-term tactical tier will operate from a regional or commodity-specific perspective and be responsible for technology and innovation initiatives within the relevant geography or commodity. The tactical tier will manage programmes that form part of the strategic tier's portfolio of initiatives, establish centres of excellence for themes that have global relevance or adopt technologies that have been proven in alternate regional or commodity specific centres of excellence. The tactical tier will also be responsible for implementing technology and innovation culture and change frameworks that are developed by the strategic tier, ensuring a common global technology and innovation identity.
- The short-term executional tier will maintain focus on implementing quick-win initiatives as well as continuous improvement programmes that are supplemented by technology.

Sibanye-Stillwater supports projects and programmes that contribute to the sustainability of the organisation through measurable improvement of the following:

- Safety
- Environmental performance
- Organisational and operational efficiencies, yielding maximum return on capital employed
- Operational transparency, creating greater insight and enabling more proactive management
- Education, training and skills
- Our ability to support secondary industries with sectoral transfer of skills, equipment and technology

Sibanye-Stillwater continues to drive technology and innovation as a strategic imperative.

Key technology and innovation partnerships and initiatives

MANDELA MINING PRECINCT

The Mandela Mining Precinct, an outcome of the government-supported Mining Phakisa process, and previously referred to as the Mining Precincts' Innovation Hub, was formally opened on the 14 September 2018 by our CEO Neal Froneman in his capacity as Vice President of the Minerals Council South Africa. The opening was attended by the Minister of Science and Technology as well as the Minister of Mineral Resources.

The Mandela Mining Precinct's research agenda progressed well in 2018 and is expected to deliver tangible value in various forms in 2019.

The Mandela Mining Precinct creates a space for researchers from various institutions and organisations to collaborate and work together, enabling greater access to researchers and mining staff. The function of the precinct is to co-ordinate research activities towards the revitalisation of South Africa's mining operations through the development of next-generation mining systems.

"We continue to drive technology and innovation as a strategic imperative."

A student works with DigiMine at the University of the Witwatersrand (Wits) in Johannesburg, South Africa

DELIVERING VALUE FROM OPERATIONS, PROJECTS AND TECHNOLOGY

CONTINUED

SIBANYE-STILLWATER DIGITAL MINING LABORATORY

The Sibanye-Stillwater and the University of the Witwatersrand (Wits) Mining Institute's (WMI) Digital Mining Laboratory (DigiMine), the result of a long-term commitment by Sibanye-Stillwater to relevant research institutions in South Africa, was officially launched in 2018. The WMI and DigiMine have demonstrated their ability to add value from a fundamental and applied research perspective and Sibanye-Stillwater has elected to provide an additional R10 million annually for the next three years. The funding is in line with a provision of the stream finance arrangement. The funding will be directed to five core focus areas:

- Fast-tracking of WMI-initiated technologies and prototypes through DigiMine, in partnership with the Wits Siemens Solutions Laboratory
- Fast-tracking of mine seismicity research
- Enhancing the sustainability of the WMI and DigiMine
- Enhancing the delivery structure for the research and development agenda
- The creation of the Sibanye-Stillwater Health and Safety DNA project

Sibanye-Stillwater's total investment in tertiary institutions is now R20 million per annum, inclusive of the aforementioned, the original R5 million commitment to DigiMine and a R5 million investment in the University of Johannesburg's mining engineering faculty, which is being used to establish complimentary infrastructure that supports Sibanye-Stillwater's long-term research and development strategy.

Research is conducted at DigiMine offices

DIGITAL TRANSFORMATION

Thematically, digital transformation is the only strategic technology pillar that is applicable to all aspects of the organisation. As such, a dedicated functional and governing committee, comprised of relevant representation from Group Technical, and the SA and US operations, has been established. The digital transformation steering committee forms the fundamental base of the digital transformation initiative and is suitably resourced with an agile, multi-disciplinary team that will be focusing on value realisation across the entire mining value chain.

During the establishment of the initiative, it became apparent that there is significant value in leveraging external expertise in order to fast track ideation and prioritisation of key strategic aspects of the process and initiatives. Consequently, Sibanye-Stillwater has established an advisory panel of globally renowned disruptors from various industries and institutions. The value of the advisory committee has been immediate and they have contributed substantially to the current state of the initiative by accelerating our understanding of the theme.

The vision of Sibanye-Stillwater's digital transformation initiative is to enhance value creation through digitalisation to create a prescriptive data-driven organisation, effective in the safe, sustainable and responsible extraction and beneficiation of our resources.

With the above in place, Sibanye-Stillwater has developed a digital transformation strategy that is aligned with that of the organisation. In addition, most of the SA operations' teams have begun the execution of the strategy and technological road map development with the Stillwater operations planned for early 2019. The key deliverable for 2019 will be a long-term programme that aims to create an integrated, transparent insightful, concise, prescriptive, effective and safe operating organisation. In addition, several immediate high-value initiatives have been identified and initiated with the expectation of relative value realisation in the first half of 2019.

ADVANCED TRANSPORT AND MACHINERY PROGRAMME

Significant advancement was made towards understanding the application of newly developed battery technology in mobile assets, namely locomotives and trackless mobile machinery. Two separate prototypes for battery and diesel locomotives have progressed well and are showing promising results. While there have been several technical difficulties, solutions to the difficulties are in the process of being completed. Both prototypes are expected to enter production trials in the first half of 2019 with the intention of finalising a commercial variant for implementation by the end of 2019.

Furthermore, significant opportunity has been identified in applying analytics and deep learning algorithms to information that resides in manual reports and numerous digital systems, installed on fixed and mobile machinery, to improve overall equipment and processing effectiveness. In 2017, Sibanye-Stillwater ran a data consolidation and advanced analytics project that sought to understand the value of this in the process efficiency environment. The outcome of the initiative was in line with general research on the subject and the model suggested that there was the potential for as much as 1%-2% recovery improvement at the processing plant in question (research notes 1.5%-2.5%).

As such, the initiative has been progressed to operational proof of concept, in addition to two separate initiatives for overall equipment efficiency on trackless mobile machinery and locomotives, with results expected in the first half of 2019.

STOPE MECHANISATION AND CURRENT MINING IMPROVEMENT PROGRAMME

Sibanye-Stillwater's ongoing organisational diversification requires that continuous re-ranking of technology and innovation initiatives is performed to ensure that each initiative is still relevant in terms of impact, cost and complexity, reserve applicability and interdependence. During a revision of all technology and innovation initiatives in the Group, the decision was made to temporarily suspend stope mechanisation and current mining improvement projects in lieu of the progress made with the digital transformation programme.

Sibanye-Stillwater will continue to maintain a robust pipeline of prospective projects for implementation as and when resources become available to do so.

MINERAL RESOURCES AND MINERAL RESERVES – SUMMARY

Sibanye-Stillwater's Mineral Resources and Mineral Reserves are reported in accordance with the SAMREC Code, and are fully compliant in all material respects with the requirements of the code.

The statement of Mineral Resources and Mineral Reserves as at 31 December 2018 outlines the Mineral Resources and Mineral Reserves at each of our operating mines and projects, and includes, for the first time, the attributable portions of the DRDGOLD and Aldebaran Mineral Resources and Mineral Reserves acquired during 2018. The Mineral Resources and Mineral Reserves are compared to the last full declaration made as at 31 December 2017, and therefore include a 12-month period of production depletion due to mining activity.

The statement is underpinned by appropriate Mineral Resources management processes and protocols that ensure adequate corporate governance.

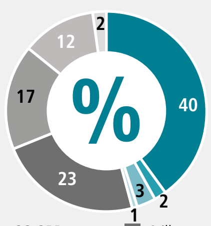
This section is a condensed overview of the Mineral Resource and Mineral Reserves Report 2018, which contains a comprehensive review of Mineral Resources and Mineral Reserves as at 31 December 2018, and details the location, geology, mining, processing, operational statistics and changes at each of the Group's mining operations and projects. This detailed statement of Mineral Reserves and Resources is available online at www.sibanyestillwater.com.

The commodity prices used for the Mineral Reserve declaration approximate the historic three-year average commodity prices, in accordance with the SEC's guidelines. As a result, the following commodity prices were used at an exchange rate of R13.55/US$.

	2018		
Precious metals	**US$/oz**	**ZAR/oz**	**ZAR/kg**
Gold	1,238	16,796	540,000
Platinum	959	12,994	417,781
Palladium	819	11,097	356,791
Rhodium	1,180	15,989	514,058
Iridium	814	11,030	354,613
Ruthenium	102	1,382	44,436
	2018		
Base metals	**US$/lb**	**US$/tonne**	**ZAR/tonne**
Nickel	4.99	11,009	149,172
Copper	2.68	5 ,913	80,121
Cobalt	20.00	44,092	597,441
Uranium oxide* (U_3O_8)	37.00	81,569	1,105,266
Chrome oxide* (Cr_2O_3) 42% concentrate	0.46	207	2,804

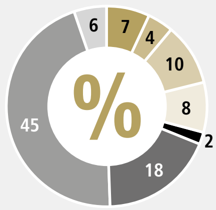
** Long-term contract price*

2E and 4E PGM Mineral Resources (204.4Moz)



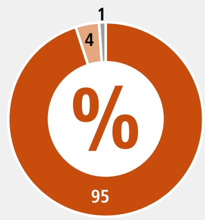
- Rustenburg 82.2Moz
- Kroondal 4.7Moz
- Mimosa 6.7Moz
- Rustenburg Tailings 2.6Moz
- Stillwater 45.8Moz
- East Boulder 34Moz
- SA projects 24.4Moz
- Other projects 4Moz

Gold Mineral Resources (104.2Moz)



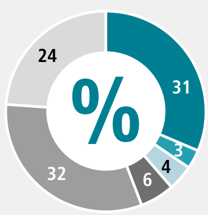
- Beatrix 7.5Moz
- Cooke 4.2Moz
- Driefontein 10.1Moz
- Kloof 8.3Moz
- WRTRP (Cooke TSFs) 2.2Moz
- DRDGOLD 18.6Moz
- SA projects 46.7Moz
- Other projects 6.6Moz

Copper Mineral Resources (18,795.8Mlb)



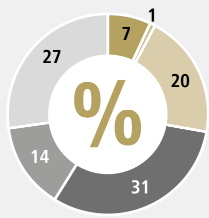
- Altar 17,931.0Mlb
- Marathon 730.1Mlb
- Rio Grande 134.7Mlb

2E and 4E PGM Mineral Reserves (46.1Moz)



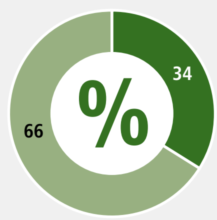
- Rustenburg 14.5Moz
- Kroondal 1.5Moz
- Mimosa 1.8Moz
- Rustenburg Tailings 2.6Moz
- Stillwater 14.8Moz
- East Boulder 10.9Moz

Gold Mineral Reserves (16.6Moz)



- Beatrix 1.2Moz
- Cooke 0.2Moz
- Driefontein 3.3Moz
- Kloof 5.2Moz
- DRDGOLD 2.2Moz
- Projects 4.5Moz

Uranium Mineral Resources (78.7Mlb)



- Beatrix 27.0Mlb
- WRTRP (Cooke TSFs) 51.7Mlb

MINERAL RESOURCES AND MINERAL RESERVES – SUMMARY CONTINUED

KEY ASPECTS OF OUR MINERAL RESOURCE AND MINERAL RESERVE STATEMENTS AS AT 31 DECEMBER 2018

US PGM operations

Total 2E PGM Mineral Resources estimated at 79.860Moz, a decrease of 0.75% from 31 December 2017. Mineral Resources remain largely unchanged with mining depletions off-set by resource growth primarily at the Blitz section of the Stillwater mine.

Total 2E PGM Mineral Reserves estimated at 25.614Moz, an increase of 16.94% from 31 December 2017. The pleasing 17% increase in Mineral Reserve ounces was primarily in the Blitz project area of the Stillwater Mine where approximately 3.294Moz of Mineral Reserves were added at a 2E PGM grade of 23.7 g/t. The increase in Mineral Reserves supports the planned expansion of production from the Blitz area of the Stillwater Mine, which remains on schedule.

US PGM operations – Mineral Reserve reconciliation

Factors	2E PGM (Moz)
31 December 2017	**21.903**
Depletion during 2018	(0.633)
Area inclusions/exclusions[1]	1.883
Geological interpretation	(0.051)
Estimation[2]	2.386
Economic valuation	0.126
31 December 2018	**25.614**

[1] Expansion in the Blitz project area
[2] Higher than average tonnes and grade at Blitz

Projects

Copper Mineral Resources increased by 0.72% to 18,795.8Mlb, and gold Mineral Resources by 3.75% to 6.558Mlb due to the inclusion of 19.9% of the attributable Mineral Resources of the Rio Grande Project, owned by Aldebaran Resources Inc (Aldebaran). This follows the conclusion of an arrangement with Regulus Resources Inc, Aldebaran's holding company, whereby Aldebaran will obtain an option to earn in up to 80% of the company's Altar Project, in exchange for an upfront payment and the shareholding in Aldebaran. Project PGM Mineral Resources remained unchanged.

SA PGM operations

Total estimated 4E PGM Mineral Resources declined marginally to 96.181Moz (-1.60%) as compared to 31 December 2017, primarily due to mining depletion. During 2018, Blue Ridge was reclassified as a project.

Total 4E PGM Mineral Reserves estimated at 20.448Moz, a decline of 8.54% from 31 December 2017. The total decline of 1.910Moz is in line with expectations and life-of-mine extraction plans, and is principally attributed to depletion of 1.557Moz from mining activities during 2018, and a 0.514 Moz decrease due to the removal of sub-economic ounces at the end of life of mine as combined mine (LoM) production volumes drop below economically sustainable levels.

SA PGM operations – Mineral Reserve reconciliation

Factors	4E PGM (Moz)
31 December 2017	**22.358**
Depletion during 2018	(1.557)
Inclusions	**0.247**
Estimation	0.005
Geological interpretation[1]	0.100
Technical factors	0.142
Exclusions/reductions	**(0.601)**
Economic valuation[2]	(0.514)
Boundary changes	(0.087)
31 December 2018	**20.448**

[1] Updates in geological interpretations and modifying factors
[2] Removal of sub-economic mineral reserves at the end of LoM due to tail cutting

Projects

Total 4E PGM Mineral Resources of 24.350Moz remain unchanged from 2017. The only notable change has been the reclassification of Blue Ridge Platinum as a project, as opposed to an operation in 2017.

Employees at the Mimosa joint venture operations in Zimbabwe

SA gold operations

Mineral Resources estimated at 33.950 Moz, an increase of 1.165Moz (3.55%), largely due to the inclusion of the attributable 38% share of the DRDGOLD's operations (3.787Moz), offset by a decrease of 2.622Moz at the existing gold operations. This decrease was informed by depletions, and the restructuring of marginal shafts at the Beatrix and Driefontein mines, which are currently the subject of a Section 189A consultation process and may lead to downsizing or closure, as well as the sale of certain West Rand Tailings Retreatment Project (WRTRP) assets.

Mineral Reserves estimated at 12.108 Moz, a decline of 1.21Moz (9.10%), decrease was largely a result of:

- Depletion of 1.162Moz from mining activities during 2018
- Possible restructuring of the marginal Beatrix 1 and Driefontein 2, 6 and 8 shafts, resulting in 2.373Moz being removed from the Mineral Reserve base
- Changes in pay limits (economic factors) resulting in 0.764Moz not being deemed economically viable to extract under current assumptions
- Geological and structural model adjustments at Beatrix 1 and Driefontein 1 and 5 shafts, and resulting geotechnical pillar adjustments (-0.865 Moz)

These decreases were offset by:

- Additional Mineral Reserves of 1.204Moz defined as a result of ongoing exploration and reserve delineation at the Kloof operations
- A further 2.245Moz were added, based on the 38% attributable Mineral Reserves from DRDGOLD following successful completion of this transaction during 2018

SA gold operations – Mineral Reserve reconciliation

Factors	Gold (Moz)
31 December 2017	**13.321**
Depletion during 2018	(1.162)
Inclusions	**3.448**
White areas, secondary reefs and surface	1.204
Attributable portion from DRDGOLD (38.05%)	2.245
Exclusions/reductions	**(4.002)**
Removal of reserves at sub-economic operations	(2,373)
Pay limit	(0.764)
Geological and geotechnical changes	(0.865)
Estimation	0.310
Technical factors	0.193
31 December 2018	**12.108**

SA gold projects

Total gold Mineral Resources increased by 21.76% (11.387Moz) to 63.714 Moz. The increase was primarily due to the inclusion of the attributable underground Mineral Resources of DRDGOLD's projects.

Total estimated gold Mineral Reserves decreased by 63.95% (7.940Moz) to 4.476Moz.

- During 2018 the transaction with DRDGOLD was completed whereby Sibanye-Stillwater sold certain of the WRTRP assets from Kloof and Driefontein to DRDGOLD in exchange for approximately 38.05% shareholding in DRDGOLD. As a result, the Group no longer reports these specific Mineral Resources and Mineral Reserves previously held under the WRTRP but has reported attributable Mineral Resources and Mineral Reserves of DRDGOLD.
- The Mineral Resources of the Cooke portion of the WRTRP have been retained and remain unchanged at 2.245Moz. No reserves are currently reported for the remaining portion of the WRTRP while the economic feasibility of the remaining assets are being investigated.
- In addition, a detailed review was undertaken of the Group's capital projects during 2018. At current economic parameters, and considering capital prioritisation, a decision was made to cease further development of the Driefontein depth extension (DE) project (1.707Moz Mineral Reserve in 2017) but to continue with the Kloof DE project.

SA gold projects – Mineral Reserve reconciliation

Factors	Gold (Moz)
31 December 2017	**12.416**
Depletion during 2018	0.000
Inclusions	**0.011**
Burnstone estimation model	0.011
Exclusions/reductions	**(7.951)**
Exclusion of Driefontein 5 Shaft DE project	(1.707)
Pay limit change – Kloof 4 Shaft DE project	(0.106)
De Bron Merriespruit tail end management	(0.012)
Exclusion of selected WRTRP assets	(6.126)
31 December 2018	**4.476**

SA URANIUM OPERATIONS

Uranium (U_3O_8) Mineral Resources of 78.692Mlb declined 36.05% due to the sale of a portion of the WRTRP to DRDGOLD.

No Mineral Reserves were declared following the sale of the Kloof and Driefontein tailings dams of the WRTRP to DRDGOLD. The Cooke assets, which were excluded from the transaction, are now reported as Mineral Resources only due to economic considerations as a standalone entity.

SA uranium – Mineral Reserve reconciliation

Factors	U_3O_8 (Mlb)
31 December 2017	**96.083**
Depletion during 2018	0.000
Exclusion of WRTRP from Reserves	(96.083)
31 December 2018	**0.000**

MINERAL RESOURCES AND MINERAL RESERVES – SUMMARY CONTINUED

GOVERNANCE RELATING TO MINERAL RESOURCES AND MINERAL RESERVES

Sibanye-Stillwater reports its Mineral Resources and Mineral Reserves in accordance with the SAMREC Code, the updated Section 12 of the JSE Listings Requirements and the SEC Industry Guide 7, which is aligned with the guiding principles of Sarbanes-Oxley in the United States. The Altar, Marathon and Rio Grande resources are compliant with the NI 43-101 guidelines, which is part of the CRIRSCO group of reporting codes, and recognised by SAMREC and the South African Code for the Reporting of Mineral Asset Valuation (the Samval Code). In accordance with SEC requirements, Mineral Reserves are based on three-year average trailing commodity prices.

Guided by a commitment to best practice corporate governance, the statement has been reviewed by each region's technical services function. Independent reviews are also conducted on a two-year cycle with no material shortcomings to date. The SA gold operations are currently undergoing external reviews on the 2018 statement, while the US operations were audited by the Mineral Corporation in 2017. The SA PGM operations were externally audited during 2017.

The Mineral Resources and Mineral Reserves are estimated at a particular date, and are affected by fluctuations in mineral prices, the rand-dollar exchange rate, operating costs, mining permits, changes in legislation and operating factors, among others. Although all permits may not be finalised and in place at the time of reporting, there is no reason to expect that these will not be granted. However, the length of the approval process for such permits may have an impact on the schedules stated.

All statement figures are managed by Sibanye-Stillwater with the exception of those for Mimosa, Altar, Rio Grande and DRDGOLD. Mineral Resources are reported inclusive of Mineral Reserves and production volumes are reported in metric tonnes (t).

Gold and uranium estimates are reported separately from each other therefore no gold equivalents are stated to avoid potential anomalies as a result of year-on-year metal price differentials. The statement for the SA PGM operations reports 4E and 6E PGM, which are platinum, palladium, rhodium and gold (4E), plus iridium and ruthenium (6E). Individual proportions of the 4E and 6E PGM are determined via prill splits as determined from the assays. The statement for the US PGM operations reports 2E PGM, which are palladium and platinum.

All financial models used to determine Mineral Reserves are based on current tax regulations at 31 December 2018.

COMPETENT PERSONS

For the SA gold operations, the lead competent person designated in terms of the SAMREC Code, with responsibility for the consolidation and reporting of their Mineral Resources and Mineral Reserves and for overall regulatory compliance of these figures, is:

Gerhard Janse van Vuuren
Kloof Gold Mine, Farm Rietfontein, Gauteng
Private Bag X190, Westonaria, 1780

Gerhard gave his consent for the disclosure of the 2018 Mineral Resources and Mineral Reserves Statement. Gerhard [GDE (Mining Eng), MBA, MSCC and BTech (MRM)] is registered with The Southern African Institute of Mining and Metallurgy (SAIMM) (706705) and has 31 years' experience relative to the type and style of mineral deposit under consideration.

For the SA PGM operations, the lead competent person designated in terms of the SAMREC Code, who takes responsibility for the consolidation and reporting of these Mineral Resources and Mineral Reserves, and for the overall regulatory compliance of these figures, is:

Andrew Brown
Sibanye Rustenburg Platinum Mines, Hex River Complex,
Old Mine Road, Rustenburg, Bleskop, 0292
PO Box Bleskop 1,0292

Andrew gave his consent for the disclosure of the 2018 Mineral Resources and Mineral Reserves Statement. Andrew [MSc (Mining Eng]) is registered with SAIMM (705060) and has 34 years' experience relative to the type and style of mineral deposit under consideration.

For the US PGM operations, the lead competent person designated in terms of the SAMREC Code, who takes responsibility for the consolidation and reporting of the Stillwater and East Boulder Mineral Resources and Mineral Reserves, and for the overall regulatory compliance of these figures, is:

Brent La Moure
Stillwater Mine, 26 West Dry Creek Circle, Montana
Suite 400, Littleton, Colorado, 80120

Brent gave his consent for the disclosure of the 2018 Mineral Resources and Mineral Reserves Statement. Brent [BSc (Mining Eng]) is registered with the Mining and Metallurgical Society of America (01363QP) and has 23 years' experience relative to the type and style of mineral deposit under consideration.

For the foreign project Mineral Resource estimation, the competent person is Stanford Foy. Stanford is registered with the Society for Mining, Metallurgy and Exploration Inc in the United States (4140727RM), and has 28 years' experience relative to the type and style of mineral deposit under consideration.

Currently, Brent and Stanford are contracted with Sibanye-Stillwater but were previously employees of the Group.

US 2E PGM: Mineral Resource and Mineral Reserve statement as at 31 December 2018

Mineral Resources					Mineral Reserves				
OPERATIONS	2018			2017	OPERATIONS	2018			2017
Underground	Tonnes (Mt)	Grade (g/t)	2E PGM (Moz)	2E PGM (Moz)	Underground	Tonnes (Mt)	Grade (g/t)	2E PGM (Moz)	2E PGM (Moz)
Stillwater					**Stillwater**				
Measured	**5.1**	**19.7**	**3.214**	2.527	Proved	**3.4**	**19.3**	**2.123**	1.727
Indicated	**28.2**	**17.4**	**15.738**	12.132	Probable	**20.5**	**19.2**	**12.634**	9.792
Inferred	**48.9**	**17.1**	**26.877**	27.485					
Total	**82.2**	**17.3**	**45.829**	42.144	Total	**23.9**	**19.2**	**14.756**	11.519
East Boulder					**East Boulder**				
Measured	**3.9**	**14.7**	**1.849**	1.687	Proved	**2.9**	**14.6**	**1.342**	1.018
Indicated	**27.2**	**15.1**	**13.149**	14.689	Probable	**19.7**	**15.1**	**9.515**	9.366
Inferred	**38.4**	**15.4**	**19.033**	21.943					
Total	**69.5**	**15.2**	**34.031**	**38.319**	Total	**22.5**	**15.0**	**10.858**	**10.384**
Underground – Total	**151.7**	**16.4**	**79.860**	**80.463**	**Underground – Total**	**46.4**	**17.2**	**25.614**	**21.903**
PROJECTS									
Marathon									
Measured	**93.4**	**0.9**	**2.693**	2.693					
Indicated	**57.9**	**0.8**	**1.290**	1.290					
Inferred	**0.4**	**0.1**	**0.001**	0.001					
Total	**151.7**	**0.8**	**3.982**	3.982					
OPERATIONS AND PROJECTS					**OPERATIONS AND PROJECTS**				
TOTAL	**303.4**	**8.9**	**83.842**	**84.445**	**TOTAL**	**46.4**	**17.2**	**25.614**	**21.903**

Gold (projects in Argentina): Mineral Resource and Mineral Reserve statement as at 31 December 2018

Mineral Resources					Mineral Reserves			
PROJECTS	2018			2017	2018			2017
	Tonnes (Mt)	Grade (g/t)	Gold (Moz)	Gold (Moz)	Tonnes (Mt)	Grade (g/t)	Gold (Moz)	Gold (Moz)
Altar								
Measured	**1,005.9**	**0.1**	**2.981**	2.981				
Indicated	**1,051.5**	**0.1**	**2.253**	2.253				
Inferred	**556.6**	**0.1**	**1.087**	1.087				
Total	**2,614.0**	**0.1**	**6.321**	6.321				
Rio Grande								
Measured								
Indicated	**14.1**	**0.4**	**0.162**					
Inferred	**8.2**	**0.3**	**0.074**					
Total	**22.3**	**0.3**	**0.237**					
PROJECTS – TOTAL	**2,636.3**	**0.1**	**6.558**	**6.321**				

MINERAL RESOURCES AND MINERAL RESERVES – SUMMARY CONTINUED

Copper (projects in Canada and Argentina): Mineral Resource and Mineral Reserve statement as at 31 December 2018

	Mineral Resources					Mineral Reserves			
PROJECTS	2018			2017	PROJECTS	2018			2017
	Tonnes (Mt)	Sulphide copper grade (%)	Sulphide copper (Mlb)	Sulphide copper (Mlb)		Gold Projects	Sulphide copper grade (%)	Sulphide copper (Mlb)	Sulphide copper (Mlb)
Altar									
Measured	**1,005.9**	**0.34**	**7,458.0**	7,458.0					
Indicated	**1,051.5**	**0.30**	**7,053.0**	7,053.0					
Inferred	**556.6**	**0.28**	**3,420.0**	3,420.0					
Total	**2,614.0**	**0.31**	**17,931.0**	17,931.0					
Rio Grande									
Measured									
Indicated	**14.1**	**0.30**	**93.2**						
Inferred	**8.2**	**0.23**	**41.5**						
Total	**22.3**	**0.27**	**134.7**						
Marathon									
Measured	**93.4**	**0.23**	**473.5**	473.5					
Indicated	**57.9**	**0.20**	**254.0**	254.0					
Inferred	**0.4**	**0.29**	**2.6**	2.6					
Total	**151.7**	**0.22**	**730.1**	730.1					
PROJECTS – TOTAL	**2,788.0**	**0.31**	**18,795.8**	**1,8661.1**					

Area surrounding the Rio Grande project in Argentina

SA 4E and 6E PGM: Mineral Resource statement as at 31 December 2018

	Mineral Resources					
OPERATIONS – SOUTH AFRICA	**2018**					**2017**
UNDERGROUND	**Tonnes (Mt)**	**4E Grade (g/t)**	**6E Grade (g/t)**	**4E PGM (Moz)**	**6E PGM (Moz)**	**4E PGM (Moz)**
Kroondal (50% attributable)						
Measured	**38.8**	**3.1**	**3.7**	**3.907**	**4.590**	3.146
Indicated	**4.9**	**3.7**	**4.4**	**0.593**	**0.695**	1.472
Inferred	**2.5**	**3.0**	**3.6**	**0.234**	**0.285**	0.261
Total	**46.2**	**3.2**	**3.8**	**4.734**	**5.571**	4.879
Rustenburg						
Measured	**371.9**	**4.9**	**5.7**	**58.207**	**68.348**	59.212
Indicated	**123.5**	**5.3**	**6.1**	**21.222**	**24.204**	21.235
Inferred	**15.4**	**5.6**	**6.3**	**2.755**	**3.128**	2.762
Total	**510.8**	**5.0**	**5.8**	**82.185**	**95.681**	83.209
Blue Ridge* (50% attributable)						
Measured						1.570
Indicated						0.420
Inferred						0.440
Total						2.430
OPERATIONS – ZIMBABWE						
Mimosa (50% attributable)						
Measured	**28.4**	**3.7**	**3.9**	**3.367**	**3.570**	3.570
Indicated	**15.4**	**3.6**	**3.8**	**1.772**	**1.887**	1.776
Inferred	**4.4**	**3.6**	**3.9**	**0.514**	**0.548**	0.512
Inferred (Oxides)	**9.0**	**3.5**	**3.6**	**0.998**	**1.033**	0.981
Total	**57.2**	**3.6**	**3.8**	**6.652**	**7.038**	6.839
Underground – Total	**614.1**	**4.7**	**5.5**	**93.571**	**108.290**	**97.357**
SURFACE						
Surface rock dumps and tailings storage facilities						
Rustenburg (TSF)	**75.5**	**1.1**	**1.2**	**2.610**	**2.936**	2.818
Total	**75.5**	**1.1**	**1.2**	**2.610**	**2.936**	2.818
OPERATIONS – TOTAL	**689.6**	**4.55**	**5.02**	**96.181**	**111.226**	100.175
PROJECTS – SOUTH AFRICA						
UNDERGROUND						
Vygenhoek						
Measured	**1.4**	**5.1**		**0.230**		0.230
Indicated						
Inferred						
Total	**1.4**	**5.1**		**0.230**		0.230
Zondernaam						
Measured						
Indicated						
Inferred	**77.4**	**6.4**		**15.900**		15.900
Total	**77.4**	**6.4**		**15.900**		15.900
Hoedspruit						
Measured						
Indicated	**28.1**	**5.5**		**4.980**		4.980
Inferred	**4.5**	**5.6**		**0.810**		0.810
Total	**32.6**	**5.5**		**5.790**		5.790
Blue Ridge*						
Measured	**14.8**	**3.3**		**1.570**		
Indicated	**4.1**	**3.2**		**0.420**		
Inferred	**4.2**	**3.3**		**0.440**		
Total	**23.1**	**3.3**		**2.430**		
PROJECTS – TOTAL	**134.5**	**5.6**		**24.350**		21.920
UNDERGROUND, SURFACE AND PROJECTS – TOTAL	**824.1**	**4.5**		**120.531**		**122.095**

** In 2017 Blue Ridge was classified as an operation but was reclassified as a project in 2018*

MINERAL RESOURCES AND MINERAL RESERVES – SUMMARY CONTINUED

SA 4E and 6E PGM: Mineral Reserve statement as at 31 December 2018

	Mineral Reserves					
OPERATIONS – SOUTH AFRICA	2018					2017
UNDERGROUND	Tonnes (Mt)	4E Grade (g/t)	6E Grade (g/t)	4E PGM (Moz)	6E PGM (Moz)	4E PGM (Moz)
Kroondal (50% attributable)						
Proved	18.4	2.6	3.0	1.536	1.792	1.243
Probable	0.0	0.0	0.0	0.000	0.000	0.561
Total	18.4	2.6	3.0	1.536	1.792	1.804
Rustenburg						
Proved	110.9	3.8	4.5	13.516	15.979	14.550
Probable	6.9	4.2	4.9	0.945	1.085	1.156
Total	117.8	3.8	4.5	14.461	17.064	15.706
Blue Ridge (50% attributable)						
Proved						
Probable						
Total						
OPERATIONS – ZIMBABWE						
Mimosa (50% attributable)						
Proved	10.9	3.5	3.7	1.234	1.309	1.423
Probable	5.6	3.4	3.6	0.607	0.646	0.607
Total	16.5	3.5	3.7	1.841	1.955	2.030
Underground – Total	152.7	3.6	4.2	17.838	20.811	19.540
Surface						
Surface rock dumps and tailings storage facilities						
Rustenburg (TSF)	75.5	1.1	1.2	2.610	2.936	2.818
Surface – Total	75.5	1.1	1.2	2.610	2.936	2.818
UNDERGROUND, SURFACE AND PROJECTS – TOTAL	228.2	2.8	3.2	20.448	23.747	22.358

Gold: Mineral Resource and Mineral Reserve statement as at 31 December 2018

	Mineral Resources					Mineral Reserves			
SOUTH AFRICA	31 Dec 2018			31 Dec 2017	**SOUTH AFRICA**	31 Dec 2018			31 Dec 2017
OPERATIONS **UNDERGROUND**	Tonnes (Mt)	Grade (g/t)	Gold (Moz)	Gold (Moz)	**OPERATIONS** **UNDERGROUND**	Tonnes (Mt)	Grade (g/t)	Gold (Moz)	Gold (Moz)
Beatrix					**Beatrix**				
Measured	**17.2**	**7.2**	**4.003**	5.394	Proved	**7.1**	**4.2**	**0.960**	0.933
Indicated	**21.6**	**4.9**	**3.433**	2.310	Probable	**3.3**	**2.1**	**0.227**	1.152
Inferred	**0.0**	**3.3**	**0.004**	0.004					
Total	**38.8**	**6.0**	**7.440**	7.708	Total	**10.5**	**3.5**	**1.187**	2.086
Cooke					**Cooke**				
Measured	**4.0**	**13.1**	**1.689**	1.689	Proved				
Indicated	**3.5**	**10.1**	**1.130**	1.130	Probable				
Inferred	**3.2**	**12.0**	**1.220**	1.220					
Total	**10.7**	**11.8**	**4.039**	4.039	Total				
Driefontein					**Driefontein**				
Measured	**11.9**	**14.1**	**5.386**	8.126	Proved	**7.4**	**7.4**	**1.760**	3.602
Indicated	**13.9**	**10.6**	**4.732**	2.897	Probable	**6.3**	**7.6**	**1.542**	1.670
Inferred				0.005					
Total	**25.8**	**12.2**	**10.118**	11.029	Total	**13.7**	**7.5**	**3.302**	5.272
Kloof					**Kloof**				
Measured	**12.4**	**18.1**	**7.216**	7.538	Proved	**13.2**	**8.3**	**3.518**	3.516
Indicated	**2.3**	**12.4**	**0.905**	2.074	Probable	**9.5**	**4.9**	**1.503**	2.135
Inferred	**0.2**	**12.6**	**0.089**	0.085					
Total	**14.9**	**17.1**	**8.211**	9.697	Total	**22.6**	**6.9**	**5.020**	5.652
Underground – Total	**90.2**	**10.3**	**29.808**	**32.473**	**Underground – Total**	**46.8**	**6.3**	**9.509**	**13.010**
SURFACE					**SURFACE**				
Surface rock dumps and tailings storage facilities					**Surface rock dumps and tailings storage facilities**				
Beatrix (Indicated)	**3.8**	**0.4**	**0.043**	0.041	Beatrix (Probable)	**3.8**	**0.4**	**0.043**	0.041
Cooke (Measured)	**16.1**	**0.3**	**0.144**	0.052	Cooke (Proved)	**16.1**	**0.3**	**0.144**	0.052
Cooke (Indicated)	**1.1**	**0.4**	**0.015**	0.007	Cooke (Probable)	**1.1**	**0.4**	**0.015**	0.007
Driefontein (Indicated)	**1.3**	**0.5**	**0.021**	0.019	Driefontein (Probable)	**1.3**	**0.5**	**0.021**	0.019
Kloof (Indicated)	**7.7**	**0.5**	**0.131**	0.192	Kloof (Probable)	**7.7**	**0.5**	**0.131**	0.192
DRDGOLD					**DRDGOLD**				
ERGO (Measured)	**122.9**	**0.3**	**1.209**		ERGO (Proved)	**23.9**	**0.3**	**0.232**	
ERGO (Indicated)	**129.5**	**0.3**	**1.054**		ERGO (Probable)	**99.0**	**0.3**	**0.977**	
ERGO (Inferred)	**76.3**	**0.2**	**0.489**						
FWGR (Measured)	**93.6**	**0.3**	**1.035**		FWGR (Proved)	**68.1**	**0.4**	**0.801**	
					FWGR (Probable)	**25.6**	**0.3**	**0.234**	
Surface – Total	**452.3**	**0.3**	**4.142**	0.311	**Surface – Total**	**246.5**	**0.3**	**2.599**	**0.311**
OPERATIONS – UNDERGROUND AND SURFACE									
Beatrix	**42.6**	**5.5**	**7.483**	7.749	Beatrix	**14.2**	**2.7**	**1.230**	2.127
Cooke	**27.8**	**4.7**	**4.198**	4.097	Cooke	**17.2**	**0.3**	**0.159**	0.059
Driefontein	**27.1**	**11.6**	**10.139**	11.048	Driefontein	**15.0**	**6.9**	**3.324**	5.291
Kloof	**22.6**	**11.5**	**8.342**	9.890	Kloof	**30.4**	**5.3**	**5.151**	5.844
DRDGOLD (ERGO and FWGR)*	**422.4**	**0.3**	**3.787**		DRDGOLD (ERGO and FWGR)	**216.6**	**0.3**	**2.245**	
TOTAL	**542.5**	**1.9**	**33.950**	**32.784**	**TOTAL**	**293.3**	**1.3**	**12.108**	**13.321**

** ERGO is the historical DRDGOLD surface operations located in the East Rand. Far West Gold Recoveries (FWGR) is the project resulting from the sale of the selected WRTRP assets to DRDGOLD.*

MINERAL RESOURCES AND MINERAL RESERVES – SUMMARY CONTINUED

Gold: Mineral Resource and Mineral Reserve statement as at 31 December 2018 continued

	Mineral Resources					Mineral Reserves			
SOUTH AFRICA	31 Dec 2018			31 Dec 2017	**SOUTH AFRICA**	31 Dec 2018			31 Dec 2017
PROJECTS	Tonnes (Mt)	Grade (g/t)	Gold (Moz)	Gold (Moz)	**PROJECTS**	Tonnes (Mt)	Grade (g/t)	Gold (Moz)	Gold (Moz)
UNDERGROUND					**UNDERGROUND**				
Beatrix					**Beatrix**				
Indicated BI	**7.1**	**7.6**	**1.740**	0.541	Probable BI				
Total	**7.1**	**7.6**	**1.740**	0.541	Total				
Driefontein					**Driefontein**				
Measured BI				0.017	Proved BI				
Indicated BI	**20.8**	**13.6**	**9.085**	7.290	Probable BI				1.707
Total	**20.8**	**13.6**	**9.085**	7.308	Total				1.707
Kloof					**Kloof**				
Measured BI				1.162					
Indicated BI	**34.7**	**12.8**	**14.331**	18.880	Probable BI	**2.5**	**5.3**	**0.431**	0.537
Inferred BI	**4.9**	**14.0**	**2.218**	0.976					
Total	**39.6**	**13.0**	**16.549**	21.018	Total	**2.5**	**5.3**	**0.431**	0.537
Burnstone					**Burnstone**				
Measured	**0.6**	**6.0**	**0.124**	0.351	Proved	**0.1**	**2.4**	**0.011**	0.058
Indicated	**68.6**	**4.9**	**10.856**	8.664	Probable	**14.1**	**4.3**	**1.934**	1.876
Total	**69.3**	**4.9**	**10.980**	9.015	Total	**14.2**	**4.3**	**1.945**	1.934
Bloemhoek					**Bloemhoek**				
Indicated	**27.4**	**4.7**	**4.163**	4.163	Probable				
Inferred	**0.9**	**4.9**	**0.135**	0.135					
Total	**28.3**	**4.7**	**4.297**	4.297	Total				
De Bron Merriespruit					**De Bron Merriespruit**				
Indicated	**23.0**	**4.5**	**3.307**	3.307	Probable	**15.3**	**4.3**	**2.099**	2.112
Inferred	**5.3**	**4.2**	**0.715**	0.715					
Total	**28.3**	**4.4**	**4.022**	4.022	Total	**15.3**	**4.3**	**2.099**	2.112
DRDGOLD					**DRDGOLD**				
Indicated					Probable				
Inferred	**67.4**	**6.8**	**14.795**						
Total	**67.4**	**6.8**	**14.795**		Total				
Underground – Total	**260.9**	**7.3**	**61.469**	**46.201**	**Underground – Total**	**32.0**	**4.3**	**4.476**	**6.290**
SURFACE					**SURFACE**				
WRTRP[1]					**WRTRP**[1]				
Measured	**210.0**	**0.3**	**1.721**	5.602	Proved				
Indicated	**52.3**	**0.3**	**0.524**	0.524	Probable				6.126
Total	**262.3**	**0.3**	**2.245**	6.126	Total				6.126
Surface – Total	**262.3**	**0.3**	**2.245**	**6.126**	**Surface – Total**				**6.126**
PROJECTS – UNDERGROUND AND SURFACE									
Total	**523.1**	**3.8**	**63.714**	52.327	Total	**32.0**	**4.3**	**4.476**	12.416
SA GOLD OPERATIONS AND PROJECTS – UNDERGROUND AND SURFACE									
TOTAL	**1,065.6**	**2.9**	**97.663**	**85.111**	**TOTAL**	**325.3**	**1.6**	**16.584**	**25.737**

AI = Above infrastructure

BI = Below infrastructure

[1] *Relates to the remaining WRTRP assets, which are the Cooke tailings storage facilities*

Uranium: Mineral Resource and Mineral Reserve statement as at 31 December 2018

	Mineral Resources					Mineral Reserves			
OPERATIONS	**31 Dec 2018**			**31 Dec 2017**	**OPERATIONS**	**31 Dec 2018**			**31 Dec 2017**
UNDERGROUND	**Tonnes (Mt)**	**Grade (kg/t)**	**U_3O_8 (Mlb)**	**U_3O_8 (Mlb)**	**UNDERGROUND**	**Tonnes (Mt)**	**Grade (kg/t)**	**U_3O_8 (Mlb)**	**U_3O_8 (Mlb)**
Beatrix					**Beatrix**				
Measured AI	**3.6**	**1.086**	**8.548**	8.548	Proved AI				
Indicated AI	**7.8**	**1.069**	**18.330**	18.330	Probable AI				
Inferred AI	**0.0**	**1.101**	**0.090**	0.090					
Total	**11.4**	**1.074**	**26.968**	26.968	Total				
Total	**11.4**	**1.074**	**26.968**	**26.968**	**Total**				
Projects					**Projects**				
SURFACE					**SURFACE**				
WRTRP[1]					**WRTRP**[1]				
Measured	**210.0**	**0.090**	**41.788**	86.147	Proved				
Indicated	**52.3**	**0.086**	**9.936**	9.936	Probable				96.083
Surface – Total	**262.3**	**0.089**	**51.724**	**96.083**	**Surface – Total**				**96.083**
SA OPERATIONS AND PROJECTS – UNDERGROUND AND SURFACE									
TOTAL	**273.7**	**0.130**	**78.692**	**123.051**	**TOTAL**				**96.083**

[1] *Relates to the remaining WRTRP assets, which are the Cooke tailings storage facilities*

SUPERIOR VALUE FOR THE WORKFORCE

APPROACH

Our mining activities improve lives when we are able to create superior value for our employees by safely delivering on and exceeding individual and team performance objectives in alignment with our key business drivers: safety, cost, volume and quality.

Significant growth and geographical diversification in the past three years has challenged our human resource (HR) function to constantly expand its knowledge base in order to realise these objectives.

While our overall HR strategy allows for regional autonomy, performance standards are regularly reviewed and revised at Group level. Our HR policies and development programmes are designed to meet the needs of all employees within diverse socio-economic environments.

At our US and SA operations, we strive to engage meaningfully with all employee and organised labour representatives in terms of our visible felt leadership principle and our social compact.

In South Africa, our five-year HR strategy, People@ Sibanye-Stillwater, incorporates our employee value proposition and provides a road map to 2021. It supports Sibanye-Stillwater's strategic objectives, and is aimed at establishing Sibanye-Stillwater as a transformed, values-based organisation.

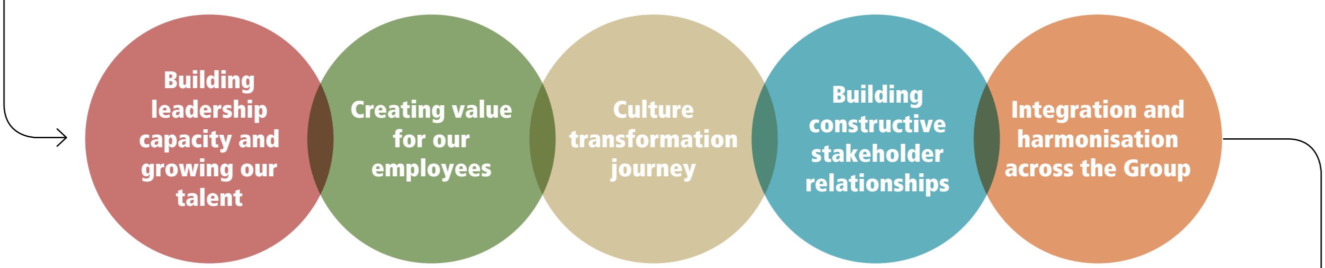
Sibanye-Stillwater is a significant employer in the regions in which it operates – our US PGM operations are the largest private, industrial employer in the state of Montana.

"We strive to engage meaningfully with every employee and organised labour"

LIVING OUR VALUES

- **Engagement forums** regulate interaction with organised labour by dealing with issues as they arise without delay, separating issues at national, regional and branch level, managing each issue appropriately, and taking ownership of employee-related matters
- **Employees need to trust** that our leaders live the values and that they fulfil their promises
- **Our employee value proposition** provides for a conducive work environment and career opportunities for employees (our aim is for 80% internal recruitment).
- **"Modern mining promise":** We aim to be a transformed organisation that goes beyond compliance
- **Stakeholder engagement**: HR has a role to play within communities where current and future employees reside
- **Stakeholder mapping:** We identify and categorise all our stakeholders to ensure that we understand their different needs, levels of influence and interests, and thus determine the levels of engagement required in each category.
- **Leadership development:** Our leaders strive to engage meaningfully with employees
- **Social contributions** to the communities in which our employees live: We focus on making valuable socio-economic contributions
- **Management and the unions** are encouraged to clarify roles

STRATEGIC FRAMEWORK



OUTCOMES

EMPLOYEE VALUE PROPOSITION

- **Being an employer of choice among graduates in core disciplines:** Providing a conducive, safe, inclusive working environment, in which employees are valued, with opportunities for a rewarding career as well as learning and skills development. *Refer to training and development*
- **Building mutually beneficial, constructive relationships, based on trust and respect:** Ensuring we act in line with our CARES values, deliver on our promises, and engage transparently and honestly with employees and all other stakeholders. Furthermore, establishing Sibanye-Stillwater as a values-based, modern mining company has been identified as key in addressing our safety performance. *See Ensuring safe production, and Occupational health and well-being*
- **Developing leadership capacity:** Enhancing senior management skills required for meaningful engagement so that leaders are able to motivate employees to reach their full potential. *See organisational and leadership development and talent management*
- **Contributing to socio-economic development:** Sharing value created by paying salaries and wages spent within communities, by contributing to and investing in local economic development initiatives in communities in which our employees live, and by encouraging employee volunteerism. This ties in with Sibanye-Stillwater's duty as a responsible corporate citizen and helps address poverty, inequality and unemployment around the SA operations. *Refer to the report of the Social and Ethics Committee in corporate governance*

IN LINE WITH THE SUSTAINABLE DEVELOPMENT GOALS

The intended outcomes of our HR strategy are aligned, either directly or indirectly, with these United Nations (UN) Sustainable Development Goals (SDGs):

"Providing a conducive, safe, inclusive working environment"

PERFORMANCE

TARGETS

SA operations

- **To exceed transformation targets:** The targets for 2018 were 40% historically disadvantaged South Africans (HDSAs) in management level positions and 10% women in mining, specifically core mining positions. These targets have been changed as a result of the amendments to the Mining Charter and will take effect from 2019.

US operations

- **Opportunities to improve diversity are sought with every new recruitment.**

SA operations: Transformation

	2018 (%)	2017 (%)	Mining Charter targets [1]
Historically disadvantaged South Africans in:			
Management	**48**	49	40
Core and critical skills	**71**	70	60
Women in management	**19**	19	10
Women in mining	**13**	12	10
Women in core positions	**9**	8	10

[1] *These targets will be replaced by the new targets that have been set in the amended Mining Charter and will become effective from 2019.*

SUPERIOR VALUE FOR THE WORKFORCE CONTINUED

WORKPLACE MANAGEMENT

In South Africa, we began the year with business transformation initiatives aimed at clarifying roles and responsibilities within a fit-for-purpose HR management system, ensuring that our governance structures and rules were aligned across the organisation, maintaining or improving our service levels so that we could reduce costs while increasing productivity.

We reviewed our HR practices and policies (overtime, acting and relieving, call-out and standby) and invested in an information management system (contractor management, automation and digitalisation of employee services, such as leave and sick days, and harmonisation of remuneration and benefits) that would enable sustainable business continuity. This system also facilitates the identification of HR-related business risks.

At the SA operations, we embarked on targeted recruitment for critical positions and implemented a cadet scheme to address the shortage of skilled employees in our stoping and development crews. To this end, and to play our part in addressing the critical youth unemployment issue in South Africa, we recruited 64 trainees, aged 18 to 25, through the local community forum at Beatrix so that they could gain on-the-job experience – 29 have been employed to work at the mine while the rest have been included in our database of suitable candidates.

At the same time, we began using an automated recruitment system, which has reduced the time and cost involved in conventional evaluation of applications by 60%. The system will be integrated with other electronic employee services for efficient data processing and to include communities in online learning platforms.

At the US operations, the human capital planning and recruitment strategy for the Blitz Project is a continuous initiative from one year to the next. Initially, focus was on the tunnel-boring machine. Manpower requirements and related prospective budgets for 2020 and 2021, in terms of anticipated scheduled production, are in place.

ORGANISATIONAL AND LEADERSHIP DEVELOPMENT

As leadership development is an integral part of the architecture of any organisation, we seek to create an executive talent pool that is aware of business needs, given the environment in which we operate.

In 2018, in order to ensure that we had competent leaders, living the Group's values and ready to move to the next level, we instituted talent management, psychometric assessments, leadership development and a dedicated on-boarding initiative.

TALENT MANAGEMENT

The success of talent management depends on the integration of all HR functions. When attracting employees to fill vacant positions, we ensure that our internal talent pool is reviewed and that all possible successors are interviewed so that we achieve 80% self-sufficiency with a blend of external hires.

In South Africa, in 2018, we addressed our internal talent and succession pipeline by institutionalising our career growth model with quarterly talent reviews and career days, which exposed more than 2,000 employees to the different disciplines within Sibanye-Stillwater to enable a seamless transition from one level to the next.

SA operations: Talent pool [1]

	2018	2017	2016 [2]
Talent pool size (A-D Band)	**1,787**	1,282	691
Successors promoted	**131**	105	108

[1] *Employees identified as potential leaders for development*

[2] *D Band employees only*

"Leadership development is an integral part of the architecture of any organisation"

The career growth model has four critical pillars: performance, leadership ability, qualification/technical competence/business knowledge, and potential/culture fit. This model embeds the philosophy that career development is a series of interventions aimed at developing a career through skills training, lateral critical experiences, moving to higher job responsibilities and cross-functional positions within the same organisation.

The 70-20-10 learning and development model (below) is also applied as a valuable general guideline to maximise the effectiveness of learning and development programmes through activities and inputs.

The performance management process is linked to individual development, talent management and leadership development. It plays a major role in identifying employees for the talent pool. An average performance score, over a period of three years, is considered for the selection process. If this information is not available, performance over a period of at least six months is considered.

Within our mentoring and coaching framework, individual career development plans have been aligned with succession planning.

70%
informal on-the-job experience based on practice

20%
coaching, mentoring and development through others

10%
formal learning intervention and structured workshops

PSYCHOMETRIC ASSESSMENTS

Psychometric assessments are used in recruiting, identifying talent and promoting effective HR development and personal growth.

Psychometric assessment activities are designed to:

- Align the Group's assessment practices with relevant legislation
- Ensure that the Sibanye-Stillwater approach to psychometric assessment is applied consistently in other work-related streams, such as performance optimisation, talent management and recruitment at senior level
- Optimise human capital, employed on the basis of their competence, matched against job-related requirements and developed to meet job requirements
- Establish and maintain progressive assessment practices aligned with local best practice
- Regulate the psychometric assessment process for Sibanye-Stillwater
- Ensure fair and equitable decisions regarding employee selection, promotion, development and organisational transformation
- Provide opportunities for employees to gain personal insight and self-development through effective and efficient assessment practices

LEADERSHIP COMPETENCY FRAMEWORK

Sibanye-Stillwater psychometric assessments are aligned with the leadership competency framework and values.

THE VALUE OF ASSESSMENTS: CANDIDATES BUSINESS NEEDS

Employee assessments

The new assessment framework was successfully implemented across the SA operations in 2018. Most E band level and higher employees were assessed by an independent service provider. Individual feedback is expected from the beginning of 2019. 87% of D band and below successors were assessed internally.

A total of 5,609 assessments were completed during 2018, including 200 graduates and bursars, as well as 63 learnership candidates, while 1,572 operators were assessed.

The objective for 2019 is to have assessment results for all D level employees to determine emerging themes, which will be aligned with training interventions.

Executive assessments

In 2019, the Executive Committee and top 40 leaders will undergo 360° assessments.

As leadership is a competitive advantage and enabler for delivery on business goals and social imperatives, we aim to promote and improve leadership capability and have developed a leadership competency framework based on the Sibanye-Stillwater CARES values.

Feedback from these assessments will assist leadership in improving relationships, accountability and performance.

"We aim to promote and improve leadership capability"


An employee at Bathopele mine in Rustenburg, South Africa

SUPERIOR VALUE FOR THE WORKFORCE CONTINUED

LEADERSHIP DEVELOPMENT

In South Africa, Sibanye-Stillwater aims to strengthen leadership capability by implementing tailor-made development programmes that are aligned with business needs. We are aware of the need for agile, value-based leadership to execute our strategy.

In order to deliver world-class leadership development programmes, Sibanye-Stillwater partnered with an independent service provider in 2018 and delivered the first executive development programme for 40 future leaders, which included coaching of the Executive Committee. The programme included strategy execution, crisis and change management, mergers and acquisitions, and community immersion, among others.

The women leadership development programme launched in August 2017 focused on improving gender diversity in 2018 by addressing personal and career growth, financial management, and employment of women in mining globally, in South Africa and at community level.

ON-BOARDING

During phase 1 of the on-boarding process in 2018, we conducted a survey among all newly appointed and promoted middle and senior managers to determine the level of employee engagement. We could thus determine the balance between job resources and job demands, burnout and organisational commitment. A task team then designed and implemented an on-boarding policy and process.

Phase 2 will begin in 2019 with the launch of the programme, a welcome video and workshop for HR managers. An on-boarding tracking tool will be used as part of the engagement process to provide system guidelines for employees, HR and managers about activities that prepare employees for their new roles. On-boarding surveys will continue as part of the process.

At the US operations, all newly hired and re-hired employees attend orientation, which includes an introduction to the Group, a review of our CARES values, discussion on policies and procedures, and a presentation on the health and welfare benefits package, as well as a well-rounded introduction to the organisation as a whole.

EFFECTIVE PERFORMANCE

Sibanye-Stillwater invested significantly in developing a performance-driven culture within the SA operations in 2018. We benchmarked our policies, practices, processes and systems to understand the requirements and found:

- **System and process:** Our systems and processes were at least on par with other high-performing companies. In many instances, our system enhancements exceeded others.
- **Engagement:** We recognised the need for one-on-one engagement sessions between managers and their team members to enable effective performance. The sessions focus on recognition and celebration, role clarity and real-time feedback.
- **Visible matrices:** We track performance effectively so that senior managers are able to focus on the needs of service departments and thus ensure the same levels of visibility.

In 2018 we focused on the following key elements:

- Implementation of system enhancements to integrate performance and development behaviours, including the introduction of management dashboards to track performance discussions, and automation of performance improvement and enhancement plans
- Transparency in the performance review process to build trust in the processes
- Refocusing the performance review to a performance conversation to start the culture transformation journey
- Implementation of the HR development programme to enable the HR community at the SA operations to better support effective performance in the operations and services departments

Recruitment

Our new electronic recruitment model focuses initially on internal candidates via the intranet before any vacant posts are advertised externally. Filters, in the form of five key questions, are also used to streamline the process. Much paper work has been eliminated by taking this process online. As part of the digitalisation process, the HR function is making much greater use of technology and is working closely with the IT function to develop systems to manage its various services. Accordingly, the approach to training is being reviewed with greater use of virtual learning, e-learning and blended learning (a combination of e-learning and conventional training: *see training and development*).

The digitalisation process is aligned with the overall business transformation programme, aimed at enhancing efficiencies and reducing costs. A revised overtime policy has resulted in a R1 million reduction in the amount paid out for overtime work. Contracted services have been streamlined in line with the rationalisation of employee benefit services, resulting in a saving of R2 million.


Employees at our US PGM operations in Montana, US

TIME AND ATTENDANCE

A review of time and attendance measured compliance with legislated basic conditions of employment as well as health and safety regulations, including certified fitness to work, so that employees would not suffer the consequences of exceeding the maximum 40 hours a week at the SA operations.

At the US operations, all employees work a specific schedule, depending on the operational facility or support department to which they are assigned. Scheduled work shifts comply with the requirements of the US Department of Labor and the Fair Labor Standards Act governing the maximum number of working hours and overtime.

We have focused on continuous improvement in our HR system road map for the next three years. Our structured process reviews system capabilities, and the quality of outputs and efficiencies, to support the business in remaining compliant and in touch with the fast-changing technological landscape.

Our road map focuses on improving system controls and capability, particularly with regard to safety and people, in the following areas:

- **Regulatory-related system blocking and control**
  - Statutory leave management (system framework and capability improvements completed in 2018/roll-out planned for 2019)
  - Certificate of fitness management (maintained system capability improvements in 2018/new business planned for 2019)
  - Annual training management (system framework and capability improvements completed in 2018/roll-out planned for 2019)
  - Certification and qualification management (system framework and capability improvements drafted in 2018/completion of system framework capability and roll-out planned for 2019)
  - Short shift management (system framework and capability improvements completed in 2018/roll-out planned for 2019)
  - Overtime management (system framework and capability improvements completed in 2018/roll-out planned for 2019)
  - Work permit management (system framework and capability improvements and roll-out planned for 2019)
- **HR core controls**
  - Absentee management (reviewed and improved efficient absentee management and long-term sick management processes and controls in 2018)
  - Disciplinary management (reviewed system framework and capability/improvements planned for 2019 within workflow system environment)
  - Talent management (reviewed system framework and capability/improvements planned for 2019 within workflow system environment)
  - Training booking management (reviewed system framework and capability/improvements planned for 2019 within workflow system environment)
  - Manning board (developed organisational structure system within HR operating systems showing structure/key HR risk indicators planned for completion and roll-out in 2019)
  - HR planning (review system technology used for business HR planning in 2019)
  - eJob architecture (developed job architecture framework in 2018/system integration and review of standards in 2019)

As part of the journey towards improvement in these areas, we have strategically reviewed the manner in which we manage the people elements within our system environment.

Our key system drivers have included:

- Integration of diverse conditions as part of the portfolio and growth of our business to strategically review controls that could cater for various conditions and variations in HR
- Versatility and efficiency by improving the use of systems and technology for quicker inputs and outputs through the workflow system environment for effective and streamlined approvals
- Interaction and technology to advance our system environment for best practice and greater use of robotics and automation
- Communication and information to improve real-time data and statistical information

SUPERIOR VALUE FOR THE WORKFORCE CONTINUED

Workforce by operation at 31 December

	2018			2017			2016		
	Permanent employees	[1] Contractors	Total	Permanent employees	[1] Contractors	Total	Permanent employees	[1] Contractors	Total
SA operations									
Beatrix	**7,329**	**929**	**8,258**	7,084	925	8,009	7,884	1,671	9,555
Driefontein	**10,576**	**1,072**	**11,648**	10,969	1,495	12,464	10,941	1,648	12,589
Kloof	**9,776**	**1,160**	**10,936**	9,581	1,487	11,068	9,858	1,319	11,177
Burnstone	**114**	**66**	**180**	237	298	535	241	336	577
Cooke	**486**	**260**	**746**	717	542	1,259	3,788	1,624	5,412
Gold (excluding services)	**28,281**	**3,487**	**31,768**	28,588	4,747	33,335	32,712	6,598	39,310
Kroondal (100%)	**5,673**	**2,617**	**8,290**	5,715	2,849	8,564	6,021	4,378	10,399
Rustenburg[3]	**13,023**	**2,354**	**15,377**	13,194	2,049	15,243	14,891	3,114	18,005
SA PGM[2] (excluding services)	**18,696**	**4,971**	**23,667**	18,909	4,898	23,807	20,912	7,492	28,404
Regional Services[3]	**2,251**	**1,239**	**3,490**	2,262	1,349	3,611	3,054	1,018	4,072
SA other[4]	**1,720**	**806**	**2,526**	1,867	1,827	3,694	2,731	190	2,921
SA operations – Total	**50,948**	**10,503**	**61,451**	51,626	12,821	64,447	58,644	15,887	74,531
US operations									
Stillwater	**962**	**280**	**1,242**	863	333	1,196			
East Boulder	**411**	**45**	**456**	409	54	463			
Columbus Metallurgical Complex	**186**	**54**	**240**	179	64	243			
Regional services[5]	**67**	**5**	**72**	54	6	60			
Other[6]	**2**	**0**	**2**	8	0	8			
US operations – Total	**1,628**	**384**	**2,012**	1,513	457	1,970			
Corporate office[7]	**55**	**0**	**55**	55	-	55			
Group – Total	**52,631**	**10,887**	**63,518**	53,194	13,278	66,472	58,644	15,887	74,531

[1] *Contractors excludes "free" contractors who receive a fee for service irrespective of the number of contractor employees on site (not compensated on a fee-per-head basis but a fee for the service or work performed)*

[2] *PGM operations under management: In 2016, Kroondal is included from April to December 2016 and Rustenburg operations from November to December 2016. In 2017, these operations are included for the full year.*

[3] *Regional services includes executive management of the SA operations and employees providing a service to the SA operations and to the gold operations not reflected in other. The number for the Rustenburg employees above includes 1,029 employees who provide regional services to the SA PGM operations*

[4] *Other includes Protection Services, Shared Services, Sibanye-Stillwater Academy, Health Services and Property (gold and SA PGM operations)*

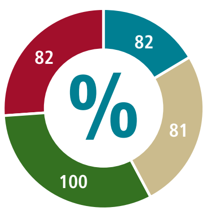
[5] *Regional services in the US includes executive management located in Columbus and Montana offices*

[6] *Other represents two employees at Marathon, Canada (no contractors at 31 December 2018). Altar employees are included with Aldebaran from 2018 (non-managed).*

[7] *Corporate office includes executive management since September 2017*

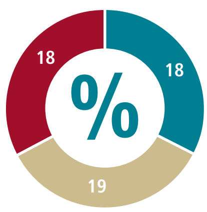
Workforce composition (2018)

Permanent employees



SA operations	50,948
US operations[1]	1,628
Corporate office	55
Group	**52,631**

Contractors



SA operations	18
US operations[1]	19
Corporate office	0
Group	**18**

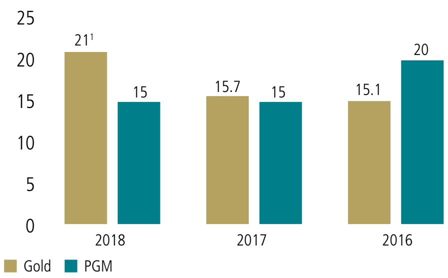
Workforce by age

	2018				2017				2016			
	Permanent employees	Contractors	Total	%	Permanent employees	Contractors	Total	%	Permanent employees	Contractors	Total	%
SA operations												
<30 years	**3,402**	**2,950**	**6,352**	**10**	4,034	3,694	7,728	12	5,913	4,560	10,473	14
30-50 years	**37,230**	**6,492**	**43,722**	**71**	37,275	7,738	45,013	70	41,636	9,536	51,172	69
>50 years	**10,316**	**1,061**	**11,377**	**19**	10,317	1,389	11,706	18	11,095	1,791	12,886	17
US operations [1]												
<30 years	**194**		**194**	**12**	157			10				
30-50 years	**904**		**904**	**55**	848			56				
>50 years	**530**		**530**	**33**	508			34				

[1] *Ages of contractors at US operations not available*

ABSENTEEISM

SA operations: Absenteeism (%)



[1] *The increase is a result of the AMCU wage-related industrial action*

For more about absenteeism, refer to Ensuring safe production, and Occupational health and well-being.

US operations' employees are allotted a specific number of vacation and sick/personal days per year. When these discretionary days off of work have US operations' employees are allotted a specific number of vacation and sick/personal days per year. When these discretionary days off of work have been exhausted, should the employee miss work, employment is terminated.

EMPLOYEE TURNOVER

The annual turnover for management level employees in the SA operations in 2018 was 14%, including 9% HDSAs and 4% women in management. The total turnover in the SA operations was 5% (6% at the gold operations and 3% at the PGM operations).

Annualised attrition in the US operations in 2018 was 8.7%. The attrition rate among miners was 4.8%.

No incidents of discrimination were reported during 2018.

GENDER DIVERSITY

We aim to establish a working environment, and instil a culture, that supports and proactively attracts women at all levels, and which accelerates gender equity through employee development and improved communication, promoting awareness and understanding of gender diversity and equity, and removing gender-related barriers to make the working environment more conducive for women. Every effort has been made to ensure that our HR policies are gender-neutral.

Women representation in our workforce improved to 13% in 2018 with 9% of core mining roles held by women. A particular focus of succession planning is to increase female representation in middle management and in senior/executive management.

Sexual harassment is not tolerated at all as it violates our values and disrupts the workplace. As awareness and understanding of sexual harassment play a pivotal role in preventing sexual harassment in the workplace, regular awareness campaigns are conducted. Sexual harassment is also addressed in employee "return from leave" refresher induction training. Our sexual harassment policy governs procedures to be followed in dealing with sexual harassment. A sexual misconduct unit of Protection Services handles all reported sexual harassment cases, with information from anonymous tip-offs or HR managers, and counselling is provided to affected employees. In 2018, two cases of sexual harassment were reported at our SA PGM operations and one at our SA gold operations.

"Every effort has been made to ensure that our HR policies are gender-neutral"

SUPERIOR VALUE FOR THE WORKFORCE CONTINUED

Women employed (%)

2018				2017				2016		
Group	SA operations		US operations	Group	SA operations		US operations	SA operations		
Total	Gold	PGM	PGM	Total	Gold	PGM	PGM	Total	Gold	PGM
13	**12**	**15**	**9**	13	10	14	8	11	7.2	13.6

Women in core mining positions (2018)

Group	SA operations		US operations
Total	Gold	PGM	PGM
4,656 (9%)	2,543 (9%)	2,058 (12%)	53 (3.3%)

Gender diversity of permanent employees (2018)

	Male	%	Female	%
SA operations [1]	44,197	87	6,751	13
US operations [1,2]	1,487	92	139	9
Corporate office	29	53	26	47
Group	**45,713**	**87**	**6,916**	**13**

[1] *Includes services and other*

[2] *Excludes two employees working outside of the US PGM operations at the Marathon (Canada) project*

TRAINING AND DEVELOPMENT

In 2018, our SA operations invested R559 million (2017: R532 million) in HR development, representing 10.1 million hours of training, equivalent to 69 training hours per employee (2017: 79.6). The total number of employees and community members attending one or more of our training programmes increased from 104,647 in 2017 to 146,978 in 2018. The main reason for the increase was significantly higher demand for core skills training to equip employees with skills needed to facilitate operational changes and workforce redeployment.

In our US operations, US$2.6 million (2017: US$1.3 million) or R34.4 million (2017: R17.3 million) was spent on training. A total of 115 salaried employees participated in leadership development training while nine participated in a continuing education programme (with 75% of the costs for tuition and books reimbursed by the organisation).

All newly hired and rehired employees attend new hire orientation prior to beginning work. The orientation includes an introduction to the organisation, review of our CARES values, discussion of policies and procedures, and a presentation on the health and welfare benefits package, as well as presentations by other departments.

Human resources development (2018)

	Expenditure (R)	Number of learners	Total training hours (number of learners x average training days per learner)
Internships	56,154,890	161	324,576
Bursaries	12,750,659	92	185,472
Adult education and training			
Employees	66,891,011	566	203,760
Community	15,496,045	202	90,900
Learnerships			
Engineering	42,510,421	240	483,840
Mining	85,329,045	465	921,312
Learner official (A-stream)	7,377,869	29	58,464
Portable skills training			
Employees	3,705,700	71	3,408
Community	7,027,011	143	13,728
Leadership development	5,489,991	89	3,560
Core skills training	197,088,516	119,394	7,641,216
Cadet training	4,801,855	144	9,216
Coaches/Mentorship training	1,089,850	435	3,480
Employee indebtedness (CARE for iMali)	2,427,052	12,324	98,588
Community maths and science	0	0	0
Support and research	14,201,451	0	0
Other	36,882,556	12,631	101,048
Total	**559,223,922**	**146,978**	**10,142,568**

SA operations: Human resource development (R million)

	2018		2017	
	SLP financial provision	Actual training expenditure	SLP financial provision	Actual training expenditure
Beatrix	**113**	**77**	74	73
Burnstone	**5**	**1**	2	–
Cooke	**13**	**1**	20	23
Driefontein	**138**	**135**	144	132
Kloof	**113**	**143**	104	111
Kroondal	**45**	**69**	–	59
Rustenburg	**96**	**133**	131	134
Total	**523**	**559**	**473**	**532**

ADULT EDUCATION AND TRAINING

Sibanye-Stillwater offers adult education and training for employees and other beneficiaries who are functionally illiterate. The programme, with the same curriculum throughout the SA operations, provides people with the basic foundation for life-long learning and equips them with basic competencies, including the ability to read, write, communicate effectively, and solve problems in their homes, communities and workplaces.

In 2018, 54% (2017: 43%) of employees in the SA operations had qualifications equivalent to adult education and training level 3 and higher. The literacy level at the gold operations in 2018 was 71% (2017: 62%) and 37% (2017: 24%) at the SA PGM operations.

In 2018, seven employees who had attended adult education and training moved into a mining learnership programme (2017: 11).

SA operations: Adult education and training

Year	Number of employees trained	Number of community members trained	Total
2013	1,220	434	1,654
2014	1,325	984	2,309
2015	1,276	1,325	2,601
2016	1,392	675	2,067
2017	719	238	957
2018	566	202	768
Total	**6,498**	**3,858**	**10,356**

SPORTS PROMOTION

As part of our holistic wellness strategy, our housing department also promotes sports among employees. Sibanye-Stillwater supports around 13 sporting codes, including body building, soccer, netball, cultural dance, social games and athletics, among others.

In 2018, one of our employees, Bongani Zwane, completed the gruelling Comrades Marathon in second place.

MODERN APPROACH TO LEARNING AND DEVELOPMENT

Key to achieving zero harm (*see Ensuring safe production, and Occupational health and well-being*) and safe, sustainable production are competent and skilled employees, supporting the business case for training as an imperative.

During the last quarter of 2018, a training sub-committee was established to develop an enhanced training strategy and framework, and to monitor its implementation. It focuses primarily on the implementation of leading practice in learning delivery and management technology to improve training competency and outcomes across the entire organisation. It will also develop partnerships and collaboration with industry to achieve effective skills and knowledge transfer as a long-term intervention.

A specialist technology-based learning service provider, assigned the position of "knowledge manager", will manage this process in 2019. Among the learnings options being considered are:

- Integrated learner management systems compatible with existing HR financial management systems
- Automated learner recruitment and training administration systems
- Web-based learning solutions
- Cloud- and server-based technological platforms
- Cell-phone learning applications (M-Learning Tube)
- Free WiFi learning areas
- Intranet learning work areas
- Mobile electronic devices and tablet applications
- Virtual-reality learning and assessment tools
- Situational and incident simulations
- Interactive learning and knowledge gamification
- Access to online skills programmes and qualifications

The approach will be a basic but robust generic learner management system during 2019 with learning solutions aimed at enhancing the induction and review training of employees as a first phase, followed by modernised learning solutions for the critical front-line safe production leadership designations.

SUPERIOR VALUE FOR THE WORKFORCE CONTINUED

LABOUR RELATIONS

In 2018, around 95% (2017: 93%) of our total permanent workforce in the SA operations was represented by four recognised unions: AMCU, NUM, Solidarity and UASA.

During the year, changes were made to the disciplinary code to accommodate the safety cardinal rules. Training and awareness sessions were held for the implementation of Protection of Personal Information Act (POPI), and all documents and processes are being reviewed to ensure compliance.

In the US operations, 1,237 (2017: 1,163) employees are members of the USW. At the Stillwater mine and Columbus Metallurgical Complex, 917 (2017: 845) employees had union representation and 320 (2017: 318) at the East Boulder mine.

Employees in a control room at our SA gold operations

SA OPERATIONS: LABOUR RELATIONS AND WAGE NEGOTIATIONS

On 14 November 2018, Sibanye-Stillwater signed a three-year wage agreement with three unions (NUM, Solidarity and UASA) at its SA gold operations for the period 1 July 2018 to 30 June 2021.

The agreement allows for increases in the basic wages of Category 4-8 surface and underground employees of R700 a month in the first and second years, and R825 a month in the third year.

Miners, artisans and officials will receive increases of 5.5% in year one and 5.5% or a Consumer Price Index (CPI) increase, whichever is the greater, in years two and three of the agreement.

In addition to the basic wage, the parties agreed to a monthly increase of R50 in the current living-out allowance to a maximum of R2,150 per month from 1 September 2018. We will increase the living-out allowance by R75 to a maximum of R2,225 per month on 1 September 2019 and by R100 to a maximum of R2,325 per month in the year that follows.

We also agreed to increase, incrementally, the current minimum medical incapacity benefit of R55,000 to R60,000 over the three-year period by increasing the benefit by R1,500 on 1 July 2018, R1,500 on 1 July 2019 and R2,000 on 1 July 2020.

In addition, the following additional non-wage issues were agreed:

- An increase in the guaranteed minimum severance payment to R50,000 over the three-year period
- Female employees will be entitled to four months paid maternity leave with an option to spread the leave over a period of six months

Refer to page 114 for details on our agreement to introduce a cost-effective uniform approach to healthcare across all our SA gold operations

Strike

On 19 November 2018, AMCU gave notice that its members would embark on protected strike action at our SA gold operations from the evening shift on 21 November 2018. Despite ongoing attempts by Sibanye-Stillwater to reach a fair and reasonable outcome during the strike, AMCU maintained its position of unaffordable demands. Various acts of violence and intimidation, including the deaths of employees and serious injury to several others, have been recorded. By the end of the reporting period, the strike had not ceased.

Reported acts of intimidation and violence were investigated and implicated employees were disciplined accordingly in line with our policy. Violent actions were in direct contravention of the interdict granted by the Labour Court to Sibanye-Stillwater on 22 November 2018.

In order to respect the rights of all workers, and prevent further violence, management engaged with union leadership on a possible Peace Pact. However, not all parties signed it.

SA PGM operations

Currently, the wage agreement in place at Kroondal comes to an end in June 2020 whereas the wage agreement at the Rustenburg operations ends in June 2019.

US PGM operations

Wage contracts at the Columbus Metallurgical Complex and the Stillwater mine are due to be renewed on 31 May 2019. The next wage negotiations at East Boulder will be in December 2021.

Union representation at SA operations (2018)

	Gold	PGM	Services and other	Total
Membership	28,535	17,397	2,645	48,587
Representation (%)	98	93	88	95

Union representation at US operations in 2018 [1] (%)

	Stillwater (including Blitz)	Columbus Metallurgical Complex	East Boulder	Administrative support staff
USW	84.2	76.3	77.9	0
Non-unionised	15.8	23.7	22.1	100

[1] Marathon (Canada) does not have unionised employees

SA operations: Membership by union

	2018				2017				2016			
	Total	Gold	PGM	Services and other	Total	Gold	PGM	Services and other	Total	Gold	PGM	Services and other
Membership												
AMCU	**25,830**	**13,469**	**11,955**	**406**	26,687	13,651	12,335	701	29,988	15,343	13,720	925
NUM	**18,192**	**13,236**	**3,158**	**1,798**	17,133	11,992	2,859	2,282	18,816	13,318	2,776	2,722
UASA	**3,236**	**1,113**	**1,846**	**277**	3,183	853	1,937	393	3,676	965	2,271	440
Solidarity	**1,319**	**717**	**438**	**164**	1,242	564	445	233	1,257	594	394	269
Non-unionised	**2,371**	**697**	**1,299**	**375**	3,381	1,528	1,333	520	4,907	2,492	1,572	664
Total	**50,948**	**29,232**	**18,696**	**3,020**	51,626	28,588	18,909	4,129	58,644	32,712	20,733	5,020
Membership representation (%)												
AMCU	**51**	**46**	**64**	**13**	52	48	65	16	51	47	66	18
NUM	**36**	**45**	**17**	**60**	33	42	15	55	32	41	13	54
UASA	**6**	**4**	**10**	**9**	6	3	10	10	6	3	11	9
Solidarity	**2**	**3**	**2**	**5**	2	2	2	6	2	2	2	6
Non-unionised	**5**	**2**	**7**	**13**	7	5	8	13	9	7	8	13
Total	**100**	**100**	**100**	**100**	100	100	100	100	100	100	100	100

SALARIES AND WAGES

On 26 November 2018, President Cyril Ramaphosa signed into law the National Minimum Wage Bill, which sets South Africa's first national minimum wage at R20 an hour or R3,500 per month (depending on the number of hours worked). As at 28 July 2018, the total monthly cash remuneration of an entry-level underground employee in the gold mining sector was R11,114 – *see www.thisisgold.co.za*.

In 2018, employees working at the SA operations, on average, earned (including overtime, bonuses, insurance, medical and other benefits) a gross cost to company wage ranging from R16,080 to R21,703 per month for a Category 4 employee and R21,316 to R25,620 per month for a Category 8 employee. The total wage bill in the SA operations in 2018 was R13.1 billion (2017: R13.7 billion).

In the US operations, the total wage and salary bill in 2018 was US$163.8 million (R2.6 billion). It was US$114.7 million (R1.5 billion) in eight months of 2017.

The minimum wage in Montana, US, in 2019 will be US$8.50 per hour. The union pay scale for entry level custodians begins at US$23.59 per hour. The entry level wage for non-unionised employees is US$18.50 per hour for an administrative assistant.

SUPERIOR VALUE FOR THE WORKFORCE CONTINUED

CARING FOR EMPLOYEES AND THEIR DEPENDANTS

Through the Matshediso programme, as part of its duty of care to employees, Sibanye-Stillwater provides financial assistance to the families and dependants of employees who are severely disabled or fatally injured in mine accidents.

See Ensuring safe production for benefits structure

Purpose and objectives

Matshediso aims to improve the lives of dependants of employees who have died or suffered a severe permanent disability in a mine accident by:

- Ensuring that dependants have a good basic education that enables them to attend a tertiary institution
- Providing some closure for families
- Seeking to redress legacy issues by reducing historic imbalances in migrant labour
- Creating a skills pool for bursars, learnerships and job opportunities
- Helping to reduce poverty and unemployment

Sibanye-Stillwater supported 374 dependants in 2018 at a total cost of R1.5 million (2017: R0.8 million). In addition, at year-end, the families of South African employees received vouchers to the value of R1,500 per family while families living in Mozambique, where the cost of living is much higher, received R2,000 each.

Feedback from all beneficiaries of the programme, as well as school principals and teachers, is positive. Of the 40 matriculants supported by Matshediso in 2018, 15 passed their final examinations.

Benefit	2018	2017	2016
Host schools	R7,000 (primary) R15,000 (secondary)	R5,000	R2,500
Boarding schools	R18,000	R10,000	NA
Uniform, stationery, text books and transport	R3,000	R2,000	NA
Extra classes at host schools	R2,160 per subject per year	R500	NA
Study opportunities	Bursary/internship awarded automatically for study of choice at recognised tertiary institution (certain minimum requirements)		Bursary opportunities in core mining disciplines, including finance
Christmas voucher or hamper	R1,500 per family	NA	NA
Total amount paid to beneficiaries	R1,488,154	R761,100	R685,600

Caring for employees

In addition to the Matshediso programme, Sibanye-Stillwater also undertakes home adaptation and maintenance projects to provide the families of severely disabled or fatally injured employees with functional housing.

For paraplegics and quadriplegics (spinal cord injuries), home adaptations include:

- Houses renovated or built (56m^2 with an open-plan kitchen/lounge, two bedrooms and a bathroom)
- Electricity and water connected (if municipal infrastructure is not available, two water tanks are installed)
- Doorways are widened, and ramps and pathways are installed
- Bathrooms are made wheelchair-friendly and suitable toilets are fitted

In 2018, one employee, in rehabilitation, received an adapted home.

For families of deceased employees, either a new house is built (as above) or home maintenance is undertaken, which includes:

- Municipal electricity and water connections or two water tanks, as needed, and any leaks are fixed
- Repairs and maintenance (painting of interior and exterior walls, tiling of floors and installation of new doors and windows)

Sibanye-Stillwater is currently renovating or building homes for 14 widows and their families.

CARE FOR iMALI

In the SA operations, our financial literacy programme, CARE for iMali, continues to make a difference in employees' lives. Since the launch of the programme at the gold operations in 2014, there has been a reduction of 54% in the number of garnishee orders (from 4,023 to 1,847) and an average percentage increase in take-home (net) pay of 30% (from R7,537 to R10,839). CARE for iMali has also been implemented at the PGM operations in South Africa where 4,500 employees have enrolled in the programme and garnishee deductions have been reduced by 11% since the launch of the programme in 2017. The total average percentage increase in take-home pay at these PGM operations is 6% (from R13,038 to R13,885). *See the CARE for iMali fact sheet at www.sibanyestillwater.com*

EMPLOYEE SHARE OWNERSHIP SCHEME

In the SA operations, 21,178 (2017: 22,269) employees participated in our employee share ownership scheme, Thusano Trust, established in 2010 when employees of Gold Fields acquired 13,524,365 Gold Fields shares, in terms of a collective agreement between NUM, UASA, Solidarity and GFI Mining South Africa (a wholly owned subsidiary of Gold Fields). The shares were allocated to employees in Paterson employment bands A, B and C, according to their years of service. With the unbundling of Gold Fields and the creation of Sibanye Gold in 2013, Sibanye employees were allocated an equal number of shares in each company.

With the acquisition of Rustenburg operations in 2016, Sibanye-Stillwater concluded a 26% broad-based BEE transaction through a subsidiary. In terms of this transaction, the Rustenburg Mine Employees Trust now has a shareholding of 30.4% in the Rustenburg entity, the Rustenburg Mine Community Development Trust 24.8%, Bakgatla-ba-Kgafela Investment Holdings 24.8% and Siyanda Resources 20%.

At the US operations, all employees are eligible to earn supplemental wages via one of four bonus programmes: miners' incentive, the employee incentive plan for unionised employees, the salary incentive plan for non-unionised salary employees and the short-term incentive plan for management.

All bonus programmes require a scorecard of metrics upon which the bonus is based. Scorecards include desired measurable targets, by department, which are reviewed and adjusted as needed by the respective vice-president. In addition, all salaried employees are subject to the annual performance management programme, which also requires supervisors to set individual annual goals, including role performance metrics by which an employee's performance is evaluated. The role performance metric scorecard is the basis for a performance or merit increase in base salary in the following calendar year. Role performance metric categories include safety, production, work quality, business improvement, people recognition and leadership qualities.

TRANSFORMATION IN THE SA OPERATIONS

In line with our commitment to broad-based black economic empowerment (BBBEE) in the SA operations, and in anticipation of the revised Mining Charter targets, we aimed to ensure that 80% of new recruits were from HDSA backgrounds in 2018. At the same time, we renewed our focus on integrating our talent management approach, which included targeted recruitment and succession planning and management, specifically in under-represented areas.

We also conducted an audit of compliance with BBBEE and employment equity legislation, and aligned our recruitment strategy accordingly in terms of life-of-mine evolution and pipeline planning.

Employment equity improved to 48% from more than 45% in 2017 while employment of women remained at 13%.

We are addressing gender equity with the establishment of the SA operations working group, which has been tasked with developing strategies and policies to create an enabling environment and awareness of gender diversity.

Our workforce in the SA operations currently comprises 23% migrants who have not been recruited from communities near the mines – 16% at our gold operations and 7% at the PGM operations. Approximately 77% of our workforce resides locally, including some migrant employees.

"In the SA operations, our financial literacy programme, CARE for iMali, continues to make a difference in employees' lives"

Community members from labour-sending Mozambique attending a CARE for iMali workshop

SA operations: Employment equity by category as at 31 December 2018 [1]

	Historically disadvantaged South Africans		Women	
Category	**Number**	**%**	**Number**	**%**
Board	5	45	2	18
Executive/senior management	18	36	6	12
Middle management (E Band)	32	40	10	13
Junior management (D Band)	378	49	158	21
Core and critical skills	31,286	71	4,601	10

[1] *All employment equity numbers include white females*

SUPERIOR VALUE FOR THE WORKFORCE CONTINUED

SA operations: Recruitment by category

	2018						2017						2016[1]		
	Gold			PGM			Gold			PGM			Gold		
	Total	Women in mining	%	Total	Women in mining	%	Total	Women in mining	%	Total	Women in mining	%	Total	Women in mining	%
Management[2]	**38**	**5**	**13**	**28**	**1**	**4**	109	18	17	38	7	18	88	7	8
Senior management[3]	**2**	**1**	**50**	**2**	**0**	**0**	14		–	–	–	–	8		–
Core and critical skills	**1,840**	**359**	**20**	**678**	**117**	**17**	1,924	327	17	518	65	13	3,687	538	15
Total	**1,880**	**365**	**19**	**708**	**118**	**17**	2,008	345	17	710	128	18	4,017	545	14

[1] Moratorium on recruitment at SA PGM operations

[2] D and E lower positions

[3] E upper positions and above

SA operations: Origin of employees (2018)

Province	Gold	PGM	Services	Total	%
Eastern Cape	8,348	4,243	716	13,307	26
Free State	3,125	770	537	4,432	9
Gauteng	3,759	938	1,367	6,164	12
KwaZulu-Natal	2,862	274	326	3,462	7
Limpopo	801	956	194	1,951	4
Mpumalanga	660	413	70	1,143	2
North West	746	7,330	328	8,404	16
Northern Cape	54	184	10	248	0
Western Cape	18	27	10	55	0
Non-South African	7,908	3,561	413	11,882	23
Total	**28,281**	**18,696**	**3,971**	**50,948**	**100**

SA operations: Non-South African recruitment (2018)

Country	Gold	PGM	Services	Total	%
Botswana	262	7	19	288	2
DRC	1	1	2	3	0
Ghana	0	0	1	1	0
Lesotho	3,504	1,062	217	4,783	40
Mozambique	3,351	2,419	119	5,889	50
Nigeria	0	1	0	1	0
Peru	0	0	1	1	0
Swaziland	783	49	52	884	7
United Kingdom	0	1	1	2	0
Zambia	0	3	0	3	0
Zimbabwe	7	18	2	27	0
Total non-South African	**7,908**	**3,561**	**415**	**11,882**	**100**

SA operations: Local community recruitment

	2018		2017		2016	
	PGM	Gold	PGM	Gold	PGM [1]	Gold
Appointments	**659**	**1,931**	502	2,239	–	4,107
Local recruits	**650**	**1,726**	401	936	–	2,877
%	**98.6**	**89.4**	80	42	–	72

[1] *Recruitment moratorium*

US PGM operations: Employee distribution by county (Montana)

	2018	2017
Stillwater	**561**	540
Yellowstone	**457**	420
Sweet Grass	**167**	148
Park	**165**	155
Carbon	**133**	121
Other locations [1]	**143**	121

[1] *Excludes two employees at Marathon (Canada)*

FUTURE FOCUS

In addition to beginning the process of integrating Lonmin employees into Sibanye-Stillwater, following completion of the proposed acquisition.

SA operations

- Finalising and rolling out our employee value proposition
- Increasing gender diversity and equity
- Creating a compelling employment relationship
- Integrating the strategic talent and workforce management plan
- Establishing strategic and effective partnerships (collaboration) with employees to find new ways of working
- Continuing digitalisation of HR information systems
- Optimising and repositioning loss-making gold operations, which may require formal restructuring that could result in termination of employment
- An effective, efficient and agile HR strategy and operating model
- Establishing a high-performance culture

US PGM operations

- Diligent attention to manpower and staffing to support the Blitz project and other development projects
- Enhancing on-boarding programmes to include new technology that will alleviate the administrative burden of paper-based forms
- Expanding and formalising training programmes and curricula for job-specific, leadership and supervisor training as well as succession planning
- Improving efforts to be transparent in what we do and how we do it with specific regard to our unionised employee base
- Concentrating efforts on refining performance management and role clarity initiatives to ensure impact and enhancement of business objectives, retention and succession planning
- Further aligning incentives and the pay-for-performance culture by improving efforts to compensate employees in terms of performance, key performance indicators and the value they bring to the organisation
- Continuing to monitor cost-containment initiatives to mitigate a rising healthcare trend while providing quality, co-ordinated care to employees and their families
- Monitoring employee engagement and feedback via a regional workforce survey in 2019

ENSURING SAFE PRODUCTION

APPROACH

Our resolve to align all stakeholders on our journey towards achieving zero harm throughout the Group – in SA and in the US remains firm – we focus on creating an enabling environment, using fit-for-purpose systems, in which empowered people can work safely throughout the organisation.

A critical pillar supporting the delivery of Sibanye-Stillwater's business strategy and vision to create superior value for all our stakeholders is the safety, health and well-being of our employees (the most important of our stakeholders). Our approach is rooted in our CARES values – commitment, accountability, respect, enabling and safety – and our purpose to improve lives.

Following an unusual spate of fatal incidents in the SA gold operations in the first half of 2018, we intensified our efforts on safe production across the Group (*see the journey towards zero harm opposite*). In addition to short-term measures to re-energise the focus on safety across the Group (within this section), we convened a series of multi-stakeholder safety summits during the year, which resulted in an agreement between Sibanye-Stillwater, organised labour and the Department of Mineral Resources, on a health and safety compact for the SA operations, signed on 29 June 2018 (*see www.sibanye-stillwater.com*). All three stakeholders have formally committed to working together, in this instance, to make workplaces safer, protect jobs and collaborate in all matters pertaining to health, safety and well-being.

We continue to implement a holistic, values-driven approach to safety and health management as we strive for zero harm and ultimately to create shared value. This embedding of our values, underpinning our corporate culture, driving decision-making throughout the organisation, is led by the CEO and senior leadership. This is essential to building trust and enabling safe production.

Our cultural transformation process is aimed at inculcating values-based decision-making throughput the organisation, and will be governed by external and internal performance monitoring measures including:

- Legislation
- Statutory bodies
- Formal joint management-worker health and safety committees
- Internal and external audits of safety and statistics reported

The initial outcomes of our safety interventions have been positive with a significant improvement in the safety performance across the Group in H2 2018. The Group operations have been fatality-free since mid-August 2018. We recorded a total of seven million fatality-free shifts by 1 March 2019 with the SA operations also achieving seven million fatality-free shifts on 6 March 2017. Group combined injury rates were essentially flat year-on-year with a slight deterioration in injury rates at the SA gold operations and the US PGM operations, offset by a significant improvement in injury rates at the SA PGM operations where the serious injury frequency rate (SIFR) and lost day injury frequency rate (LDIFR) improved by 15% and 0.2%, respectively.

With regard to the implementation of fit-for-purpose systems, while we have operated in accordance with recognised health and safety standards, we are preparing for formal certification in terms of ISO 45001. We have also declared our strategic intent to become a member of the International Council on Mining and Metals (ICMM). This will entail commitment to ICMM's 10 principles, which promote responsible mining to ensure that the industry is safe, fair and sustainable globally.

In addition to performance monitoring and ensuring compliance with the relevant legislation in each jurisdiction, and inspections by relevant government departments and agencies, safety and health performance reports are submitted to executive management with ultimate oversight by the Safety and Health Committee and the Board.

Refer to the Safety and Health Committee's report in Corporate governance on page 166.

The safety and health management system used at our US PGM operations is known as GET (Guide, Educate and Train) Safe. In terms of this approach, site leadership and safety professionals conduct monthly meetings to focus on safety culture and monitor progress. This includes routine monitoring of site-specific and region-wide action plans aimed at improving safety performance as well as a series of workshops with site leadership to identify strategies for sustainable safety performance. Key focus areas include senior committee oversight, leadership development, incident reporting and investigation, and collaboration in best practices within the US.

"A critical pillar supporting the delivery of Sibanye-Stillwater's business strategy and vision to create superior value for all our stakeholders is the safety, health and well-being of our employees"

THE JOURNEY TOWARDS ZERO HARM

Our all-inclusive process to make workplaces safer determines the strategic thrusts and specific actions necessary to reduce employees' exposure to risk.

For us, in an enabled environment, risk exposure is reduced by consistent, constant attention to maintaining a safe workplace with the required equipment, tools and material that empower every person to deliver sustainable, safe production.

Empowered people, in our context, refers to the required number of trained people who apply the relevant standards and procedures, and execute the work safely. To enable this, we make fit-for-purpose systems available to our people. We subscribe to relevant international best practice principles and integrated systems with a view to ISO 45001 certification in the longer term.

Empowered people are also healthy and well. To this end, we also have systems and procedures that address occupational health, in particular, and well-being.

As part of our journey to zero harm, a Virtual Centre of Excellence in Innovative Mining Safe Production has also been created so that 19 tertiary institutions worldwide can share their specialist competencies, including but not limited to mining-related safety and health, human factors, risk management, training modernisation, mining-related seismicity and sustainability concepts.

Furthermore, the Global Safe Production Advisory Panel, composed of a group of leading academics, was formed in 2018 with a mandate to provide international insight, best practice and expertise towards continuous advancement of safe mining.

Global Safe Production Advisory Panel

The aims of the panel are to:

- Review and validate Sibanye-Stillwater's safe production processes and procedures
- Provide forward-looking advice to the Board and management in their view through their university's proprietary work in emerging safe production issues
- Contribute to the organisation's strategic safe production, and health, safety and wellness direction and goals
- Contribute their expertise, insight, ideas and experiences in helping shape strategy for the Sibanye-Stillwater Centre of Excellence with focus on innovative mining and safe production to establish a safety resource website and oversee other related company initiatives

The panel, which will meet at least twice a year, comprises:

- Dr Kobus de Jager (Chairman of the panel and Senior Vice President at Sibanye-Stillwater)
- Prof Priscilla Nelson (Department Head: Mining Engineering, Colorado School of Mines, US)
- Prof Neville Plint (Director: Sustainable Minerals Institute, University of Queensland, Australia)
- Prof Ian Jandrell (Dean: Faculty of Engineering and Built Environment, University of the Witwatersrand, South Africa)
- Vic Pakalnis (President and CEO: MIRARCO Mining Innovation, Laurentian University, Canada)
- Prof Jürgen Kretschmann (President: TH Georg Agricola University of Applied Sciences, Germany)

As at all of our operations, a shift at the K6 shaft in our SA PGM operations starts with an underground safety briefing

ENSURING SAFE PRODUCTION CONTINUED

ZERO HARM STRATEGIC FRAMEWORK

OUR VALUES

Commitment

Accountability

Respect

Enabling

Safety

ENGAGED LEADERSHIP

ENABLED ENVIRONMENT

Reducing risk exposure by maintaining a safe working environment with equipment, tools and material that enable sustainably safe production

- Equipment, layouts and environmental conditions conducive to safe, productive mining
- Safe technology

EMPOWERED PEOPLE

Ensuring the required number of trained people to apply relevant standards and procedures to work safely

Organisational transformation:
- Leadership
- Values and culture
- Training
- Employees' right to withdraw

FIT-FOR-PURPOSE SYSTEMS

Subscribing to international best practice principles and integrated systems with a view to certification in the longer term

- Planned ISO 45001 certification by 2020
- Minerals Council South Africa initiatives
- Joining the ICMM and subscribing to their principles by FY2019
- Global Safe Production Advisory Panel

OUR VALUES

Our Zero Harm Strategic Framework has been developed in collaboration with organised labour and the Department of Mineral Resources in South Africa through a series of multi-stakeholder safety summits convened during 2018.

The foundation of our model is the continued emphasis on our CARES values as the basis for decision making. Engaged leadership at all levels of the organisation drives a values-driven culture by living these values and making values-based decisions.

"Engaged leadership at all levels of the organisation drives a values-driven culture by living these values and making values-based decisions"

PERFORMANCE

Our safety performance at our SA operations was markedly different from the first to the second half of 2018. The first six months of the year were scarred by an increase in fatalities. Regrettably, in 2018 we lost 24 (2017: 11) lives at the SA operations – 21 fatalities (2017: 9) at our SA gold operations and three (2017: 2) at our SA PGM operations.

The increase in fatalities at our SA gold operations in H1 2018 was mainly due to two anomalous incidents: a seismic event at Driefontein's Masakhane shaft on 3 May 2018 during which seven employees were fatally injured, and the unauthorised entry of a crew into a barricaded area, which was also closed off by a ventilation door at Kloof's Ikamva shaft, contrary to company policies, on 11 June 2018 where five employees succumbed to heat-related issues.

Another event that received media attention on 31 January 2018 was the loss of power to the Beatrix operations due to an unusually severe storm, which damaged the main and ancillary Eskom electricity supply to the operations. The situation was well-managed and there were no injuries resulting from the incident. Employees were brought to a safe environment underground at Beatrix 3 shaft where they were fed, hydrated and monitored until power was restored before they were hoisted to surface.

Refer to our previous 2017 integrated annual report (page 89) and the related fact sheet at www.sibanyestillwater.com

The competent and orderly response by our management emergency medical services, supported by emergency rescue teams throughout the industry, again proved their preparedness and disaster-management capabilities.

Remedial action: Immediately after any serious accident, an investigation is conducted in terms of the Mine Health and Safety Act (MHSA) and remedial action is implemented.

"Our safety performance was markedly different from the first to the second half of 2018"

An employee, preparing to work underground at one of our SA gold operations, wears personal protective equipment (PPE)

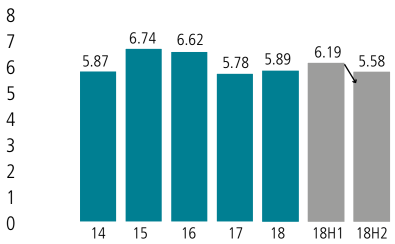
ENSURING SAFE PRODUCTION CONTINUED

IN MEMORIAM

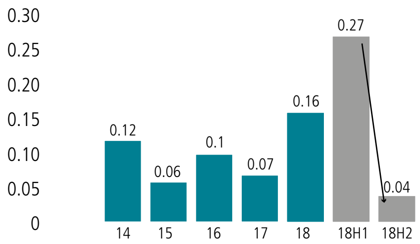
The Board and management of Sibanye-Stillwater extend their deepest condolences to the families, friends and colleagues of our employees and contractors who lost their lives in the line of duty during the year.

Date	Operation	Name	Occupation	Incident
12 February	Kloof 4 (Ikamva)	Chicco Elmon Dube	Winch Driver	Fall of ground
		Solly Ngobeni	Team Leader	
	Driefontein 1 (Masakhane)	Matela Mating	Tramming Miner	Mud rush
17 February	Driefontein 10 (Thabalang)	Zanempi Mncwazi	Electrical Assistant	Electrocution
28 February	Kroondal K6	Otshepeng Ernest Ramosito	Steel Fixer	Struck by conveyor structure
24 March	Rustenburg Khuseleka 1	Ntokozo Elias Ntame	Winch Operator	Scraper winch-related
21 April	Driefontein Ya Rona	Mlungisi Vukuthi	Construction Assistant	Fall of ground
3 May	Driefontein 1 (Masakhane)	Luke Bongumusa Mngomezulu	Special Team Leader	Seismic event
		Baptista Paulino Cuambe	Winch Operator	
		X-Mas Madikizela	Rock Drill Operator	
		Mbulelo Albert Sonqowa	Rock Drill Operator	
		Thabo Abram Ntsekhe	Rock Drill Operator	
		Nkosiphendule Dudlela	Rock Drill Operator	
		Luis Ernesto Lumbe Gazala	Winch Operator	
11 June	Kloof 4 (Ikamva)	Lingani Innocent Mngadi	Shift Boss	Heat-related
		Lakhi Msada	Rock Drill Operator	
		Mthokozisi Msutu	Winch Operator	
		Cedrick Nkuna	Winch Operator	
		Kholekile Phelile	Rock Drill Operator	
15 June	Driefontein (Hlanganani)	Thokozani Tembe	Winch Operator	Fall of ground
26 June	Driefontein (Khomanane)	Bhekithemba Thembinkosi Ndabeni	Winch Operator	Scraper winch-related
18 July	PGM Surface Operations	Grace Mlambo	Train Driver Assistant	Struck by locomotive on railway
5 August	Kloof (Hlalanathi)	Philemon Mngakana	Contractor	Heat-related
25 August	Beatrix North	Morapedi Patrick Kalane	Stope Team Labourer	Fall of ground

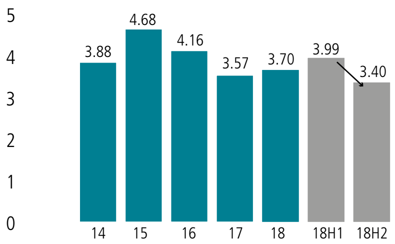
Lost time injury frequency rate (Group)



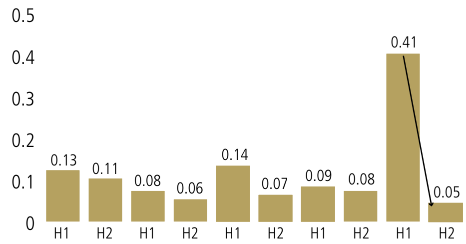
Fatal injury frequency rate (Group)



Serious injury frequency rate (Group)



Fatal injury frequency rate (Gold operations)



CARING FOR AFFECTED PEOPLE

In line with our values and our duty of care, financial and psychological assistance is provided to the families of our deceased colleagues, including counselling, funeral funds, education of children until tertiary level, employment of a family member and visits by Human Resources (HR), as well as health and safety stewards.

For more information on support of injured employees and families of deceased colleagues, see Matshediso Programme in superior value for the workforce

Safety performance

	2018				2017				2016			2015	2014
	Group	US operations	SA operations		Group	[2]US operations	[1]SA operations		Group	SA operations		SA operations	SA operations
		PGM	PGM	Gold		PGM	PGM	Gold		PGM	Gold	Gold	Gold
Fatalities	**24**	**0**	**3**	**21**	11	0	2	9	14	2	12	7	12
Fatal injury frequency rate[3]	**0.16**	**0**	**0.05**	**0.24**	0.07	0	0.04	0.09	0.10	0.09	0.11	0.06	0.12
Lost-time injury frequency rate[3]	**5.89**	**9.97**	**4.68**	**6.52**	5.78	[1]7.80	4.69	[1]6.33	6.62	4.84	6.99	6.74	5.87
Serious injury frequency rate[3]	**3.70**	**7.12**	**2.20**	**4.53**	[1]3.57	6.28	2.59	4.12	4.16	2.88	4.42	4.68	3.88
Medically treated injury frequency rate[3,4]	**2.69**	**23.94**	**1.95**	**2.32**	[1]2.60	24.65	[1]2.44	[1]2.26	3.85	5.72	3.47	3.60	3.37
Number of Section 54/ regulator work stoppages	**263**	**NA**	**44**	**219**	230	NA	26	204	226	55	171	109	77
Production shifts lost owing to Section 54/ regulator stoppages	**545**	**NA**	**149**	**396**	238	NA	49	189	402	245	157	70	99

[1] Restated due to rounding and re-application of Group safety definitions

[2] May to December 2017

[3] Per million hours worked

[4] Also referred to as treat-and-return injury frequency rate (TRIFR), which includes certain minor injuries

Note: Group data for 2016 includes the gold and PGM operations from the relevant dates of acquisition during the year while that for 2017 includes the US PGM operations from May 2017

ENSURING SAFE PRODUCTION CONTINUED

ACHIEVEMENTS IN 2018

During the second half of the year, safety performance improved significantly across the SA operations. By year end, we had achieved an historic record fatality-free period and several fatality-free shift milestones. At Stillwater in the US, operations also recorded a new record low incidence rate of 13.16 per million hours.

Our performance in perspective: SA peer comparison[1]

Company	Serious injury frequency rate	Serious injury frequency rate ranking	Lost time injury frequency rate	Lost time injury frequency rate ranking	Fatal injury frequency rate	Fatal injury frequency rate ranking
PGM						
Sibanye-Stillwater SA PGM operations	2.20	2	4.68	3	0.050	4
Peer 1	4.25	4	5.93	4	0.022	1
Peer 2	2.83	3	4.07	2	0.026	2
Peer 3	1.29	1	2.10	1	0.027	3
Gold						
Sibanye-Stillwater gold operations	4.53	2	6.52	2	0.24	3
Peer 1	4.98	3	8.21	3	0.07	1
Peer 2	4.01	1	6.22	1	0.11	2

[1] *Rates are per million hours worked*

FATALITY-FREE SHIFTS (2018)

+1 million	+2 million	+3 million	+4 million	+5 million
Khuseleka	Thembelani	PGM operations	Total PGM mining operations	Total Sibanye-Stillwater SA operations
Kroondal mining operations	Rustenburg mining operations	Kloof (Thutukhani)		PGM surface operations (12 million)
Kroondal operations	Kroondal East (Kopaneng, Simunye and Bambanani)	Kloof Upper and Cooke		
Total Kloof	Kroondal surface operations	Gold operations		
	Rustenburg operations	Kopaneng		
Total Driefontein	Gold operations			
	BMU1 (North and South shafts)			
Bambanani (D6 shaft)	Beatrix			
Sibanye-Stillwater Gold	Driefontein (Ya Rona shaft)			
Beatrix North (3 shaft)	Total plants and concentrators			
Care and maintenance operations	Simunye			
Simunye and Bambanani	US PGM operations			

2018 MINESAFE INDUSTRY AWARDS

Year-on-year safety improvements

For an improved year-on-year total injury frequency rate, our gold operations received MineSAFE awards:

- **1st** Kloof's Thutukhani shaft
- **3rd** Driefontein's Pitseng shaft
- **8th** Kloof's Masithembe shaft

Best in Class Safety Award

With the total injuries of each participating unit converted into a total injury frequency rate, our SA PGM operations received a Best in Class Safety Award:

- **5th** Sibanye-Stillwater Chrome Tech (Michael Kungoane)

At our US PGM operations, an employee prepares to work safely during his shift

SHORT-TERM INITIATIVES

An intensive programme, initially implemented in November 2017, to promote responsible application of the provisions of Section 23 of the MHSA, and which affords employees the right to withdraw from unsafe working conditions, was relaunched in 2018.

To address the distressing spate of anomalous fatal incidents in 2018, specific short-term initiatives were implemented enhance safety performance.

One of these short-term initiatives was a review of our organisational culture and leadership methods to ensure that safety is top of mind in decision-making, at all levels, and to reinforce that all decisions are informed by our CARES values. In addition, at mid-year, the safety performance weightings in management's remuneration packages were reviewed and adjusted (*see Remuneration report on page 176*).

Specific initiatives included:

- Internal and Minerals Council safety day stoppages with signed team pledges
- Additional capacity building of safety representatives and shift bosses
- Introduction of a dedicated anonymous safety hotline
- Introduction of cardinal rules
- 90-day intensive care sessions including communication at all supervisory levels
- Industrial theatre
- Visible felt leadership and crush initiatives with face-to-face interactions when people are coming on shift (current safety message relayed or re-emphasised)
- Mass meetings with all shifts
- Cross audits between different sections (discipline leads from other shafts perform audits in other areas to share best practice)
- Close-out A hazards
- Focus on top five causes of accidents and review of critical controls
- Increased alcohol testing at all access points
- Appointment of psychological counsellors to support employees dealing with relevant matters
- Fatigue management
- Review of bonus schemes for safety officers and supervisors to further promote safe behaviour

ENSURING SAFE PRODUCTION CONTINUED

MULTI-STAKEHOLDER SAFETY AND HEALTH SUMMITS

Three multi-stakeholder safety and health summits – in May, June and August 2018 – were attended by representatives of organised labour, the Department of Mineral Resources and senior management. These summits addressed concerns raised at the inaugural summit, and other concerns raised by organised labour on safety days, at memorial services and on the shop floor. All stakeholders committed to working together to make workplaces safer, to protect jobs, and to collaborate in all matters related to safety, health and well-being.

The Department of Mineral Resources, the Association of Mineworkers and Construction Union (AMCU), the National Union of Mineworkers (NUM), United Association of South Africa (UASA) Solidarity and management signed a pledge:

"As organised labour, the Department of Mineral Resources and the management of Sibanye-Stillwater, we acknowledge the parties' statutory obligation and workers' right that our destiny is shared and commit ourselves, through constructive, transparent collaboration and compliance, to achieving zero harm"

The summits were convened to align stakeholder expectations with internal initiatives and were intended to embed an organisational culture that supports safe production. The recurring themes noted by the safety working group were people, systems and the environment. Implementation task teams were formed, comprising four representatives each from management and organised labour, who visit sites to monitor progress and provide feedback on the organisational culture transformation, values alignment, leadership development, effective communication, high impact training and safe production issues (as illustrated in the safety summit work streams below).

Organisation culture transformation	Values alignment	Leadership development	Effective communication	High-impact training	Safe production
Workshop the Sibanye-Stillwater values-driven culture transformation journey	Workshop the five Sibanye-Stillwater values	Workshop the Sibanye-Stillwater leadership competency and behaviour	Workshop the Sibanye-Stillwater Communications Framework and supporting protocols	Establish effective training interventions to equip people for safe production	Creating an enabled work environment

RISK MANAGEMENT

As integrated risk management is an essential component of the Sibanye-Stillwater safe production approach, we have increased the use of the bow-tie methodology to enhance critical risk controls.

SA gold operations

The number of safety-related stoppages at the SA gold operations increased from 204 Section 54s in 2017 to 219 in 2018. Of the 219 Section 54s, 108 were as a result of mass audits by the Department of Mineral Resources.

With low frequency of accidents when they do occur but with high consequences, the top risks in the SA gold operations include seismicity, rock mass failure, vertical transport, rail-bound transport and heat.

Tools, equipment and material were the main contributors to injuries at our gold operations in 2018, representing 25% (2017: 23%) of total injuries. Fall of ground-related injuries accounted for 19% (2017: 17%) of the total. It was encouraging to note an improvement of over 50% (102 to 46) in injuries related to rail-bound equipment as we continue to focus on the following:

- Engagement with stakeholders through safety and health roadshows and awareness campaigns
- Upholding compliance through training
- Converting rail-bound equipment safety devices and no-repeat solutions by engineering out the risk with effective coupling pins, re-railing devices and speed indicators
- Rail inspection and maintenance management system strategy (maintenance programme/schedule for rails and switches)
- Critical learning and close-outs (improving the quality and speed of close-outs and lessons learnt through the safety system)

"In the interests of safety, management continues to focus on key areas of mobile equipment inspection and maintenance"

SA PGM operations

At our PGM operations, LTIFR performance improved from 4.69 per million hours worked in 2017 to 4.68 in 2018 and the SIFR performance improved from 2.59 in 2017 to 2.20 in 2018.

Low energy incidents remain the main contributors to injuries on duty and contributed 70% towards the total amount of incidents recorded. Interventions are implemented continuously to raise awareness and prevention of these types of incidents through engineering solutions with the implementation of fit-for-purpose tools and equipment, which is enhanced with correct and adequate types and use of personal protective equipment.

Management continues to focus on the top risks of SA PGM operations, which are conveyors, trackless mining equipment, falls of ground, explosives, rail bound equipment, winches and rigging, electricity and material handling, by promoting a health and safety culture through a risk-based approach. In addition to focus on the top risks, a major drive was initiated to analyse all controls to ensure their effectiveness. During the process, critical controls are identified and required resources allocated for less effective controls in order to improve control effectiveness.

Through the introduction of improved industry technology governing the interaction and retardation between machines and pedestrians, the risk exposure is reduced on trackless mobile machinery.

Management remains committed to safe mining by continuously ensuring remedial actions are implemented across all operations. Weekly visible felt leadership interventions are conducted, and learnings are shared and adopted across all operations. The zero harm task team is used to verify actions implemented as well as proactively measuring other safety improvement initiatives highlighted through investigations, statistical analysis and leading indicators.

This integrated approach, adopted and driven by management, assures the improvement of the lives of all our employees, stakeholders and affected parties.

US PGM operations

We remain committed to maintaining a strong relationship with the union and regulators to continuously improve safety performance in the US PGM operations. The SIFR and total medically treated injury frequency rate (MTIFR) increased to 7.12 (2017: 6.28) and 23.94 (2017: 24.65) per million hours worked, respectively in line with an increase in injuries associated with slips, trips and falls – accounting for 27% (2017: 10%) of total reportable injuries, compared to 10% to 17% in the past five years.

The LTIFR of 9.97 (2017: 7.80) for the US operations includes all reportable/recordable injuries that resulted in either restricted duty or days lost (number of lost time injuries per million hours worked).

While injuries from slips, trips and falls are common across all US industries, our US operations are raising employees' awareness of these injuries, improving tidiness, and improving working and walking surfaces to reverse the trend. No specific cause or condition could be identified to explain the increase in slip, trip and fall injuries during 2018. It is encouraging that only 8% of the reportable injuries sustained up to March 2019 related to slips, trips and falls, following revitalised awareness to these types of injuries throughout the operations.

Historically, 30% of reportable injuries in the US operations involved pneumatic jack leg drills. A total of three reportable injuries (6% of all reportable injuries) associated with the use of a jackleg drill were reported in 2018. Implementation of the drill handling system, which affords lower risk of injury than a jackleg, continues to reduce dependence on jackleg machines and is being embraced by more employers.

In the interests of safety, management continues to focus on key areas of mobile equipment inspection and maintenance, quality training and retraining, workplace audits, ventilation and equipment emissions, and housekeeping. In addition to all employees completing inspections at each shift, an audit team randomly inspects and scores work areas every day. The audit team includes hourly and salaried employees, at each site, solely responsible for evaluating the workplace.

Technology provides timely communication in the event of an emergency and systems installed on mobile equipment warn operators when employees are in close proximity. Implementation of technology at the operations is ongoing with phases planned for implementation every year.

US PGM operations: Injuries by category

	2018	[1] 2017
Rockfall	**4**	3
Struck by objects (tools, equipment and others)	**12**	8
Caught in/between	**4**	3
Strains	**6**	3
Operating equipment	**4**	1
Operating jackleg	**3**	3
Eye injuries	**2**	3
Chemical burns/ other	**1**	1
Slips/trips/falls	**13**	2

[1] *May to December 2017*

FUTURE FOCUS

We will continue the current safe production strategy as well as the enhancement of Sibanye-Stillwater's culture, based on and driven by our CARES values, while ensuring that our leadership is ready and engaged, and that desired behaviours and practices (critical attributes, competencies and capabilities) are defined.

A holistic Sibanye-Stillwater safety training strategy, focusing on critical skills as well as training content, methodology, infrastructure and outcomes, is being developed to bolster current training offerings.

Concurrently, we focus on technology as an enabler to improve training competency across the entire organisation and develop partnerships in collaboration with the mining industry to achieve effective skills and knowledge transfer as a long-term initiative.

We are working towards certification in terms of the ISO 45001 health and safety management system, and the roll-out of the bow-tie risk assessment methodology and critical controls.

OCCUPATIONAL HEALTH AND WELL-BEING

APPROACH

As we strive towards zero harm in our workplaces and to deliver our stated purpose – our mining improves lives – we need to safeguard the health and well-being of our employees, their families and communities in order to ensure that they are appropriately positioned to undertake their daily responsibilities safely and efficiently. Our Group health and wellness strategy is aligned with the United Nations (UN) Sustainable Development Goals (SDGs), and is reviewed and enhanced continuously with the adoption of global strategies to overcome complex health challenges.

Guided by our CARES values, our health and wellness model in South Africa has been designed to address the risks presented by the internal and external environments facing employees and has been implemented with favourable clinical and financial outcomes thus far. To this end, the individualised care we provide includes:

- **Access to occupational health resources** that assess health risks, determine fitness to work, and manage disease and rehabilitation
- **Shaft clinics** close to the workplace with qualified primary healthcare staff providing health risk assessments and disease treatment for communicable diseases – tuberculosis (TB) and HIV – and chronic ailments (diabetes and heart disease, among others)
- **Satellite primary healthcare clinics** with qualified nurses operating during office hours
- **Primary healthcare centres** with qualified doctors and nurses managing cases 24/7
- **Emergency medical services** equipped with advanced paramedical teams and 24/7 rescue capability
- **Wider hospital networks** offering specialised care for trauma as well as occupational injuries and diseases
- **Medical aid schemes** that protect our employees from the financial risk of high medical costs

Although the occupational risks and wellness challenges at the US operations are significantly different (and less) than those present in the SA operations, industrial hygiene staff are on site to continuously monitor occupational health and wellness.

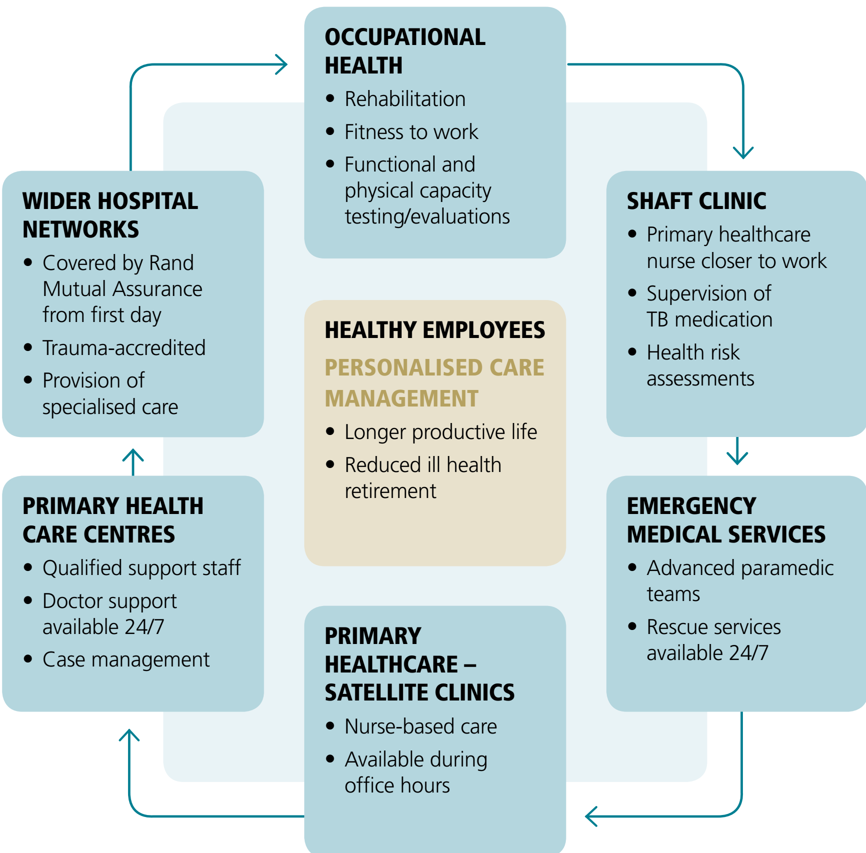
IN LINE WITH SUSTAINABLE DEVELOPMENT GOALS

We continue to make progress in aligning our health strategy with that of the UN SDGs 2015 to 2030, focusing particularly on goal three, which refers to health and well-being. The SDGs call for inter-sectoral action to achieve policy reforms in respect of universal healthcare coverage and health system strengthening. Universal healthcare refers to the alignment of policies, strategies and plans to ensure that all people have access to promotional, preventative, curative and rehabilitative healthcare services of sufficient quality to be effective while providing financial risk protection. This requires improving access to healthcare as well as broadening the scope of services, quality of care and financial protection.

SUSTAINABLE DEVELOPMENT GOALS

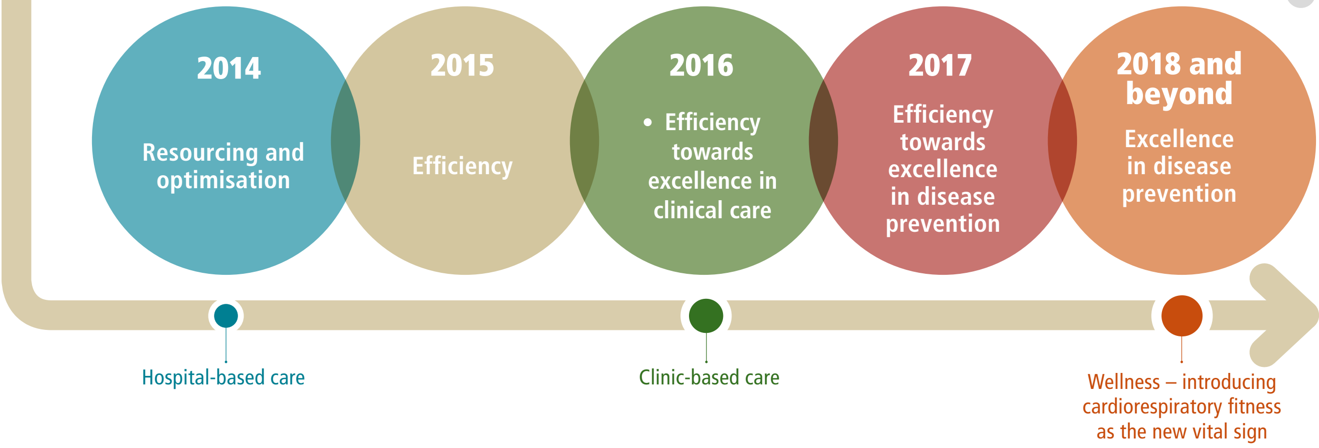
3 GOOD HEALTH AND WELL-BEING

HEALTH AND WELLNESS MODEL



SIBANYE-STILLWATER HEALTH MODEL ROAD MAP

Progress on our Health and Wellness model in South Africa is informed by a road map that has taken us from the establishment and optimisation of our clinical resources in 2013 to excellence in disease prevention in 2018.



Provision for affordable healthcare presents a challenge that is managed in terms of data analytics, which provide:

- Insight and transparency of aggregate claims, costs and utilisation
- Information on patient clinical needs to assist in identifying gaps in care
- Competition between local providers on cost and quality of care to maximise value

The US operations' health and welfare benefit plans provide access to primary care and specialty care for our employees. A contracted national network partner, Cigna, enables our employees and their families to seek medical and mental health treatment services throughout the US. The structure of our health plan provides incentives for members to seek care locally or within the state of Montana. Incentives include lower costs in the form of discounted services and lower contributions from their wages. Employees and their families also receive co-ordinated and more personalised care from physicians and practitioners who are familiar with the patient's medical history and overall health. South-central Montana has two reputable and competing hospital systems, which each have a presence in many of the outlying rural communities.

Our US operations have a health insurance funded model that allows all US-based employees to consult insurance-approved healthcare providers.

Employees have access to our clinics in rural areas close to our SA gold operations

OCCUPATIONAL HEALTH AND WELL-BEING CONTINUED

PERFORMANCE

In most cases, employee health is closely related to employee safety. Our safety value encompasses occupational health and well-being, which can affect safety performance (*see our model on workplace risk and behaviour*). In South Africa, in line with employees' rights and responsibilities in terms of declaring a workplace safe, employees must ensure they are ready for work daily by declaring "I am fit, healthy and competent to perform my tasks", which is part of our safety campaign. Sibanye-Stillwater also conducts annual medical examinations of all employees engaged in risky work to ensure that they are fit and healthy enough to meet the inherent requirements of the work assigned to them.

For more information on the two significant safety events in South Africa in the first half of the year, as well as subsequent safety milestones achieved, refer to Ensuring safe production from page 102 of this report.

We sponsor mobile clinics that provide healthcare to the Rustenburg community near our SA PGM operations

COMPREHENSIVE HEALTHCARE IN SOUTH AFRICA

Our quarterly health forum, including representatives of organised labour, focused on a 12-year outlook for health and repositioning of healthcare funding as well as the provision of healthcare to all operations.

In addition, on a global platform, through the Chief Medical Officers Network, we committed to addressing workplace health concerns, such as antimicrobial resistance, obesity, mobility and mental health. Experiences were shared, including a review of our mental health offering and insights into workplace disaster management. We have also invested in training social workers as employee counsellors.

At Beatrix, the pilot project on the social determinants of health highlighted the fact that a number of lifestyle habits, such as smoking, alcohol consumption and lack of exercise, contribute significantly to the disease burden. Other behaviours, such as the sharing of medication and non-adherence to prescribed medication, are additional contributing factors.

Of particular significance is the stress and anxiety reported by participants due to unhealthy relationships and financial hardships, which lead to excessive drinking, smoking and multiple partners. The drug and alcohol awareness programme at our SA operations has reached more than 13,395 employees to date and aims to promote responsible alcohol consumption.

HIV self-testing, which began on World Aids Day in December 2017, continued throughout 2018 in collaboration with Re-Action, a social purpose enterprise delivering, among others, health and sustainability programmes and services. A total of 3,202 employees and partners received HIV self-testing kits at two sites and participated in the initiative. This provided a convenient and alternative testing option. The pilot implementation was informed by consultation with key stakeholders, including employees, senior management and health providers. We found that 7% of these people had never tested for HIV and 35% had not tested in the past 12 months. This presents an opportunity to find undiagnosed HIV-positive employees and to strengthen our HIV screening programme. The findings have been presented to the World Health Organisation and UNAIDS for use in formulating international guidelines on HIV self-testing.

MEDICAL SCHEME STRATEGY

The healthcare strategy adopted by the SA operations advocates a preventative approach, which funds and manages the continuum of healthcare in preference to providing healthcare services. This is exemplified by the growth in medical scheme membership from 8% in 2013 to 51% in 2018, and the support for universal healthcare coverage. The long-term strategic objective is to invest in a single multi-commodity medical scheme, which can provide a customised solution for all employees and their dependants by 2020 while also leveraging economies of scale. The fundamental principle in providing healthcare coverage to people in need and equitable benefits to all employees have been included in the product design for 2019.

During the 2018 gold wage negotiations, three of the representative unions at the SA gold operations reached consensus on the inclusion of transitioning employees from company-provided healthcare to a medical scheme model as part of the formal wage agreement. A task team will expedite the process in 2019.

For the SA PGM operations, the task team convened in 2018 to oversee the transition from multiple medical schemes to a basket of five medical schemes. This resulted in the successful transitioning of 12,500 employees, their dependants and 843 pensioners from Platinum Health Medical Scheme to Sisonke Medical Scheme, Sibanye-Stillwater's in-house restricted medical scheme, which has become the scheme of choice for over 65% of employees.

In an effort to represent the interests of employees and the organisation in a transparent manner, we have formalised employer-participation agreements with all participating schemes in order to enhance the relationship between the funders, providers, the Department of Health and Sibanye-Stillwater.

SA operations: Healthcare funding (R million)

	2018			2017			2016			2015
	Total	PGM	Gold	Total	PGM	Gold	Total	PGM	Gold	Gold
Medical schemes	**725**	**421**	**304**	714	404	310	679	386	293	268
Company-funded	**282**	**12**	**270**	324	21	303	318	14	305	323
Compensation for occupational injuries and diseases [1] (Rand Mutual Assurance)	**213**	**77**	**136**	208	69	138	210	70	140	124
Total [1]	**1,220**	**510**	**710**	1,246	495	751	1,207	470	738	715

[1] *Healthcare funding costs exclude Occupational Diseases in Mines and Works Act dust levies for gold (R392 million from 2013 to 2018) and PGM operations (R4.8 million from acquisition to 2018)*

SA operations: Funding employee healthcare (Number of employees)

	2018			2017			2016			2015
	Total	PGM	Gold	Total	PGM	Gold	Total	PGM	Gold	Gold
Principal medical scheme members	**26,212**	**18,696**	**7,516**	27,298	18,909	8,389	29,456	20,912	8,544	8,416
Company-funded employees	**24,736**	**0**	**24,736**	24,328	0	24,328	29,188	0	29,188	31,309
Total employees	**50,948**	**18,696**	**32,252**	51,626	18,909	32,717	58,644	20,192	37,732	39,725
Employees on medical schemes (%)	**51**	**100**	**30**	53	100	26	50	100	23	21

SA operations: Medical conditions under management

	2018			2017			2016			2015
	Total	PGM	Gold	Total	PGM	Gold	Total	PGM	Gold	Gold
Chronic medical conditions (schemes)	**10,862**	**6,871**	**3,992**	13,532	8,546	4,986	13,242	8,451	4,791	4,700
Chronic medical conditions (company)	**8,364**	**0**	**8,365**	8,978	0	8,978	9,790	0	9,790	8,814
Total	**19,227**	**6,871**	**12,357**	22,510	8,546	13,964	23,032	8,451	14,581	13,514

SA operations: Occupational diseases (Number of cases reported)

	2018			2017			2016			2015
	Total	PGM	Gold	Total	PGM	Gold	Total	PGM	Gold	Gold
Silicosis [1]	**165**	**106**	**59**	261	68	193	240	89	151	186
Chronic obstructive airways disease [1]	**70**	**41**	**29**	50	13	37	46	16	30	57
Noise-induced hearing loss [1]	**243**	**167**	**76**	193	100	93	188	62	126	105

[1] *Number of cases reported includes new and resubmission cases*

"The healthcare strategy adopted by the SA operations advocates a preventative approach, which funds and manages the continuum of healthcare in preference to providing healthcare services"

OCCUPATIONAL HEALTH AND WELL-BEING CONTINUED

SA operations: Occupational health management

	2018			2017			2016			2015
	Total	PGM	Gold	Total	PGM	Gold	Total	PGM	Gold	Gold
Medical surveillance and certificate of fitness examinations – Total[1]	**123,846**	**50,146**	**73,700**	145,689	52,852	92,837	140,354	52,408	87,946	84,022
Employees	**101,152**	**35,140**	**66,012**	103,841	21,673	82,168	108,135	39,145	68,990	69,284
Contractors	**22,694**	**15,006**	**7,688**	41,848	31,179	10,669	32,219	13,263	18,956	14,738
Days lost due to health-related absenteeism	**776,365**	**293,822**	**482,543**	826,475	321,104	505,371	817,075	340,408	476,667	478,568

[1] *Includes heat tolerance screening test (HTS)*

HEAT-RELATED ILLNESS

Following a multiple fatality heat-related safety incident at Kloof's Ikamva shaft on 11 June 2018, the SA gold and PGM operations reiterated for all employees standards and procedures regarding thermal stress, including safe declaration and withdrawal temperature limits to all employees (in terms of sections 22 and 23 of the Mine Health and Safety Act). Action undertaken includes continuing to promote awareness of heat-related disorders and retraining of all safety representatives, team leaders, artisans, miners, foremen and shift bosses about monitoring workplace temperatures. The on-mine visitors' procedure, overtime standard and thermal stress threshold have also been reviewed. In addition, the underground working environment is monitored through statutory audits. By assessing risks and implementing control measures, we strive to ensure acceptable environmental conditions to enable safe production.

RADIATION EXPOSURE

Radiation levels are monitored so that employees are not exposed to this health risk, particularly at operations with high levels of radiation, such as Cooke 4, which is on care and maintenance.

At our SA operations we comply with the conditions in our certificate of registration with the National Nuclear Regulator by maintaining employee exposure to ionising radiation at less than 20 millisieverts (mSv) per annum.

As a proactive measure in our US operations, a radiation safety officer was employed in 2018. The processing facilities use nuclear gauges to measure density and monitor vessel levels. The source is then regulated by the Nuclear Regulatory Commission and a radiation safety programme.

UNDERGROUND VENTILATION AND REFRIGERATION

Our underground ventilation and refrigeration systems are reviewed annually against planned production targets to enable safe and productive work. Environmental controls are designed to ensure that underground temperatures remain below 31°C wet bulb. The annual review includes:

- macro-ventilation distribution per shaft and ventilation districts to ensure availability of the required volume of air in each workplace at an acceptable intake temperature
- refrigeration availability and distribution per shaft in order to optimise the effectiveness and positional efficiency of available cooling

NOISE-INDUCED HEARING LOSS

Better detection systems and improved accountability have led to reporting of more cases of noise-induced hearing loss (NIHL) despite greater efforts to address this occupational health issue (*see table on page 115 for number of cases reported to date*). The diagnosis of NIHL is made on assessment of the percentage hearing loss from baseline audiograms with NIHL defined as a shift in excess of 10% that has developed over a prolonged period after repeated exposure to noise levels exceeding 85dB(A).

At our SA operations, employees' exposure to noise is monitored in terms of the Mandatory Code of Practice on Noise, issued by the Department of Mineral Resources. The Minerals Council South Africa, as a representative of the South African mining industry, also supports this process by sourcing leading practices through the Mining Industry Occupational Safety and Health (MOSH) initiatives.

Investigations are underway to mitigate personal noise exposure for employees, including engineered solutions (such as silencers on rock drills and visible warning signs in relevant areas) in tandem with personalised hearing protection devices, such as earplugs.

"At our SA operations, employees' exposure to noise is monitored in terms of the Mandatory Code of Practice on Noise, issued by the Department of Mineral Resources"

The Mine Health and Safety Council (MHSC) milestone for noise reduction, ensuring all process noise (including machinery) is below 107dB(A) by 2024, can be achieved by ensuring 100% availability and effectiveness of installed noise control equipment (such as inline fan silencers) and practices (such as demarcating noise zones for hearing protection). We also implement the MOSH Buy Quiet Policy, which commits us to procure only equipment and machinery that complies with specific noise-emission requirements.

Personal noise exposures are also routinely monitored within the US operations in terms of a dedicated hearing conservation programme, which provides training on the effects of noise as well as personal protective equipment (PPE) and annual audiograms to detect NIHL. No elevated exposures were recorded in 2018.

DUST MANAGEMENT

In South Africa, where exposure to silica dust has historically been a significant factor causing occupational health issues, specifically at the SA gold operations, plans are in place to achieve the MHSC milestone for silica dust exposure to be below 0.05mg/m^3 for 95% of all silica dust measurements by 2024. A step-down approach has been implemented since 2014 to achieve an annual improvement of 20% every year. This is achieved by ensuring 100% availability and effectiveness of respirable installed dust control equipment (such as tip filters) and practices (such as watering down).

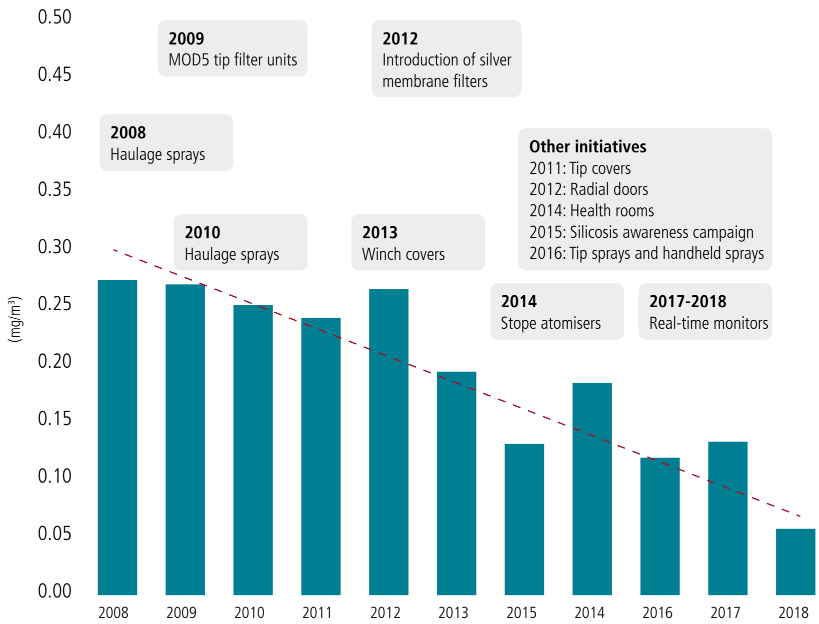
At our SA operations, employees' exposure to airborne pollutants (including silica dust) is monitored in line with the Mandatory Code of Practice for an Occupational Health Programme (Occupational Hygiene and Medical Surveillance) on Personal Exposure to Airborne Pollutants of the Department of Mineral Resources.

The Minerals Council supports this process by continuously monitoring leading practices through MOSH initiatives.

To mitigate the negative health impacts of dust, particularly disease-causing silica dust on gold mines, a new leading practice for dust control was introduced at all shafts in the SA gold operations during 2018: continuous real-time dust monitoring of airborne pollutants. Dust monitors have been installed to identify activities that generate dust. Control measures are then implemented, including employee education, protection at main ore pass systems (tip covers and filtration systems) and winch covers.

The dust load indicates the volume of silica-bearing dust created by our SA gold operations, which can be controlled through a variety of measures. It has reduced over time with the installation of certain devices such as footwall treatment, tip filters and tip covers, stope atomisers and handheld sprays. The real-time dust monitors, introduced to locate sources of dust and as an additional control measure, further reduced overall dust load and silica exposure levels in 2018.

SA gold operations: Average dust load on filter (mg/m^3)



Similar trends are found in all mining companies with monthly or annual increases or decreases. The overall annual trend should indicate improvements in line with MHSC milestones until absolute consistency is achieved in maintenance and use of interventions and dust control practices.

> "Personal noise exposures are also routinely monitored within the US operations in terms of a dedicated hearing conservation programme, which provides training on the effects of noise as well as personal protective equipment"

OCCUPATIONAL HEALTH AND WELL-BEING CONTINUED

At our SA PGM operations, dust exposure is relatively low but reducing dust on surface, particularly blown off tailings facilities is an ongoing focus area. One personal exposure sample taken at a tailings facility exceeded the occupational exposure limit of 3mg/m^3 during the year.

See Minimising the environmental impact for mitigation measures on page 143 of this report.

Sibanye-Stillwater met formally with the Medical Bureau for Occupational Diseases (MBOD) about outstanding dust levies prior to the Group's acquisition of the Rustenburg operations. The MBOD has requested additional time for an official response.

In our US operations, to uphold compliance, potential airborne hazards are monitored and pulmonary function is tested annually at all three properties. Industrial hygiene monitoring results indicate the effectiveness of workplace engineering and administrative controls. Where controls are not effective in reducing exposure, specific action plans are implemented. In addition to routine monitoring by employees and the State of Montana, independent industrial hygiene consultants evaluate exposures at the Metallurgical Complex. All results were under exposure limits in 2018. Third-party sampling will continue in 2019.

The analytical laboratory in our US operations does not fall within the Occupational Safety and Health Administration's regulation for lead exposure but has voluntarily implemented controls and monitoring to ensure employees are not exposed to lead.

Dust is controlled by water sprinklers in our underground SA gold operations

OCCUPATIONAL LUNG DISEASE

In November 2014, Sibanye-Stillwater, Anglo American South Africa, AngloGold Ashanti, Gold Fields, Harmony and African Rainbow Minerals formed an occupational lung disease (OLD) industry working group to address issues relating to compensation for OLD in the gold mining industry of South Africa.

The working group's aim was to develop, in conjunction with key stakeholders, a comprehensive and sustainable solution to address concerns about compensation for OLD. Sibanye-Stillwater has been involved in tracking and tracing employees to settle claims relating to silicosis. We have also collaborated with financial institutions and the Mineworkers Provident Fund in distributing unclaimed pension funds.

For more information on the working group and its efforts, see www.oldcollab.co.za

On 3 May 2018, the working group as well as attorneys – Richard Spoor, Abrahams Kiewitz and the Legal Resources Centre – announced that they had reached a settlement in the silicosis and TB class action litigation. The settlement awaits approval by the South Gauteng High Court.

For more information, visit www.silicosissettlement.co.za

SA operations: New and resubmitted cases of occupational lung diseases

	2018	2017	2016	2015
Silicosis				
Gold	**59**	193	151	186
PGM	**106**	68	89	
Chronic obstructive airways disease				
Gold	**29**	37	30	57
PGM	**41**	13	16	
Cardiorespiratory tuberculosis				
Gold	**325**	422	545	679
PGM	**155**	148	73	

Cases and claims: Medical Bureau for Occupational Diseases and Compensation Commissioner for Occupational Diseases

	2018	2017	2016	2015
Cases assessed by Medical Bureau for Occupational Diseases	**9,854**	14,732	18,251	6,575
Claims processed by Compensation Commissioner for Occupational Diseases	**10,575**	8,727	4,356	1,177
Total paid to beneficiaries (R million)	**212**	250	171	56

DIESEL PARTICULATE MATTER CONTROL

Among the airborne pollutants that may compromise the health of employees is diesel particulate matter (DPM), which can lead to chronic obstructive airways disease (characterised by chronically poor airflow, resulting in shortness of breath, coughing and sputum production) due to long-term exposure. Diesel exhaust emissions (including DPM) have been declared human carcinogens (cancer-causing agents).

Across the Group, mitigation measures include increasing dilution ventilation and equipment maintenance to reduce employees' exposure. PPE is also provided to further reduce personal exposure.

Routine sampling continues at the US operations. In 2018, the East Boulder underground operation did not have sample results exceeding 0.176 milligrams per cubic metre for elemental carbon. At Stillwater, respirators were required at two isolated areas underground. All elevated results were followed with corrective actions and the areas were resampled to verify that these actions had been effective. In addition to internal monitoring, mine operations periodically work with the Federal Department of Labor Mine Safety and Health Administration Technical Support to evaluate ventilation controls.

In the SA operations, there is currently no legislated occupational exposure limit (OEL) but our internal control limit for exposure to DPM is to maintain employee exposure at less than 0.2mg/m^3 (measured as total carbon). In 2018, a total of 1,361 DPM personal exposure samples were taken at the gold operations – 108 samples (7.9%) were above the Sibanye-Stillwater target of 0.2mg/m^3. Investigations into exposures above limit are conducted regularly to establish the root cause and to prevent recurrence. Of the 123 DPM personal exposure samples taken at the SA PGM operations in 2018, 65 samples (52.9%) exceeded the Sibanye-Stillwater target.

The Sibanye-Stillwater target was advised by the Minerals Council while the industry awaits the legislated OEL for South Africa.

SA gold operations: Tuberculosis rates per 1,000 employees

	2018	2017	2016	2015	2014
Total tuberculosis	**9.75**	10.65	13.42	15.79	16.69
Pulmonary tuberculosis	**7.38**	8.72	10.86	11.42	12.12
Extra pulmonary tuberculosis	**1.86**	1.93	2.56	3.99	1.68
Cardiorespiratory tuberculosis	**8.30**	9.46	11.53	14.41	14.34
Multi-drug-resistant tuberculosis	**0.10**	0.38	0.34	0.30	0.68

SA operations: Number of new and retreatment cases of tuberculosis

	2018			2017			2016			2015	2014
	Total	PGM	Gold	Total	PGM	Gold	Total	PGM [1]	Gold	Gold	Gold
Tuberculosis	**539**	**157**	**382**	623	148	475	707	73	634	744	832
Cardiorespiratory tuberculosis	**480**	**155**	**325**	570	148	422	618	73	545	679	715
New cases of drug-resistant tuberculosis	**13**	**Unknown**	**13**	28	0	28	24	Unknown	24	29	-
New cases of multi-drug-resistant tuberculosis	**4**	**Unknown**	**4**	17	0	17	16	Unknown	16	14	34

[1] *Health data for the PGM operations (Kroondal and Rustenburg operations) for 12 months of 2016*

OCCUPATIONAL HEALTH AND WELL-BEING CONTINUED

SA operations: HIV, VCT [1] and HAART [2]

	2018			2017			2016			2015
	Total	**PGM**	**Gold**	**Total**	**PGM**	**Gold**	**Total**	**PGM**	**Gold**	**Gold**
VCT offered	**59,900**	**28,153**	**31,747**	51,122	25,008	26,114	54,541	27,226	27,225	23,538
VCT conducted	**20,544**	**11,681**	**8,863**	20,326	9,932	10,394	28,717	16,728	11,989	8,505
HIV-positive	**887**	**170**	**717**	1,168	113	1,055	2,204	650	1,634	1,929
Proportion of workforce tested [7]	**33.4%**	**50%**	**24%**	29%	40%	23%	39%	62%	26%	18%
New recipients of HAART [3]	**563**	**0**	**563**	843	Unknown	843	928	Unknown	928	875
Category 3-8 employees on HAART	**5,638**	**0**	**5,638**	5,688	0	5,688	5,561	Unknown	5,561	5,023
HAART patients who are employees [4]	**9,745**	**3,090**	**6,655**	9,761	3,133	6,628	9,925	3,545	6,380	5,750
Employees who have left HAART programme [5]	**8**	**0**	**8**	46	0	46	86	Unknown	86	127
HIV prevalence [6]	**4%**	**1%**	**8%**	6%	1%	10%	8%	4%	13%	23%

[1] *Voluntary counselling and testing*

[2] *Highly active antiretroviral therapy*

[3] *Entry-level mining employees (Category 3-8)*

[4] *HAART patients alive and on treatment, total employees including category 3-8 employees*

[5] *Employees who left HAART programme within 12 months of starting antiretroviral therapy (including retrenched employees with ill health and any other labour-related terminations)*

[6] *The prevalence rate reported is based on the number of employees testing positive as a percentage of the total number of employees tested in a given period*

[7] *VCT conducted as a percentage of total workforce (employees and contractors)*

COMMUNICABLE DISEASE MANAGEMENT

We are collaborating successfully with the Department of Health in South Africa and local communities to control the spread of TB across all operations.

In June 2018, we actively participated in an international HIV and TB conference, sharing experiences of challenges in dealing with the social determinants of health from a corporate perspective. We also articulated our contribution to reducing the TB burden.

We have been acknowledged by the Global TB Caucus partnership for our ongoing efforts in helping to end TB and leading the private sector in reducing the rates of TB and HIV in South Africa. Sibanye-Stillwater and the Minerals Council represented the private sector and the mining industry leading up to and at the first high-level meeting of the UN General Assembly on the fight against TB ("United to end tuberculosis: an urgent global response to a global epidemic") in New York on 26 September 2018. The meeting was attended by heads of state and health ministers from 192 countries who agreed to intensify efforts to eliminate TB and accelerate efforts to reach all affected people with prevention and care.

Our success in reducing the TB burden at our gold operations, from 832 cases in 2014 to 382 cases in 2018, can be attributed to improved access to primary healthcare at shaft clinics, staffed by qualified healthcare professionals who are able to detect TB outside the hospital environment, and treat the disease at an early stage.

Another contributing factor to the successful interception of TB transmission is the high retention rate of employees on HIV treatment at 12 months, which stands at 99% today. As TB is activated when a person's immunity is weak, people enrolled in HIV treatment programmes indirectly control the spread of TB.

Over and above these medical initiatives, engagement with the Department of Health and local communities is ongoing (*see stakeholder engagement*). As a result, mainly due to actively seeking TB sufferers and co-ordination of care, we have seen a 61% decline in the spread of TB since 2013.

> "We have been acknowledged by the Global TB Caucus for our ongoing efforts in helping to end TB and leading the private sector in reducing the rates of TB and HIV in South Africa"

Sibanye-Stillwater health services provided strong leadership in the three provinces in which we operate:

- In the Bojanala district of North West Province, all mining houses and medical aid schemes participate in the national Masoyise iTB initiative, which oversees TB contact tracing. We also participated in the 2018 TB/HIV summit, which was followed by the provincial World Aids Day event.
- In the Lejweleputswa district of the Free State, we worked in partnership with the MHSC and the Department of Health on the 2018 World Aids Day. We believe that this partnership will realise the WHO End TB Strategy by 2035.
- In the West Rand district of Gauteng, we work on community TB contact tracing through the Masoyise iTB initiative, which ensures that healthcare workers are trained and focus remains on reaching the National Strategic Plan 2017-2022 targets.

SOCIO-ECONOMIC FACTORS AFFECTING HEALTH

A study of the social determinants of health and well-being within the workforce and communities around Beatrix – a district with the highest incidence of TB in South Africa – was concluded in 2018.

As it found that financial debt has a negative impact on employees' health and well-being, our policy on the living out allowance, particularly in terms of its impact on informal settlements, is being reviewed.

In the SA operations, our employee indebtedness programme, CARE for iMali, designed to address some of these issues has been well received.

See the fact sheet: CARE for iMali at www.sibanyestillwater.com

In the US operations, our wellness programme, managed by a specialist service provider, pays attention to employee wellness at home and in the workplace, including the Financial Finesse programme in which certified financial planners provide solutions to employees, without any bias, in one-on-one or classroom-based settings.

FUTURE FOCUS

US PGM operations

The US PGM operations are not entirely different from other US employer-sponsored health plans in that high-dollar claimants are the primary drivers of our cost trend. Statistics demonstrate that the majority of our healthcare costs are incurred by a small fraction of our members. In 2019, we embarked on a three-year commitment with two robust and competing hospital systems in south-central Montana and created exclusive provider organisations through which we contract directly with the hospitals and their doctors. The hospitals have agreed to compete for our business, recognising that our financial contribution to the local healthcare community is a significant portion of their revenue stream.

We have introduced a unique benefit plan design that encourages patient and provider accountability. Managing the quality of care is an important new focus. The hospital systems have agreed to share financial risk for unsuccessful treatments. This is an exciting opportunity for an integrated approach to healthcare using primary care physicians to co-ordinate care, integrating delivery systems that optimise primary and specialty care, providing concierge-style nurse navigators to help members receive the most from their benefit plans, to answer healthcare questions, and to manage chronic conditions.

A team of US operations' employees, consultants and healthcare professionals is dedicated to monitoring and evaluating the performance of these networks, and will recommend actions to leaders accordingly, based on the performance of hospitals and the new plans, and thus empower decisions that will have a positive impact on the health of our employees and their families.

SA operations

With a view to 2020, our SA operations are working to ensure that all employees have health insurance, that the scope of services is equitable, that healthcare is accessible and that employees are protected financially. Long-term relationships with funders and communities will form the basis of business dealings aimed at measurable healthcare outcomes.

Over the next five years, we will endeavour to extend universal healthcare coverage to the families and dependants of employees. We believe that we can achieve this by leveraging cost efficiencies and effective healthcare within the existing system.

Focus group discussions with our human resources and health departments, as well as organised labour, will continue to empower leaders and inform healthcare and safety decisions.

On of our employees at our Columbus Metallurgical Complex in the US

SOCIAL UPLIFTMENT AND COMMUNITY DEVELOPMENT

APPROACH

Sibanye-Stillwater's purpose – "our mining improves lives" – encompasses all stakeholders directly impacted by our mining activities as well as other stakeholders who may benefit indirectly from our mining activities (health and environmental benefits are derived from the use of PGMs to improve air quality, for instance). We engage meaningfully, as much as possible with our stakeholders, to ensure that we are in a better position to understand their perceptions of value and deliver accordingly for mutual benefit.

Our vision is to share the benefits derived from our mining operations with our communities not only to uphold our social licence to operate but also to spread our CARES values beyond the mine gate. Our aim is to tangibly and holistically improve the lives of those living in our host communities.

We share these benefits through partnership and collaboration, engaging transparently with communities, while integrating sustainable development into our decision-making processes.

In South Africa, there is a specific regulatory requirement for all mining companies to contribute to local and labour-sending area upliftment and development in order to secure a social licence to operate. Sibanye-Stillwater is committed to meeting and going beyond these targets in line with our vision.

In South Africa, governed by our policies on sustainable development, and on community and indigenous peoples, our socio-economic development programmes and corporate social investment (CSI) initiatives are overseen by the management-led Social Licence to Operate Committee, which monitors the impact of Sibanye-Stillwater's socio-economic activities at the SA operations. The Social and Ethics Committee oversees and monitors, among others, the social impacts of Sibanye-Stillwater's business activities on communities in SA and in the US, particularly given our role as an ethical, responsible corporate citizen.

For further information on the governance of our activities in relation to communities, refer to page 167 for the report of the Social and Ethics Committee in Corporate governance

IN LINE WITH SUSTAINABLE DEVELOPMENT GOALS

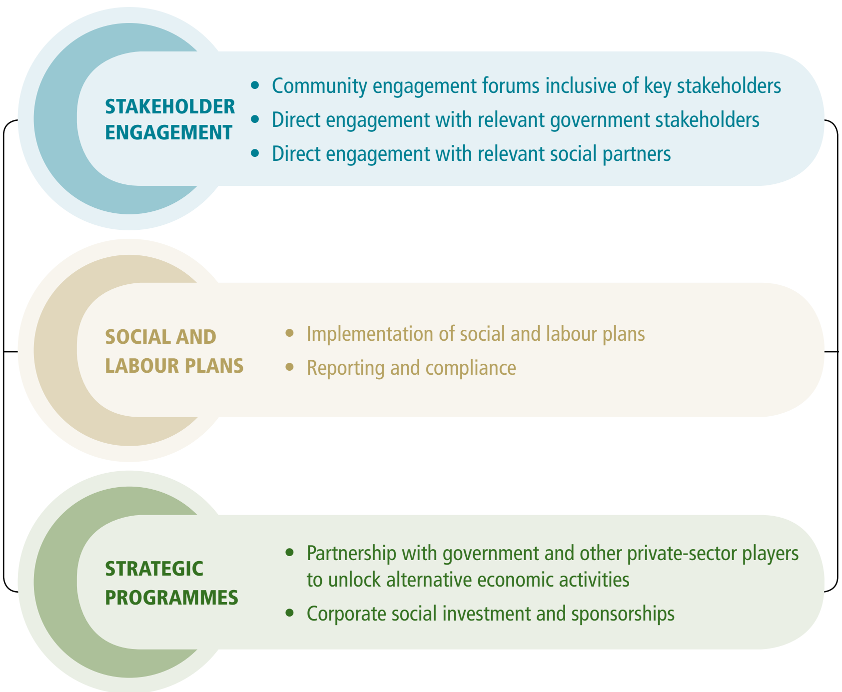
We continue to make progress in aligning our socio-economic community development strategy with the aims of the United Nations (UN) Sustainable Development Goals (SDGs), focusing particularly on:

PERFORMANCE

SA operations

Our community engagement goes beyond maintaining our licence to operate (*see fact sheets at www.sibanyestillwater.com*) – our social licence to operate in terms of earning the goodwill and trust of our host communities, and our regulatory licence by complying with regulations and the spirit of the law in terms of socio-economic development project implementation.

We contribute to our host communities and labour-sending areas, the society and the economy at large, by investing in socio-economic development initiatives, employing people who reside in the vicinity of our operations and through preferential local procurement.



In line with our approach to creating and sharing value, a stakeholder perception index has been developed to measure and monitor stakeholder perceptions. Initial testing of the index was conducted among selected stakeholder groupings, including communities in the vicinity of our gold operations on the West Rand and in the Free State in 2018. The index highlighted the following challenges, which we have reviewed and are responding to accordingly:

- **Employment** – All job applicants have to undergo medical fitness tests, and criminal and credit record checks, before they are employed by Sibanye-Stillwater. This process has been misinterpreted by the communities as an attempt to limit local employment.
- **Legacy issues and transparency** – an unintended consequence of the growth and changes Sibanye-Stillwater has undergone since it was established in 2013. Where legacy issues exist, due to unresolved historic issues with companies that owned the assets prior to us taking ownership, they are not ignored. Sibanye-Stillwater engages with communities in seeking resolutions.
- **Lack of local procurement opportunities** – a major concern across communities in South Africa. To address this concern, the following activities will be undertaken in 2019, which are part of the implementation of the Enterprise and Sustainable Development Strategy:
  - **Small, medium and micro enterprise (SMME) workshops** to help capacitate local SMMEs and co-operatives, and to provide information on procurement opportunities at Sibanye-Stillwater in collaboration with the Local Economic Development Department of Rand West City Municipality, Gauteng Enterprise Propeller, Small Enterprise Finance Agency and Phakamani Impact Capital
  - **Local procurement open days** provide information to SMMEs who will also benefit directly from the services of the enterprise and supplier development (ESD) centres, which will be established in all our operating areas in 2019

For further detail, see Stakeholder engagement on page 56 of this report

STAKEHOLDER ENGAGEMENT CONTEXT

- **Unstable community relationships:** impact of historically poor relationship with the mining industry
- **Lack of accountability by local government:** service delivery issues
- **Legacy issues:** unfulfilled and unrealistic expectations, greater discontent and impatience
- **High rate of unemployment** – highly literate but unemployed youth

STAKEHOLDER PERCEPTIONS

In our engagement with communities around our gold operations on the West Rand and in the Free State, specifically to test our new Stakeholder Perception Index engagement tool, we found historic misperceptions of a culture of non-engagement. Specifically, there were misperceptions of malicious intent, particularly relating to procurement, environmental issues, care and maintenance, and socio-economic development programmes.

The study also highlighted gaps in the municipality-led Integrated Development Plan (IDP) process, which is meant to determine and prioritise the needs of communities that ultimately inform our social and labour plans (SLPs). There is also an apparent misunderstanding of SLP funding and related responsibilities.

Communities are frustrated, believing that the mines do not respond to their grievances, particularly in relation to CSI, procurement and employment.

Regular communication is critical but structured communication platforms have not yet been established for Sibanye-Stillwater to proactively reach aggrieved communities. Existing engagement forums have formal memoranda of understanding but delivery is inconsistent and ineffective. Communities are reluctant to accept a single engagement platform as organised labour does not have to engage in this manner.

Solutions

Management has reviewed the outcome of the study and conducted feedback sessions with the communities. It has been recommended that we:

- Focus on educating communities about our business and their rights
- Increase consultation, internally and externally, on SLPs and related responsibilities
- Assist communities to organise themselves so that engagement is constructive
- Close historical gaps in procurement and socio-economic development
- Support CSI and environmental programmes identified by local communities
- Create consistent and open channels of communication
- Implement effective conflict resolution/complaints mechanisms
- Refocus all social interventions on the social closure strategy (life after mining/avoiding the creation of ghost towns)

We have improved governance of our internal processes to monitor and audit stakeholder engagement, including the development of a heat map to track the quality of relationships. A new issues resolution framework has been developed, aimed at ensuring community and stakeholder concerns are resolved speedily. This framework includes establishing grievance/complaints procedure so that communities and other stakeholders are more easily able to contact Sibanye-Stillwater and report their concerns. The latter was in response to criticism that we were not accessible. A hotline has been set up to facilitate contact with Sibanye-Stillwater, and community roadshows have been undertaken to explain procedures and processes implemented.

SOCIAL UPLIFTMENT AND COMMUNITY DEVELOPMENT CONTINUED

COMMUNITY COMPLAINTS PROCEDURE

A new community complaints procedure has been instituted. Its objective is to ensure that every issue or complaint is captured in a register, resolved and feedback provided to stakeholders within a stipulated turnaround time. In this way, issues will all be resolved before they develop into disputes.

An issues register has also been established to track grievances, monitor related engagement, prioritise issues raised and monitor time taken to resolve. A timeline for responses is also included to track regular, ongoing feedback. To maintain relationships based on trust, it is important that we deliver on our promises, and this framework will help to ensure that we do so.

There is also greater co-operation internally to address and resolve issues raised, such as employment and procurement opportunities.

A community immersion programme involving the executive and senior management of Sibanye-Stillwater aimed to promote understanding of the state of the communities around our mining operations and accompanying alternative economic activities in the Rand West City Local Municipality. Senior management visited communities residing in Glenharvie (mainly our employees), Venterspost, Simunye, Bekkersdal and Mohlakeng, guided by people who are familiar with the areas. The visit included engagement with key community leaders and interaction with project beneficiaries of the social development projects.

Subsequent to the immersion, some senior managers and departments pledged the following donations:

- Food and vegetable seedlings for an orphanage in Simunye
- Prefabricated recreational/office structures at a centre for elderly people in Simunye and a community-based organisation in Bekkersdal
- Vegetable seedlings and perimeter fencing at the youth agricultural project in Simunye
- Waste recycling bins for a woman-led project in Simunye
- Possible procurement opportunities for community business structures and for the SLP projects supplying garments and fresh produce
- Community leadership development training for community leaders at the Gordon Institute of Business Science
- CCTV surveillance system troubleshooting at a shelter for abused women

SOCIAL CLOSURE PLANNING

Our social closure framework and plans, in relation to our socio-economic programmes, have been finalised. Planning for the related stakeholder engagement has begun. This framework and its accompanying plans go beyond mining and are more extensive than our SLPs, which are based on compliance.

In developing these plans, we are collaborating and strategising with municipalities, district and local, to identify economic activities that will endure post-mining. The plans, which will align with regional IDPs, will be driven and owned by the municipalities.

SOCIAL COMPACT PROGRAMME IN RUSTENBURG

As an initial step, we have engaged with the Rustenburg Local Municipality. An understanding of their vision for the future will feed into our regional social closure plans and into projects to be included in our SLPs. A specialist service provider was contracted to implement Phase 1 of a social compact programme in Rustenburg where we particularly need to earn the trust of our stakeholders. The programme included engagement with various stakeholder groupings to address their concerns and to work towards a common vision for mutual benefit.

"To maintain relationships based on trust, it is important that we deliver on our promises"

We sponsor scholar patrols at local schools in Rustenburg, South Africa, to ensure that children are safe

BOKAMOSO BA RONA AGRICULTURAL-INDUSTRIAL INITIATIVE

The Bokamoso Ba Rona initiative is a unique, collaborative, multi-stakeholder approach to promoting sustainable economic activity through the development of a large-scale agriculture and bio-energy hub in areas of the greater West Rand District Municipality. Currently, the local economy depends predominantly on mining and there is a need to diversify economic activity. To this end, Sibanye-Stillwater has contributed 30,000ha of land, which is a substantial contribution to the sustainability of the local economy beyond mining, and an initiative that has been embraced and adopted by government.

This extensive regional project is part of the West Rand District Municipality's Accelerator Programme aimed at promoting economic activity and ensuring the district's economic viability.

The aims of the Bokamoso Ba Rona initiative are to:

- facilitate creation of a sustainable post-mining economy
- promote employment by emphasising labour-intensive opportunities with focus on agriculture
- accelerate transformation by creating opportunities and providing ongoing development and training for local communities
- facilitate comprehensive, sustainable local socio-economic development

On 12 October 2018, we participated in a workshop to determine the level of interest in establishing the Bokamoso Ba Rona agricultural-industrial activities in areas of the West Rand district surrounding Sibanye-Stillwater mining operations, and to learn about the potential value propositions, capabilities and modalities of involvement that interested stakeholders envisaged.

Responses indicated keen interest in pursuing agricultural ventures and, considering prior experiences with agricultural-industrial initiatives, the need to pursue a structured approach was identified.

It was therefore decided to establish a strategically planned and enabling framework for a sustainable programme that would serve the socio-economic development requirements of the district. It is particularly important to establish an effective agricultural-industrial value chain with planned related activities to ensure availability of critical resources and support structures, and to facilitate finance and access to markets.

A suitably qualified and experienced programme manager will provide strategic leadership, with oversight by the principals responsible for leading structured processes, to secure participation by the wide range of role players required to give effect to the programme's strategic scope. Support will also be provided to SMMEs on delivering in line with the broader strategy, and on producing to the required quality and quantity. Existing smaller agricultural projects will feed into this larger project.

This initiative is in the planning stages with implementation still some way off. Given the complexity and scope of this ground-breaking initiative, there will be significant challenges to overcome. As the debates on land reform have highlighted, successful commercial agricultural-industrial ventures depend on far more than just access to land. The commitment and co-operation and alignment of the partners – business, local and national government, and the investment community – are vital.

A memorandum of understanding has been entered into with the partners, which include the West Rand Development Agency, the Gauteng Infrastructure Financing Agency and the Far West Rand Dolomitic Water Association. Other stakeholders include the Public Investment Corporation, the Department of Planning, Monitoring and Evaluation, the Merafong City Local Municipality and the Rand West City Local Municipality.

For more information on this programme, visit www.sibanyestillwater.com

Beneficiaries of the REAP WHAT YOU SOW project grow fresh produce that generates a sustainable income

Community members working in REAP WHAT YOU SOW, close to the SA gold operations, benefit from the co-operative project

SOCIAL UPLIFTMENT AND COMMUNITY DEVELOPMENT CONTINUED

"Internal governance of SLPs is undertaken through forums designed to monitor and evaluate implementation"

Our social and labour plan funds an award-winning piggery – a community project close to the SA PGM operations


A piggery generates a sustainable income in North West Province

MINING CHARTER AND SOCIAL AND LABOUR PLANS

The latest amendment of the Mining Charter was released in September 2018 and the accompanying implementation guidelines on 19 December 2018.

Before work begins on its implementation on 1 March 2019, there will be a series of internal workshops to promote a better understanding of the requirements and to identify gaps.

The following salient points apply to our operations:

- Existing mining right holders, licence and permit holders must implement the Mining Charter 2018 from 1 March 2019
- Before 1 March 2019, existing right holders, licence and permit holders must maintain compliance with the requirements of the Mining Charter 2010
- The first annual report on the Mining Charter 2018 must be submitted to the Department of Mineral Resources on or before 31 March 2020
- Although our socio-economic development focus has moved beyond SLPs, they are nevertheless important, especially in terms of regulatory compliance.

For a summary of our SLP projects and their impact, refer to www.sibanyestillwater.com

SLP STATUS

- **Driefontein and Kloof:** Following submission of the SLPs for the five-year period 2017-2021 to the Department of Mineral Resources, requested changes were made and plans were resubmitted. We await final approval.
- **Beatrix:** The SLP for 2017-2021 has been approved and implementation is underway.
- **Burnstone:** The SLP for 2017-2021 has been submitted to the Department of Mineral Resources and we await approval. To align the SLP's local economic development (LED) programme with the Dipaleseng Local Municipality's IDP, agriculture was prioritised to address food security.
- **Cooke:** Under care and maintenance, expenditure for SLPs has been stopped.
- **Rustenburg operations:** The SLP for 2016-2020 has been approved and implementation is underway.
- **Kroondal:** In terms of the current SLP (2016-2020), the LED project backlog is being addressed and implemented by Anglo American Platinum as per the pooling and sharing agreement with Sibanye-Stillwater.

The project backlog reported to the Department of Mineral Resources for the Cooke and Kroondal SLPs is expected to be completed by the end of 2019.

We plan to implement a data system to better manage and monitor our performance. This will enhance reporting on our performance and compliance, which is important as our mining rights depend on this. Internally, there is a gap in our understanding of obligations and responsibilities in terms of our SLPs. Training workshops, which began in January 2019, will be conducted across the SA operations to align understanding of the regulatory environment and internal reporting, to build capacity and to ensure that we deliver and comply in terms of our commitments and regulations. Organised labour will participate in these workshops.

Mining for non-miners training was conducted for Rand West City Local Municipality LED officials as well as members of the mayoral council responsible for economic development and planning, and corporate support services in 2018. Sibanye-Stillwater also conducted this course for portfolio heads and officials of the Rand West City and Merafong City local municipalities.

GOVERNANCE

Internal governance of SLPs is undertaken through forums designed to monitor and evaluate implementation and Mining Charter obligations although this is not required by law. Meetings are convened quarterly with management and organised labour. In 2018, the gold operations held three official SLP forum meetings. At Kloof, a number of additional engagements were aimed at resolving disagreements about SLP targets. At the Rustenburg and Kroondal operations, SLP forum structures were set up in 2018.

Training workshops will be conducted in early 2019 to build capacity across the Group with focus on recruitment and skills development.

Sibanye-Stillwater has also initiated community forums to encourage constructive dialogue and to keep abreast of the impacts of the business and communities. In the Merafong area, close to the gold operations, three community forums were held in 2018.

In addition to community training provided on agriculture, leadership and enterprise development, Sibanye-Stillwater has extended Care for iMali to communities (*see fact sheet at www.sibanyestillwater.com*). Community training on alternative economic skills also covers paraplegic rehabilitation, offered to former and current employees, and portable skills training (such as welding, plumbing, bricklaying, sewing and carpentry) by the Sibanye-Stillwater Academy in line with SLP targets.

SA operations: Socio-economic development expenditure (R million)

	2018			[2]2017			[2]2016			[2]2015	[2]2014
	Total	Gold	PGM	Total	Gold	PGM	Total	Gold	PGM	Gold	Gold
Local economic development	**18**	**2.6**	**15.4**	24	13	11	59	47	12	27	24
Human resource development											
Communities	**68.6**	**51.4**	**17.2**	532	340	193	393	321	72	384	353
Employees	**489.5**	**305**	**184**								
Employee housing and nutrition [1]	**772**	**594**	**178**	586	425	161	181	181	0	197	649
Health	**10**	**10**	**0**	3	3	0	4	4	0	6	5
Education	**13.7**	**13.7**	**0**	3	3	0	4	4	0	62	10
Sport, conservation and environment	**0.345**	**0.345**	**0**	0	0	0	0.4	0.4	0	1	10
Donations, community development and charitable gifts	**2.7**	**2.3**	**0.4**	10	8	2	15	12	3	14	1
Total	**1, 374**	**979**	**395**	**1,158**	**791.5**	**366.5**	**656**	**569**	**87**	**691**	**1,052**

[1] *Expenditure is reported inclusive of value-added tax (VAT) as no VAT is claimed in terms of the relevant Act*

[2] *Previously reported human resource development figures included community and employees*

SA operations: Enterprise development (R million)

	2018			2017		
	Total	Gold	PGM	Total	Gold	PGM
	11	**7**	**4**	1	0.5	0.5

COMMUNITY TRUSTS

Several trusts are in place at present. Some are community trusts and others are empowerment trusts. We are endeavouring to ensure that these trusts work while we attempt to combine and consolidate them.

We plan to establish a Group trust early in 2019 into which some of the trusts with similar objectives will be consolidated as a single trust that will implement the company's CSI programmes.

It is envisaged that a foundation will be established to focus on all the social closure programmes designed to transcend the end of life of mine.

CORPORATE SOCIAL INVESTMENT

Management of CSI activities at our SA operations is being streamlined to ensure that it is focused and optimises benefits for beneficiaries.

Our policy on donations and CSI was amended in 2018, informed by financial constraints and the need to make an impact in focus areas. Instead of an ad hoc approach, CSI interventions will be funded over a fixed period, from two to three years, depending on the specific focus area.

In the West Wits region, we are supporting three homes for elderly and disabled people with an investment of R1.2 million in monthly food parcels over two and half years while providing the same people with skills to cultivate self-sustainable food gardens for their own consumption and to generate an income.

Our focus in Rustenburg is on supporting early learning development centres in partnership with other role players. To date, we have conducted training for caregivers and managers of the selected centres. Focus in 2019 will be infrastructure upgrades and the provision of learning material.

We are engaging with stakeholders to determine focus areas in the Free State.

HUMAN RIGHTS

Sibanye-Stillwater conducts its business in line with national legislation, including the Constitution and the Labour Relations Act, as well as the International Labour Organization.

For the impact of illegal mining on communities, see the fact sheet: Combatting illegal mining at the SA operations.

SA operations: Corporate social investment in 2018 (R)[1]

Year	Total	Gold	PGM
2018	26,498,336	26,459,175	39,161
2017	15,764,552	13,789,367	1,975,185

[1] *Corporate social investment already included in socio-economic development table above*

SOCIAL UPLIFTMENT AND COMMUNITY DEVELOPMENT CONTINUED

"An intensified programme to unlock opportunities for local suppliers is being rolled out"

We sponsor conservation projects that maintain a pristine environment around our US PGM operations in Montana

PROCUREMENT AND ENTERPRISE DEVELOPMENT

Participation by local community businesses in our organisation is one way of contributing to the economic development of communities around our mining operations. Local procurement was a major cause of strained relationships between Sibanye-Stillwater and local communities in 2018. A trust-building workshop with local businesses in Rustenburg addressed this by aiming to repair relationships through the transparent sharing of information about what we buy, opportunities available, our processes, and funding assistance as well as enterprise and supplier development programmes for local communities.

An intensified programme to unlock opportunities for local suppliers is being rolled out with focus on ring-fenced commodities and unbundling of opportunities on contracts with large suppliers.

Procuring services from local suppliers remains a challenge. Some of the issues are lack of relevant mining skills, pricing and contract deliveries. We have employed Phakamani, an enterprise development service provider to assist us in coaching and developing the skills required to support sustainable local suppliers. Participation by local suppliers therefore remains relatively low and legislated targets have been set to triple current spend.

Our enterprise and supplier development strategy includes support from financial services provider Phakamani Capital, as well as proactively identifying SMMEs and potential joint ventures, and establishing business centres across our operations. In 2018, 80 loans were approved to the value of R12.9 million for the benefit of 44 SMMEs, including 42 youth and 25 female entrepreneurs, and 593 jobs sustained for the duration of project and/or contract. As part of the interaction with Phakamani, 54 companies were mentored and trained.

A new procurement system called "Coupa" will be rolled out to the SA operations in 2019. This tool will enable effective interactions with our suppliers and make our procurement process more accessible and visible to our communities , and thus encourage involvement.

SA operations: Discretionary BEE procurement [1]

	Capital goods target (40%)	Consumables target (50%)	Services target (70%)
Gold			
Beatrix	78%	84%	61%
Cooke 1, 2 and 3	49%	30%	80%
Cooke 4	0%	66%	44%
Driefontein	73%	81%	77%
Kloof	83%	84%	70%
PGM			
Kroondal	83%	87%	81%
Rustenburg	88%	81%	84%
Total	82%	81%	76%

[1] The Mining Charter's procurement targets apply to procurement that "excludes non-discretionary procurement expenditure" – this excludes expenditure that cannot be influenced, such as procurement from the public sector and state enterprises. Procurement targets therefore apply to discretionary expenditure over which Sibanye-Stillwater has influence.

SA operations: Total empowerment spend (2018)

Black-owned (historically disadvantaged South African) businesses	R million	% of total spend
Male-owned	9,005	65.01
Women-owned	1,874	13.53
Total	10,879	78.54

US PGM operations

Throughout the course of 2018, the executive team at our US operations met with Montana's federal delegation, including senators Jon Tester and Steve Daines, and representative Greg Gianforte, as well as Montana's Governor Steve Bullock and key senior personnel at the Montana Department of Environmental Quality and Region 8 of the US Environmental Protection Agency. The meetings introduced our leadership team and informed these important stakeholders about the organisation, providing insight on a number of environmental issues, including the delegation's views on I-186. *For further information on I-186, refer to page 140 of this report*

We created a Community Giving Team in line with our charitable policy, which highlights our aim to support communities directly adjacent to our mines and processing facilities. The policy prioritises initiatives that support rural emergency and healthcare services, education (especially science, technology, engineering and mathematics), local community improvement activities and environmental stewardship. In 2018, the Community Giving Team supported over 100 organisations, including a US$25,000 donation to the Forests in Focus initiative, which addresses forest health and wildland fire risk across Montana. Since its inception, Forests in Focus has supported the treatment of more than 300,000 acres of forest, the production of nearly 190 million feet of board timber and the retention of 3,000 jobs in the forest products sector.

Through this initiative, the Montana Department of Natural Resources and Conservation also increased Montana's stake in Forest Plan revisions and federal projects through the National Environmental Policy Act process, and supported local governments and collaborative groups in their efforts to effectively engage with the US Forest Service on projects important to their constituents and communities. This "all-lands, all-hands" collaborative approach developed in Montana informed Governor Bullock's National Forest and Rangeland Management Initiative of the Western Governors Association, culminating in the release of bipartisan administrative and legislative recommendations to advance shared learning and best practices for forest restoration and management across the western US.

In addition, the Community Giving Team supported a number of local community organisations in 2018, including Montana Shakespeare in the Parks, which presents live theatre in rural communities, as well as Eagle Mount, a local programme that provides skiing and horseback riding opportunities to disabled children and adults, and the Yellowstone Big Horn Research Association, a local field research site dedicated to training area educators in geology.

GOOD NEIGHBOR AGREEMENT

More than 15 years ago, the then Stillwater Mining Company signed the Good Neighbor Agreement (GNA), together with three local stakeholder organisations: the Northern Plains Resource Council, the Stillwater Protective Association and the Cottonwood Resource Council.

Unique within the mining industry, the GNA provides an innovative framework for the protection of the natural environment while encouraging responsible economic development. It legally binds us to certain commitments and holds us to a higher standard than that required by federal and state regulatory processes.

Our commitments include transparent and productive interaction with all affected stakeholders, using the GNA as a vehicle for dispute resolution and positive stakeholder engagement.

For further information, see the fact sheet, Working together: the Good Neighbor Agreement

US PGM operations: Philanthropic/social activities and related expenditure (US$)

	2018	May-December 2017
Community projects (42%)	**162,600**	60,050
Youth activities (13%)	**50,900**	53,125
Education (24%)	**94,130**	37,760
Emergency services (12%)	**44,700**	28,750
Cultural activities (9%)	**35,500**	15,100
Total	**387,830**	194,785

FUTURE FOCUS

SA operations

We will focus on education infrastructure, economic diversification through agriculture, and CSI in 2019 to facilitate and catalyse alternative economic activities aimed at skills development, job creation and food security – and thus ensure meaningful social closure beyond mining.

US PGM operations

In 2019, our US operations will continue to focus on meaningful contributions that will enhance the well-being of local communities, assist local first-responders, and provide education opportunities to local students.

MINIMISING THE ENVIRONMENTAL IMPACT

APPROACH

Our environmental management team, guided by internationally recognised principles, including ISO 14001:2015, the International Council on Mining and Metals (ICMM) and the United Nations Global Compact, focuses on the execution of environmental initiatives aligned with Sibanye-Stillwater's strategic objectives, vision and purpose. Mechanisms to give effect to these principles are embedded in our systems and approaches to the environmental challenges we face. Environmental challenges are considered in our core business and compliance risk management plans. We proactively address compliance while simultaneously promoting greater environmental responsibility leveraging technologies.

We have integrated and aligned environmental functions across our SA operations in terms of our Vision 2020 environmental management strategy illustrated below. In-depth alignment with the US PGM operations, although initiated, will conclude in 2019. The five pillars and focus areas of our Vision 2020 create value for all stakeholders. The strategy and structure of our environmental department, and the setting of strategic goals and objectives, and associated performance measures for 2018 and beyond, are premised on our Vision 2020.

"Environmental challenges are considered in our core business and compliance risk management plans"

PILLARS OF VISION 2020

Verifiable compliance

- Understanding and implementation of, and verifiable compliance with, internal and external regulations
- Meeting environmental standards and challenging where appropriate

Cost and risk management

- Effective use of technology and innovation to deliver environmental purpose
- Delivering administrative and contract management efficiencies
- Optimal use of water resources and deployment of water conservation and demand management practices

Awareness, stewardship and communication

- Aligning and adhering to internationally recognised policies, guidelines and principles to protect and grow environmental reputation
- Influencing legislation and policy-making
- Engaging in research, producing publications and contributing to knowledge

Environmental footprint management

- Accurate determination and reporting of closure obligations and commitments
- Responsible concurrent rehabilitation planning and execution
- Effective socio-economic closure planning
- Designing and implementing strategies to reduce carbon footprint and improve energy efficiency
- Responsible use and management of water resources
- Proactive management of environmental risks to secure licence to operate
- Proactive management of land, air and waste

Community engagement and buy-in

- Engagement with key stakeholders and communities
- Raising awareness of environmental issues to minimise impact on the environment

The environmental management system (EMS) adopted by Sibanye-Stillwater is broadly aligned with the principles of the international environmental management standard, ISO 14001:2015.

In line with the strategic goal to strengthen Sibanye-Stillwater's position as a leading international precious metals mining company, we have begun working towards renewing and enhancing our ISO 14001-compliance across the Group. ISO 14001 certification is expected by 2022 and a comprehensive gap analysis at all operations is planned for 2019.

US AND SA OPERATIONS: SYSTEMS SUPPORTING ENVIRONMENTAL MANAGEMENT

We use technologies for proactive environmental management to make informed decisions for the benefit of all stakeholders:

- **Pivot:** system to capture and manage environmental incidents and complaints
- **Syncromine:** an audit system for the management of environmental non-conformances – the environmental module has been customised to schedule audits at planned work places based on these standard environmental checklists
- **Qlikview:** a data analysis tool for water flow and air quality compliance to enable trend analysis and decision-making
- **Continuous emissions monitoring system (CEMS):** online hourly monitoring of SO_2 emissions
- **ARC GIS:** platform where environmental water and air quality data is stored in the system, tools to determine compliance
- **Zednet:** automated system to monitor water flow, consumption, quality and critical reservoir levels with a view to integrating all SA operations to identify anomalies and critical trigger parameters, thereby minimising water losses and risks against regulatory licences as well as provides tools to do trend analysis

IN LINE WITH SUSTAINABLE DEVELOPMENT GOALS

We continue to make progress in aligning our environmental management strategy with that of the United Nations (UN) Sustainable Development Goals (SDGs), focusing particularly on:

TARGETS

SA operations

To reduce/achieve by year-end 2018

- Scope 1 and 2 carbon emissions by 27.3% by 2025, equivalent to an average annual decrease of 2.1%
- Level 3 incidents by 20% year-on-year
- Zero level 4 and higher incidents
- Overall purchased water consumption by 15% year-on-year

Achieved by year-end 2018:

- 3.9% average annual reduction in Scope 1 and 2 carbon emissions (on track to meet and exceed target)
- 58% reduction in level 3 environmental incidents
- Zero level 4 and above environmental incidents
- 3% decrease in the consumption of purchased water

In addition, the following was achieved:

- At the SA operations, an energy intensity of 0.52 GJ per tonne of ore processed (2017: 0.60)
- Overall improvement of 3% in discharge water quality compliance year-on-year with overall average of 73.7%

Note: The energy intensity factor takes into consideration purchased electricity and direct fuels used, which includes petrol, diesel, liquid petroleum gas, acetylene, coal and paraffin.

US PGM operations

Achieved in 2018

- Completed written long-term environmental management strategies for all three US sites
- Secured air permit modifications to enable expansion efforts at the East Boulder mine and Columbus Metallurgical Complex
- Received various permit approvals for Stillwater expansion efforts
- Implemented traffic management procedures at the Stillwater mine to ensure traffic counts remain in accordance with the Good Neighbor Agreement of 110 vehicles per day (currently 90-100 vehicles per day)
- Began closure efforts for original tailings storage facility at the Stillwater mine

In addition to monitoring performance and ensuring compliance with the relevant legislation in each jurisdiction, and inspections by relevant government departments and agencies, environmental performance reports are submitted to executive management, with ultimate oversight by the Social and Ethics Committee and the Board. *Refer to the Social and Ethics Committee's report on page 167 and regulatory compliance in Corporate governance from page 153*

MINIMISING THE ENVIRONMENTAL IMPACT CONTINUED

"Sibanye-Stillwater's environmental function has firmly embraced the challenge set by the Board and Executive Committee to effectively reduce costs"

Water sampling close to our Stillwater operations in the US

PERFORMANCE

CDP SCORE

The CDP, formerly the Carbon Disclosure Project, which runs the global disclosure system that enables companies, cities, states and regions to measure and manage their environmental impacts, has rated Sibanye-Stillwater as A- for the second consecutive year. This is within the leadership band and higher than the global metals and mining sector average of C, and higher than the Africa regional average of B.

A significant change in 2018 was the inclusion of Stillwater in our submission and the incorporation by the CDP of recommendations made by the Task Force on Climate-Related Financial Disclosures in their questionnaire, which included multi-disciplinary categories, governance, targets, energy, risks and opportunities.

COST SAVINGS

Sibanye-Stillwater's environmental function has firmly embraced the challenge set by the Board and Executive Committee to effectively reduce costs through proactive management of environmental incidents, water conservation, carbon footprint management and reducing our reliance on Rand Water at the SA operations. Several cost-savings initiatives have been identified while others remain work-in-progress. Those identified and implemented do not compromise on legal compliance or our ability to deliver an efficient service to internal and external stakeholders.

SA gold and PGM operations

Our cost-savings initiatives include:

- Improved efficiencies in contract management including checking and verification of invoicing for goods and services delivered
- Reducing reliance on Rand Water through the treatment of water in compliance with the water use licence
- Roll-out of water conservation and water demand management initiatives including leak detection and repairs
- Engagement with the Department of Water and Sanitation to correct water resource management strategy charges

In 2018, the closure liability for the SA operations was reduced through concurrent rehabilitation and transfer of assets following the DRDGOLD transaction.

We have encouraged the South African government to extend the implementation date for the proposed Financial Provisioning (FP) Regulations to 20 February 2020, which, among other proposals, includes the potentially mandatory inclusion of 15% value-added tax (VAT) in all closure provisions.

A preliminary costing model has been developed to determine the potential impact of the proposed legislation, and all its aspects on our operations and Sibanye-Stillwater at large, and for only the 15% VAT component of the new FP Regulations. Our total closure provisions could increase by as much as just over R1 billion. The impact of, among others, the inclusion of latent and residual liabilities are still to be determined, as the proposed FP Regulations are not clear on this aspect.

Refer to page 150 for details

US PGM operations

Cost savings and efficiency initiatives include:

- Maximising tailings backfill volumes to extend the operating life of our surface tailings storage facilities
- Minimising underground water inflows to reduce the volume of water treated and managed
- Concurrent reclamation to reduce long-term closure liability
- Initiated closure of the original tailings storage facility at the Stillwater mine to reduce long-term closure liability
- Ongoing water-treatment optimisation to improve treatment efficiency
- LED lighting changes to improve lighting efficiency and reduce costs
- New product reviews to reduce hazardous waste generation and related costs

WATER MANAGEMENT

Sibanye-Stillwater acknowledges that water is a critical resource, and considers an integrated approach to the management of its water footprint and its water systems infrastructure as a key component of its business strategy. Efficient water management is vital in terms of preservation, consumption and cost. We are therefore committed to the responsible use of water in a manner that is sustainable for production and host communities. We respect the environment, our host communities and employees with whom we share water, and strive to improve and ensure the safety and security of this precious resource.

Our water conservation and water demand strategy consists of various components:

- using alternative available underground water sources to replace purchased water in line with the conditions of our water use licences
- identifying and reducing wastage of water through the implementation of improved metering, water balance management, leak detection and repair initiatives

Water use

	2018					2017				2016		
	Group	US PGM operations	SA operations			Group	US operations[1]	SA operations		SA operations		
	Total		Total	PGM	Gold	Total	PGM	[8]PGM	Gold	Total	PGM	Gold
Total water withdrawn[2] (ML)	**125,844**	**4,073**	**121,771**	**15,992**	**105,779**	125,800	2,447	[8]14,496	108,857	111,693	4,376	107,317
Water discharged[3] (ML)	**70,791**	**3,580**	**67,211**	**0**	**67,211**	70,586	1,714	0	68,872	65,833	0	65,833
Water used[4] (ML)	**55,773**	**1,213**	**54,560**	**15,992**	**38,568**	55,213	733	14,496	39,984	45,860	4,376	41,484
Total water purchased[5] (ML)	**20,278**	**120.66**	**20,157**	**9,029**	**11,128**	21,036	94	9,040	11,902	15,027	2,674	12,353
Water purchased from water services authorities (%)	**36**	**10**	**37**	**56**	**29**	38	13	62	30	33	61	30
Volumes treated[6] (Mt)	**41.37**	**3.5**	**37.87**	**20.57**	**17.30**	41.83	1.9	20.90	19.03	26.80	6.60	20.20
Intensity[7] (kL/tonne treated)	**1.35**	**0.35**	**1.44**	**0.78**	**2.23**	1.32	0.43	0.69	2.10	1.71	0.66	2.05

[1] For eight months from May to December 2017

[2] Total water withdrawn: water abstracted from groundwater sources and total purchased

[3] Water discharged into environment at licensed discharge points

[4] Water used: Total withdrawn minus water discharged

[5] Total water purchased: potable water purchased and waste water purchased at Rustenburg operations

[6] Volumes treated: Dry tonnes processed in Sibanye-Stillwater metallurgical plants and concentrators

[7] Intensity: Water used/tonne treated

[8] SA PGM figures restated to include purchased water at compressors, sewage works and villages, and a portion of groundwater abstraction, which was previously under-estimated

WATER USE MONITORING

At our SA operations, the Zednet automated water monitoring system was successfully extended to include all SA operations. More than 300 potable water meters are now being used to monitor water consumption continuously and to identify the location of water leaks. The monitoring system is also used to monitor water quality and critical reservoir levels.

The strategy to monitor and manage our water footprint is aligned with our strategy to be more independent of municipal water in order to improve our water security and reduce our dependence on external suppliers of potable water.

While Sibanye-Stillwater advances its critical water independence strategy, water cost saving initiatives continue.

WATER COST-SAVING INITIATIVES

In 2018, R245 million (2017: R231 million) was spent on the purchase of potable water, which was 4% less than it was in 2017. The cost of purchased water increased by 6.2% due to an average 10.3% annual tariff increase.

Water sampling close to our Rustenburg PGM operations in South Africa

MINIMISING THE ENVIRONMENTAL IMPACT CONTINUED

POTABLE WATER CONSERVATION AND WATER DEMAND MANAGEMENT

A key success factor to achieve independence from external water suppliers, is to reduce water demand by minimising leakage and losses. The table that follows compares 2018 potable water consumption with that of previous years and indicates the savings achieved.

Potable water purchased (ML)

Gold operations	2018	2017	2016[1]	2015
Beatrix	**2,863**	2,881	2,758	3,201
Cooke	**1,790**	2,123	2,692	4,112
Driefontein	**1,603**	2,210	1,657	1,726
Kloof	**4,872**	4,688	5,247	5,755
Gold – Total	**11,128**	11,902	12,353	14,794
PGM operations[2]				
Kroondal	**1,917**	1,744	2,333	–
Rustenburg	**4,557**	4,637	4,977	–
PGM – Total	**6,474**	6,382	7,309	–
SA operations	**17,602**	18,284	19,663	14,794

[1] *Includes Kroondal and Rustenburg operations for the full year*

[2] *SA PGM figures include purchased water at compressors, sewage works, villages and a portion of groundwater abstraction, previously under-estimated*

The SA gold operations reduced water purchased by 774ML (7%) despite the increase in the volume of water purchased for Kloof – 3% more as a result of several pressure surges at the Libanon supply point, causing increased leakage. This increase was offset by substantial decreases in water volumes purchased at Cooke and Driefontein. At Cooke, the decrease (333ML or 16% year-on-year) reflects the success of initiatives to reduce water leakages and losses. At Driefontein, a decrease of 607ML or 27% year on year reflects stable production of potable water from the Driefontein water-treatment facility and, to a lesser extent, the operational disruptions.

Consumption at the PGM operations increased by 1%, largely attributed to the water purchased at the Kroondal operation (173ML or 10% year on year) as a result of extremely dry conditions in the final quarter of 2018, necessitating an increase in the volume of potable water required to sustain production.


Infrastructure at our Waterfall PGM concentrator plant in Rustenburg, South Africa

SA OPERATIONS: STRATEGIC WATER PROJECTS

We operate in complex surface water catchment areas, which have numerous water users, including the communities, farmers, other industrial users and mining houses. Although water resources are monitored extensively, limited information is available in terms of quantification of residual and latent liabilities.

Project to quantify residual and latent liabilities

The aims and objectives of the project to quantify residual and latent liabilities are to:

- Quantify the potential liabilities associated with our mining activities
- Provide recommendations for mitigation
- Align remediation approach (mitigation measures) with regulators and other water stakeholders

The project will consider all catchments in which we operate. Our SA gold operations, specifically the Wonderfonteinspruit and Loopspruit catchments have been prioritised as part of the study.

To date, findings of the assessed catchments have indicated the following:

- The Upper Wonderfonteinspruit is seriously impacted by numerous water users in the catchment area. Management of discharge qualities, through strict control of discharge water treatment, remains a priority.
- The mid- and lower-Wonderfonteinspruit show significant improvement in terms of water quality despite upstream inputs from the affected upper Wonderfonteinspruit. Discharge qualities from Driefontein and Kloof have shown excellent compliance and in-stream monitoring indicates that water quality requirements have largely been met. Management measures are expected to focus on habitat improvement, which will be explored further in the next phases of the project.
- The Loopspruit, which receives input from Kloof, is in a good state in terms of water quality with excellent overall discharge compliance. Wetland areas and certain parameters will be considered during the course of subsequent phases of the study.

Cooke 4 shaft closure

Ezulwini Mining Company (EMC) appealed to the Minister of Environmental Affairs (appeal authority) against the Regional Manager: Mineral Regulation for the Gauteng regional office of the Department of Mineral Resources' negative environmental authorisation decision dated 30 April 2018. EMC's application to the Department of Mineral Resources was for the decommissioning of the underground mine workings and associated cessation of pumping operations at Ezulwini mine, Gauteng, under reference GP 30/5/1/2/2 (38) MR.

The appeal authority issued a decision on the appeal on 6 March 2019, which upholds EMC's appeal and sets the Department of Mineral Resources' negative decision aside and refers the matter back to the Department of Mineral Resources for reconsideration.

West Rand Trans-Caledon Tunnel Authority mine drainage treatment facility

Successful operation of the dewatering and acid mine drainage (AMD) treatment plant led to a drop in the level of the Western Basin water table from 7.7m to 11.68m below the 18 winze decant point in 2018. In total, 11 670ML of impacted AMD mine water was treated, achieving 96.5% compliance to the directive limits, and discharged into the Tweelopiesspruit.

Driefontein North Shaft potable water treatment plant

In 2018, this plant achieved the following:

- Cost savings of R42.6 million
- Produced 3,493.5ML blended softened water
- Complied fully with SANS 241 water quality

Cooke 4 potable water treatment plant

The Ezulwini potable water treatment plant's stable operation enabled lower municipal potable water consumption. The plant tested Crystalactor® technology for the treatment of mine service water in the past year, showing greater metal removal potential for application at other sites.

In 2018, this plant: achieved the following:

- Cost savings of R7.2 million
- Produced 1,068ML of softened water
- Complied fully with SANS 241 water quality

Cooke underground closure planning

Alternative regional socio-economic solutions for the long-term sustainable closure of Cooke's underground mining operations have been completed.

The most environmentally responsible and cost-effective, sustainable closure solution for these operations includes installation of four concrete plugs between Harmony's Doornkop mine and Cooke 1, followed by natural rewatering of the mine workings. A closure plan, with specialist studies in support of the closure strategy, has been completed.

West Rand tailings retreatment potable water pilot plant

A water treatment pilot plant is to be established at Kloof 4 to reduce high salt load in service water, thereby extending the life of the existing infrastructure and facilitating maintenance savings of about R3 million.

Wastewater treatment works optimisation

All our wastewater treatment works at the SA operations were reviewed to identify opportunities to improve water discharge compliance and to reduce operating costs. The review highlighted optimisation opportunities across the SA operations, including the conversation of the Kroondal wastewater treatment works to a transfer station, leveraging the under-utilised Waterval wastewater treatment works, which is running below capacity.

We monitor our water resources

MINIMISING THE ENVIRONMENTAL IMPACT CONTINUED

"Efficient and proper management of US PGM operations' water resources continues to be a critical and focused operational effort"


We have a water plant close to our SA gold operations

US PGM operations

Efficient and proper management of US PGM operations' water resources continues to be a critical and focused operational effort. Due to the nature of our rock associated with the J-M Reef, neither acid-rock drainage nor metal mobility is a concern. Our primary constituent of concern is nitrogen that is introduced by blasting agents and dissolved in the water flowing through the mines. Given the pristine environment where our mines are located, we focus on proper management of the water following treatment.

First, we employ all reasonable efforts to limit the volume of water encountered underground. Mine water grouting programmes are instrumental in limiting water inflows in our footwall laterals. While driving a footwall lateral, the area in front of the drive is constantly probed with drills to evaluate rock conditions and major water sources. Should a major water source be identified, the drill hole is then used to grout and seal off the water source and allow mining through that zone with limited inflow.

Water encountered in the stoping (mining) blocks must be managed through water treatment and management systems. Limited grouting occurs in these areas, because they are actively mined in multiple cuts. This water generally contains elevated nitrogen from the blasting process. From the stopes, this water is brought to surface to manage. Initially this water is recycled and reused as make-up water in the mill and tailings storage facilities, underground for drill water, in equipment washbays; and for dust control, among other uses. As a result of these water recycling efforts, very little fresh water is necessary for operations. Generally fresh water use is associated with potable water needs, including drinking and showering.

The balance of the mine water not recycled is treated through our mixed-bed bio-reactors where the nitrogen contained in the water is converted to nitrogen gas in a biological process and released to the atmosphere. These treatment plants remove upwards of 90% of the nitrogen contained in the water stream. As a result, the discharge of remaining nitrogen in the water is consistently 15% to 30% of regulatory limits or lower. Following treatment, the mine water is either returned to groundwater through a combination of percolation ponds or a groundwater injection well or land-applied using agricultural pivots for beneficial use.

US OPERATIONS: WATER MANAGEMENT PROJECTS

During the year, the following specific water management projects were advanced at the US PGM operations:

Hertzler percolation ponds

As a result of the need for increased water disposal capacity at the Stillwater mine, the Hertzler percolation ponds were permitted and constructed. These new percolation ponds increase water disposal capacity by a minimum of 1,000 gallons per minute (gpm). This treated water exceeds drinking water standards and is percolated into the groundwater system near the Hertzler tailings storage facility to improve the hydrologic balance.

Water treatment plant expansion

With ongoing expansion activities associated with the Blitz Project, the water treatment capacity at the Stillwater mine was increased from approximately 1,250gpm to 3,000gpm. This treatment plant expansion continues to focus on biological denitrification.

Benbow injection well optimisation

The injection capacity of the existing Benbow injection well was increased from 500gpm to 900gpm with the addition of new pipelines and a booster pump. Prior to the upgrades, an extensive hydrologic and engineering evaluation was completed to ensure increasing injection pressures would not compromise the integrity of the well construction or the injection formation. A study was also completed to evaluate the possibility of converting the Benbow potable well to an injection well, if needed.

Clarifier thickener upgrades

At the East Boulder mine, we began installing a new thickener tank in advance of the water clarifier. With increasing mine water flows and solids loading, the new thickener, in combination with the clarifier, will allow the mine to continue to meet targeted water quality and discharge solids loading in the mine water percolation.

GENERAL RISKS

Through a robust risk management process at our SA operations, we have identified the following general environmental risks for which action plans and mitigation strategies have been developed and are being implemented:

- Changes in legislation due to FP Regulations
- Preserving water in North West for sustained and continued operations
- Slow responses from regulators in respect of approving licences and amendments
- Regional water closure strategy and alignment of industry, community, local and national government among others
- Closure of Ezulwini and the ongoing legal battle to obtain regulatory approvals for this process
- Residual and latent liabilities
- Climate change and global warming

COMPLIANCE

SA gold and SA PGM operations

At our SA PGM operations, new water use licences were issued for our Rustenburg and Kroondal operations. The Rustenburg water use licence has been reviewed. We are engaging with the regulator to align conditions where clarity is required.

Although no new water use licences were issued for the SA gold operations, we have had successful interactions with the Department of Water and Sanitation about the water use licence amendment applications submitted. While we continue to engage with the regulator, we expect the amended water use licences to be issued during the first half of 2019.

General authorisation for the reclamation and rehabilitation of historically impacted wetlands at all Cooke operations has been approved.

The third phase of the integrated water use licence application for Burnstone is underway, including public participation and submission of final specialist assessment reports. The Department of Water and Sanitation visited the site and did not find any serious concerns.

Average underground and effluent discharge compliance improved by 3% across all operations with plans to address compliance challenges.

South African legislation, primarily through the National Water Act and supported by the National Environmental Management Act, requires the management and protection of the water resource, for all users. Legislation takes into account all watercourses – rivers, drainage lines or wetlands. Requirements for the licensing of activities occurring within the legislated buffer areas of these watercourses requires not only the registration of the water use but also specialist assessments, monitoring, management and mitigation measures to be implemented.

Within the SA operations, we influence the three major catchment areas in which we operate – Crocodile West/Limpopo (gold and PGM operations), Olifants (PGM operations) and Vaal (gold operations) – in terms of direct and indirect water quality and quantity contributions and abstractions, changes in habitat and flow patterns as well as associated changes in biological components.

Operation	Compliance (%)		Comment
	2018	2017	
Beatrix **Treated effluent**	**97**	95	• Largely consistent results with a slight improvement due to management interventions
Burnstone	**82**	88	• Decrease in in-stream compliance due to non-mining contributions in the catchment following temporary stoppages in the discharge
Driefontein **Underground water**	**97**	81	• Stricter operational control focusing on contractor management and reporting has resulted in improved reaction to areas of concern
Driefontein **Treated effluent**	**91**	86	• Stricter control in operational aspects
Ezulwini **Underground water**	**62**	64	• Outcome of partial closure application as well as the proposed amendments to unrealistic water use licence discharge limits are awaited
Kloof **Combined underground and treated effluent**	**86**	86	• Overall compliance has remained consistent • Amendments of unrealistic licence conditions are being processed by the Department of Water and Sanitation
Cooke **Underground water**	**56**	56	• Medium-term strategies for the removal of mud from surface and underground dams has resulted in improved compliance which will be evident in 2019

MINIMISING THE ENVIRONMENTAL IMPACT CONTINUED

These influences are monitored using the following techniques:

- Routine sampling and analyses of water quality, including tracking of issues and management measures to ensure compliance with licences and the protection of other water users
- Monitoring biological indicators to determine spatial and temporal trends in terms of the influences exerted by mining-related activities (*refer to Biomonitoring of rivers fact sheet*)
- Water quantity monitoring and analyses using water and salt balances to determine improvements in terms of efficiencies and cost-saving initiatives to achieve water conservation and water demand management targets

Over and above the river systems for which the monitoring and management initiatives described above are performed, numerous smaller systems, such as drainage lines and wetlands are also managed by:

- Specialist wetland assessments to determine wetland boundaries, health and management measures, and monitor management measures
- Floodline delineations to determine watercourse floodline boundaries, including drainage lines

SA OPERATIONS: WETLANDS IN REHABILITATION

In natural water systems, wetlands act as purifiers in freshwater systems. The wetland's natural ability to attenuate flows and reduce the concentration of potentially harmful constituents can be enhanced in constructed wetland systems to assist in water treatment.

Careful design is critical and, while wetlands are less intensive in terms of resource and maintenance, as opposed to conventional chemical and mechanical treatment technologies, they require maintenance.

The ability to replicate the benefits of wetlands through the artificially constructed wetlands has resulted in the implementation of several wetland initiatives. The aims of which are to re-establish the once functional wetland systems that have been historically impacted.

Increasingly applications of these passive treatment solutions are becoming more popular in respect of water quality management due to the comparatively low maintenance and operational costs associated with these systems. They also continue to perform beyond the life of an operation.

Illegal mining also has an impact on the environment (*refer to the fact sheet at www.sibanyestillwater.com*).

SA operations: Biodiversity assessments

Biodiversity assessments have been conducted at Driefontein, Kloof and Burnstone. Similar assessments are being conducted at Beatrix, Rand Uranium and Ezulwini, as well as an update at Burnstone. The following species of interest, as per the International Union for Conservation of Nature (IUCN) and South African National Biodiversity Institute (SANBI) Red List data, have been found, although this is not a comprehensive list of all species in the respective areas.

IUCN/SANBI Red List status	No. of species observed	Species observed
Near threatened	12	• *Eupodotis caerulescens* (Blue Korhaan) [1, 3] • *Mirafra cheniana* (Melodius Lark) [2] • *Adromischus umbraticola subsp umbraticola* (Cliff Andromischus) [2] • *Panthera pardus* (Leopard) [2] • *Miniopterus schreibersii* (Natal Clinging Bat) [2] • *Rhinolophus clivosus* (Geoffroy's Horseshoe Bat) [2] • *Rhinolophus darlingi* (Darling's Horseshoe Bat) [2] • *Myoti tricolor* (Temminck's Hairy Bat) [2] • *Vulpes chama* (Cape Fox) [3] • *Leptailurus serval* (Serval) [3] • *Atelerix frontalis* (Southern African Hedgehog) [3] • *Adromischcus umbraticula* [3]
Declining	2	• *Boophane disticha* (Gifbol) [2, 3] • *Hypoxis hemerocallidea* (African Potato) [2, 3]
Vulnerable	2	• *Rhinolophus blasii* (Blasius's Horseshoe Bat) [2] • *Tyto capensis* (African Grass Owl) [3]
Protected	1	• *Opistophthalmus* pugnax (Burrowing Scorpion) [2]
Endangered	1	• *Circus ranivorus* (African Marsh Harrier) [3]

[1] *Burnstone* [2] *Driefontein* [3] *Kloof*

SA OPERATIONS: IDENTIFYING A NEW SPECIES

Enteromius pallidus (Goldie Barb) has been found downstream of our Kloof operation in SA

A potentially new distinct fish species was found for the first time within the Leeuspruit (Upper Vaal Catchment), downstream of Kloof, during the biomonitoring low-flow assessment in 2018.

The fish has been classified as *Enteromius pallidus* (Goldie Barb) although recent literature indicates that, due to the location of this species, it is likely to represent a completely unique species.

Further monitoring and specific sampling will be performed to establish another data set with a view to confirming that this is a new species and to assist in the formulation of a management programme to protect the fish.

US PGM operations

A number of significant environmental management, compliance, sustainability, and stakeholder engagement achievements and milestones were achieved during 2018. These efforts cross multiple management media types from air, waste, and water and focus on stakeholder engagement, minimising our environmental footprint, and strategic planning. As an industry leader in environmental stewardship we believe in continuous improvement through collaboration, innovation and balancing our activities with the natural environment.

Examples in the past year include:

- **Compliance** – During the year, the US PGM operations operated significantly below permitted discharge limits for SO_2 air emissions, and nitrogen discharge. SO_2 emissions were under 5% of permitted limits and nitrogen discharge was continually less than 30% of permitted limits.
- **Water treatment expansion** – At the Stillwater mine, water treatment facilities were expanded from a treatment capacity of 1,250gpm to 3,000gpm. This will ensure adequate water treatment capacity with ongoing expansion of the Blitz project.
- **Adaptive management planning** – Through the Good Neighbor Agreement, Sibanye-Stillwater has been working with the Stillwater Protective Association and Cottonwood Resource Council to develop a stakeholder-driven, independent water monitoring and assurance plan aligning with the goals and objectives of the Good Neighbor Agreement. This adaptive management plan has been developed to adjust as conditions change, knowledge improves, regulatory criteria is modified or as targets change.
- **Defining tailings management best available technology** – In collaboration with our stakeholders, including the Montana Department of Environmental Quality, the US Forest Service, and the Good Neighbors, and with support of an internationally recognised independent review panel, we have been defining site-specific best available technology for future storage of our tailings materials. This includes a comparison of filtered tailings, thickened tailings, paste tailings, co-mingled tailings, and conventional tailings slurry.
- **Closure of the Stillwater mine tailings storage facility** – During 2018, we initiated closure of the original tailing storage facility at Stillwater. These activities included design level cone-penetration testing and initial placement of geosynthetics and a waste rock cap placement in the southwest corner of the facility. Closing and dewatering the facility is estimated to take about four years.
- **Recycling** – Sibanye-Stillwater continues to operate the world's largest autocat recycling programme. In 2018, over 686,592 3E PGM ounces were fed at the recycling operations in the US. For comparison, 592,608 2E ounces were mined in the US in 2018.
- **Strategic planning** – During the year, the US PGM operations developed long-term strategic plans related to future tailings and waste rock management, characterisation and permitting; long-term water management; and air permitting. These plans are iterative and designed to complement the existing mines and business plans.
- **Stillwater Protective Association community barbecue** – In association with the Stillwater Protective Association, Sibanye-Stillwater hosted a community Good Neighbor barbeque at its Beartooth Ranch. This barbeque included an evening of presentations, and a question-and-answer session for community members and interested visitors on the operation of and activities at Stillwater, including interaction with Sibanye-Stillwater's CEO, Neal Froneman, and other executive team members.

See the fact sheet: Working together, the Good Neighbor Agreement

"A potentially new distinct fish species was found for the first time within the Leeuspruit (Upper Vaal Catchment), downstream of Kloof, during the biomonitoring low-flow assessment in 2018"

MINIMISING THE ENVIRONMENTAL IMPACT CONTINUED

US OPERATIONS: STOP I-186 CAMPAIGN

Our leadership in the industry coalition Stop I-186 campaign, which would have stifled mining development in the state of Montana, contributed to a resounding "No" vote.

Initiative 186 (I-186) would have required the Department of Environmental Quality to deny a permit for any new hard-rock mine in Montana unless the mine's reclamation plan provided clear and convincing evidence that the mine would not require perpetual treatment of water polluted by acid mine drainage or other contaminants. The supporters of I-186 stated that the terms "perpetual treatment", "perpetual leaching" and "contaminants" had not been fully defined and would require further definition by the Montana Legislature or through Department of Environmental Quality rule-making.

Opposition to I-186 represented a diverse cross-section of organisations and groups in Montana, including Sibanye-Stillwater. All agreed that it would have a negative impact on mining and the state of Montana – upsetting the balance that provides for thousands of families while protecting the environment.

Sibanye-Stillwater maintains that "our mining improves lives." We are the largest industrial employer in Montana with more than 1,600 employees. Conducting our business among the world's most pristine landscapes is a unique privilege, and we are stewards of the environment not only because of our regulatory and social obligations but also because we live and recreate there. We believe in our unique balance between environmental stewardship and responsible rural economic development, which I-186 jeopardised.

"A number of significant environmental management, compliance, sustainability, and stakeholder engagement achievements and milestones were achieved during 2018"

Monitoring rivers near our US PGM operations

INCIDENT MANAGEMENT

As per Sibanye-Stillwater's procedures require that, all incidents are reported, investigated, classified and managed according to their potential risk and impact on the environment. Root-cause analyses are conducted to inform appropriate action plans that will mitigate potential impacts and also prevent a recurrence of the incident. All incidents are classified, evaluated and reported internally on a monthly basis and externally to the regulators when required.

While we consider all environmental incidents serious, we disclose all level 3 (short-term impact), level 4 (medium-term impact) and level 5 (long-term impact) environmental incidents to the relevant competent environmental authority/ regulator.

SA gold and SA PGM operations

In 2018, no level 4 or 5 incidents were reported with a 58% decrease in the number of level 3 incidents. The total number of level 3 incidents decreased to five (2017:12) with all of the incidents closed out. Two level 3 incidents were reported at our gold operations and three at the SA PGM operations. Four of the incidents related to mine dam overflows and one to the discharge of mine water following theft of a pipeline. The impact of these incidents can be classified as negligible or low with a short duration.

The decline in incidents reported followed as a result of the below average rainfall recorded in 2018 as well as the thorough management root cause analysis and controls in place.

See environmental incidents at www.sibanyestillwater.com for more detail on the level 3 and higher incidents reported during 2018

Major non-conformances increased to 94 in 2018 (2017: 22) following a more stringent management review and control process and implementation of a new procedure classifying water discharge quality compliance and dust fall exceedances as non-compliances.

The procedure uses several water quality limits and criteria, frequency of exceedance, as well as toxic and chronic effect limits to determine the severity of the non-conformance.

54% of the non-conformance reported at the gold operations (29 from 54) resulted from exceedances of the licensed discharges limits.

93% of the non-conformance reported at the SA PGM operations (37 from 40) resulted from dust exceedances resulting from the transportation of surface material for reprocessing. An air quality assessment was conducted to determine high-risk areas and effective abatement measures have been implemented.

US PGM operations

The US PGM operations experienced one level 3 incident and 30 internally reportable events during the year. All releases were immediately cleaned up and remediated.

We continue to leverage technology to reduce air emissions to levels well below state and federal limits. Air quality at our US operations are mainly affected by sulphur dioxide (SO_2) at our processing facilities. Gases released from smelting operations are routed through a state-of-the-art, dual alkaline, gas/liquid scrubbing system, which removes approximately 99.8% of SO_2. During the year, 2.6 tonnes of SO_2 was released, amounting to 3.3% of our permitted limit. Monthly discharge rates have been routinely less than 5% of annual permitted levels.

In March 2018, we submitted air quality permit modifications for the Columbus Metallurgical Complex and the East Boulder mine to accommodate increasing processing and production rates. The 13800 Blitz vent raise minor revision was submitted to the Forest Service and State of Montana to permit the necessary ventilation breakout needed to support ventilation demands together with 50E portal in-take at the Stillwater mine. The Montana Department of Environmental Quality has also approved an amendment to the East Boulder mine site's air quality permit to allow average annual ore production of up to 3,000t per day.

"We consider all environmental incidents as serious"

MINIMISING THE ENVIRONMENTAL IMPACT CONTINUED

"The implementation of energy efficiency projects has been instrumental in the continuous reduction of carbon emissions and in reducing our carbon footprint"

We recycle waste for a cleaner environment close to our SA gold operations as part of our industry collective initiatives

CARBON MANAGEMENT

Sibanye-Stillwater considers climate change to be one of the most pressing global environmental challenges of our time, and we recognise the importance of proactively managing our carbon footprint in the global context. We are also committed to contributing to a global solution by deploying responsible strategies and actions.

We have been voluntarily monitoring and reporting on our carbon emissions in our annual and investor reports, including those compiled for the CDP, using the World Resources Institute's Greenhouse Gas Protocol to determine our carbon inventory.

In 2017, the South African Department of Environmental Affairs promulgated regulations for mandatory annual reporting of carbon emissions, primarily to inform the national inventory. Sibanye-Stillwater's first annual report in this regard was submitted to the Department of Environmental Affairs in March 2018.

The South African government has set the trajectory for the country's nationally determined carbon emissions as follows: greenhouse gas emissions are planned to peak between 2020 and 2025, to plateau for 10 years from 2025 to 2035, and to decline from 2036 onwards.

Notwithstanding government's intention, we strive to reduce our carbon emissions year-on-year. During 2018, our 2010 base-year emissions were reviewed and recalculated in accordance with the Greenhouse Gas Protocol to incorporate the US-domiciled Stillwater operations acquired in 2017 as well as the DRDGOLD transaction concluded in July 2018.

The Intergovernmental Panel on Climate Change requires, by 2050, carbon emissions to decrease by 49% to 72%, relative to 2010 levels, and thereby to limit the increase in global average temperatures to below 2°C. We have aligned our carbon-emission reduction objectives accordingly and aim to reduce emissions annually by an average of 2.1%.

Our base-year (2010) Scope 1 and 2 emissions, incorporating Stillwater and the DRDGOLD transaction, amounted to 7,808,692 tonnes carbon dioxide equivalent (CO_2e).

Group Scope 1 and 2 carbon emissions declined by 14% from 2017 to 2018. Our carbon management activities (secondary sealing) at Beatrix reduced carbon emission levels by 198,522 tonnes (described on page 146).

See the fact sheet: Generating clean energy: the Beatrix methane capture and destruction project

GROUP: CARBON EMISSIONS TARGET

The proposed carbon emissions target for the Group was sent to the Science Based Targets Initiative (SBTi) for review against their assessment criteria.

SBTi, a collaboration between CDP, the United Nations Global Compact, World Resource institute and the World Wide Fund for Nature, is aiming for science based target setting to become standard business practice by 2020 so that corporations will play a major role in driving down global greenhouse gas emissions.

The Group target, to reduce absolute scope 1 and 2 GHG emissions by 27% by 2025 from a 2010 base year. On 26 March 2019, the SBTi approved the Group target demonstrating that our emissions reduction targets conform to the required science-based calculation methodology and are aligned to contribute to the global climate change challenge.

SA operations

Annual total CO_2e emissions, Scope 1 and Scope 2, declined by 3.9% (2017: 2.0%) in 2018 to 5,525,134t CO_2e, exceeding our year-end target of 2.1%. On 5 February 2019, the Standing Committee on Finance adopted the Carbon Tax Bill. A carbon levy on petrol and diesel comes into effect from 5 June 2019. The financial impact of the carbon levy on petrol and diesel is estimated to be R2 million per annum (on the basis of the 2018 fuel consumption levels). Should the carbon tax levy be fully enforced, we would be liable for approximately R4 million per annum, based on current emission levels and where a carbon tax is levied on Scope 1 emissions (Phase 1 of carbon tax implementation). Phase 2 of carbon tax implementation is expected to begin in 2023 and it could be extended to include a tax on electricity. During Phase 2, the carbon tax on electricity purchased from Eskom could be passed on to consumers. We submitted our comments on the proposed Carbon Tax Bill to National Treasury on 9 March 2018, rejecting it on the basis of the financial impact on marginal operations.

Scope 1 emissions (direct fuels) decreased by 28% year on year due primarily due to reduction of fugitive mine methane as a result of the secondary sealing at Beatrix. Scope 2 emissions (purchased electricity) decreased by 12% primarily due to the implementation of energy efficiency projects.

The implementation of energy efficiency projects has been instrumental in the continuous reduction of our carbon footprint and therefore the potential carbon tax payable.

Operational changes, such as the cessation of underground mining at Cooke 1, 2 and 3 (reduction of 94,804MWh and 91,960t CO_2e in carbon emissions) as well as disruptions following safety related incidents at Kloof and Driefontein, power disruption earlier in the year at Beatrix, and damage to footwall infrastructure providing access to the western side of the Masakhane shaft contributed to the decreased consumption and emissions.

To maintain alignment with the long-term national emissions reduction trajectory, switching to low-carbon fuel sources where feasible is desirable. The first 50MW unit of the planned solar photovoltaic plant, to be constructed in the West Rand near the gold operations, is expected to be completed by late 2020, subject to final government approvals, and will reduce carbon emissions by 129,858t CO_2e per annum.

SA OPERATIONS: AIR QUALITY MANAGEMENT

A standardised procedure for air quality management monitoring and reporting was finalised in April 2018. This procedure standardises the dust management approach across SA operations.

Key developments during 2018 included active participation in the Highveld Priority Area Implementation Task Team to minimise emissions as well as the completion of an air impact assessment at the Burnstone operation. Burnstone is located in a declared air priority area.

While emissions from Burnstone are largely within legislated limits, air quality in the area is poor due to the cumulative effects of emissions from numerous non-mining related facilities. Burnstone has an approved dust management plan to minimise emissions.

A similar dust risk study was conducted at our SA PGM operations in 2018. The study provided a dust risk profile and quantified particulate matter emissions from major sources so that dust sources could be prioritised.

Quantification of emissions will also be used for annual emissions reporting to the Department of Environmental Affairs South African Atmospheric Emission Licensing and Inventory Portal in March 2019.

Communities are considered as sensitive receptors during air impact assessments. Dustfall regulations require areas to be classified as residential or non-residential in accordance with the local town-planning scheme. Dustfall monitoring networks comprise representative sampling at monitoring points on residential and non-residential sites, and may also include off-site communities. Monitoring results are compared with the limits stipulated in the dustfall regulations, and together with exceedances, reported to the authorities (district municipalities as legislated competent authorities on local air-quality matters).

Atmospheric emissions licences or provisional atmospheric emissions licences are in place at all operations where they are required: Beatrix, Burnstone, Cooke, Driefontein and Kloof.

All operations submitted annual reports for licensed activities on the Department of Environmental Affairs National Atmospheric Emissions Inventory System online portal in March 2018. The next submission is scheduled for March 2019.

US PGM operations

Annual average Scope 1 and Scope 2 carbon emission levels declined by 5.0% (2017: -0.2%) in 2018 to 141,237 tCO_2e.

Scope 1 emissions (direct fuel use) increased by 44% due to higher consumption of diesel for transportation and explosives usage related to the Blitz expansion project. Scope 2 emissions (purchased electricity) decreased by 48% primarily due to a change from a thermal to hydro source of electricity at the Stillwater mine and Columbus Metallurgical Complex.

The Stillwater mine is currently testing a battery powered load haul dumps off-shaft. Depending on testing, this may reduce Scope 1 emissions while correspondingly increasing Scope 2 emissions with battery charging. The US operations also continue to replace existing lighting fixtures with LED bulbs.

ENERGY EFFICIENCY

SA operations

To counter the prospects of rising electricity costs in South Africa, management continues to pursue energy efficiency opportunities at our SA gold and PGM operations in order to limit or reduce the impact on our cost base.

In 2018, the SA gold operations consumed a total of 3.79TWh of electricity – an 8.9% reduction from 2017 consumption of 4.16TWh, largely as a result of energy efficiency improvements, mine incidents, the strike and Eskom interruptions. Successfully implemented energy-efficiency projects enabled 4.5% of the 8.9% reduction in consumption and saved R179 million in electricity expenditure. The SA PGM operations achieved a reduction in electricity consumption largely through footprint optimisation and mill reconfigurations.

MINIMISING THE ENVIRONMENTAL IMPACT CONTINUED

In parallel, management continues to actively participate in several forums aimed at resolving the operational and financial woes faced by Eskom, and the mapping of its medium- to-long term path through the energy transition. These forums have included engagement with stakeholders such as Eskom, directly, government, the National Energy Regulator of South Africa, the Energy Intensive User Group and the Minerals Council South Africa. Sibanye-Stillwater also presented at the public hearings for Eskom's Regulatory Clearing Account applications for Multi-Year Price Determination (MYPD) 3 (years two to four and, separately, year five) and MYPD4, advocating affordable electricity to ensure the sustainability of our operations and global competitiveness.

In terms of NRS048-9, in the event that Eskom cannot supply national electricity demand and institutes load shedding, the operations are issued a "load curtailment" instruction several hours in advance, calling for a managed electricity consumption reduction of 10% (Stages 1 to 2), 15% (Stage 3) or 20% (stage 4), depending on the severity of the event. In response to the load curtailment events experienced in Q4 2018 and Q1 2019 thus far, operations management has managed to minimise production losses and has put in place plans to limit any impact and risks associated with potential future load curtailment events.

Looking forward, the 2019 energy management strategy has been improved to focus on holistic energy efficiency using digital applications, such as digital twinning. The strategy will also continue to focus on ongoing improvements in the use of compressed air, pumping, ventilation and refrigeration, as well as the elimination of waste consumption, application of new technologies and footprint optimisation. This will ultimately reduce electricity consumption and expenditure. The new approach is expected to achieve a net electricity consumption reduction of approximately 2% in 2019.

As part of the medium- to-long term energy management strategy, Sibanye-Stillwater is still pursuing the first 50MW phase of its solar photovoltaic project to be built on a site strategically placed between the Driefontein and Kloof mining complexes on the West Rand. The project, originally envisioned in 2014, represents a partial solution to securing alternative electricity supply and enables the power generated to be injected directly into the mine's electrical reticulation while reducing our overall electricity expenditure and carbon footprint. Sibanye-Stillwater elected to run a competitive tender process to appoint a developer who will build, own and operate the project, and sell power back to Sibanye-Stillwater through a power purchase agreement (PPA). This approach has a minimal upfront capital requirement for Sibanye-Stillwater and allows capital to be prioritised for core mining projects. The tender was successfully concluded in 2017, enabling a significant forecasted return to Sibanye-Stillwater over the course of the agreement. Although several regulatory delays were experienced in 2018, resolutions are expected to be reached in 2019. The PPA will then be executed and construction will begin.

Monitoring rivers near our US PGM operations

US PGM operations

Electricity procurement at the US PGM operations follows two distinct schemes due to nuances in Montana's electricity regulation laws. The Stillwater mine and Columbus Metallurgical Complex can purchase power on the wholesale market as a "choice" customer. The East Boulder mine is required to procure power from a local rural electricity co-operative. In July 2018, the Stillwater mine and Columbus Metallurgical Complex signed a new contract to purchase power from a hydro-electric dam in north central Montana owned and operated by a local Native American tribe. This contract replaced another that sourced power from thermal resources.

In addition to electricity sourcing, the US operations have been actively engaged in LED lighting changes, implementing as needed, secondary ventilation, testing battery-powered equipment, identifying and repairing air and water leaks, employing variable-frequency drives to control pump motors, reducing peak-energy demand, and using soft-starts on all large stationary equipment.

Electricity consumption (TWh)

	2018	2017	2016	2015	2014
SA operations	**5.28**	5.76	5.82	4.21	4.28
Gold	**[1] 3.79**	[1] 4.16	4.16	4.21	4.28
Beatrix	**0.57**	0.63	0.66	0.65	0.65
Cooke	**0.43**	0.54	0.58	0.59	0.63
Driefontein	**1.38**	1.50	1.44	1.47	1.47
Kloof	**1.39**	1.47	1.46	1.50	1.53
PGM	**[4] 1.49**	1.60	1.66		
Kroondal	**0.30**	0.36	0.34		
Rustenburg	**1.18**	1.24	1.32		
US operations	**0.32**	[2] 0.72			
Stillwater [3]	**0.24**	[2] 0.19			
East Boulder	**0.08**	[2] 0.53			
Group	**5.60**	[5] 6.48	[5] 5.82	4.21	4.28

[1] Includes Burnstone's consumption of 0.02TWh
[2] May to December 2017
[3] Includes the Columbus Metallurgical Complex
[4] Includes Marikana
[5] Restated due to totalling errors

Energy intensity (GJ/tonne milled)

	2018	2017	2016	2015	2014
SA operations	**0.52**	0.60	0.68	1.02	0.98
Gold	**0.81**	0.79	0.79	1.02	0.98
Beatrix	**0.72**	0.78	0.69	0.73	0.69
Cooke	**0.38**	0.53	0.43	0.76	0.77
Driefontein	**1.61**	0.91	0.89	1.03	1.09
Kloof	**0.73**	0.94	1.15	1.56	1.36
PGM	**0.28**	0.22	0.45	–	–
Kroondal	**0.17**	0.21	0.51		–
Rustenburg	**0.34**	0.22	0.38	–	–
US PGM operations	**1.34**	[1] 0.95	–	–	–
Stillwater [2]	**1.89**	[1] 1.40	–	–	–
East Boulder	**0.67**	[1] 0.49	–	–	–
Group	**0.55**	0.69	0.68	1.02	0.98

[1] May to December 2017
[2] Includes the Columbus Metallurgical Complex

MINIMISING THE ENVIRONMENTAL IMPACT CONTINUED

SA operations: Energy efficiency project savings

	MWh	t CO_2e	Potential carbon tax savings (R)*
Ventilation fans and cooling networks optimisation	19,997	19,397	931,052
Air and water circuits optimisation	101,619	98,570	4 731,372
Variable speed drive controls on drive motors	8,071	7,829	375,793
Efficiencies from use of turbines	12,115	11,752	564,096
Three-chamber pump system deployment	884	857	41,138
Reduction of electrical distribution footprint	1,752	1,699	81,573
Shaft decommissioning	1,526	1,481	71,069
Processing plant optimisation	6,889	6,682	320,760
Compressor discontinuation	15,805	15,331	735,877
Total	168,658	163,599	7,852,732

** Potential carbon tax savings premised on the tax on electricity coming into effect*

Total CO_2e emissions: Scope 1, 2 and 3 (000t CO_2e)

	2018				2017				2016			2015	2014	2013
	Group	US operations	SA operations		Group	US operations[1]	SA operations		SA operations			SA operations		
	Total	PGM	PGM	Gold	Total	PGM	PGM	Gold	Total	PGM	Gold	Gold	Gold	Gold
Scope 1 (excluding fugitive mine methane)	**203**	**46**	**44**	**113**	196	32	43	121	116	18	99	94	110	62
Scope 1 (fugitive mine methane)	**366**	**NA**	**NA**	**366**	565	NA	NA	565	596		596	650	660	572
Scope 2	**5,097**	**95**	**1,398**	**3,604**	5,837	183	1,573	4,081	4,720	557	4,163	4,272	4,405	3,774
Scope 3	**2,157**	**569**	**995**	**593**	2,539	544	980	1,016	1,029	180	849	867	863	634
CO_2e intensity (per tonne milled)	**0.14**	**0.11**	**0.07**	**0.24**	0.13	0.01	0.06	0.25	0.22	0.12	0.24	0.25	0.28	0.32

[1] January to December 2017 in accordance with World Resources Institute Greenhouse Gas Protocol

For Scope 3 emissions from the US operations during 2017 and 2018, in the absence of a site-specific or US country-specific emission factor, the South African-specific emission factor is used for the Stillwater operations as the bulk of Sibanye-Stillwater's emissions emanate from the SA operations. The US operations continue to refine the processes for the reporting of information for the Scope 3 categories.

Scope 3 categories (as per the World Resources Institute supplementary document "Corporate value chain (Scope 3) accounting and reporting standard") not included:

- *Business travel at the US operations is not tracked and not yet reported*
- *Upstream leased assets: no significant upstream leased assets have been identified*
- *Use of sold products: emissions associated with use of products sold are deemed insignificant as only processing and end-of-life treatment of products sold are expected to have significant associated emissions*
- *Franchises: Sibanye-Stillwater does not have franchises*

Scope 3 categories included:

- *Purchased goods and services: CO_2e emissions associated with extraction and production*
- *Capital goods: CO_2e emissions associated with production of purchased company-owned vehicles*
- *Fuel- and energy-related emissions not included in Scope 1 or Scope 2: emissions associated with extraction, production and transportation of diesel, petrol, liquid petroleum gas, coal, blasting agents, oxyacetylene and grid electricity*
- *Upstream transportation and distribution: CO_2e emissions associated with transportation and distribution of purchased commodities*
- *Waste generated in operations: CO_2e emissions associated with disposal and treatment of Sibanye-Stillwater's solid waste and wastewater in facilities owned or operated by third parties (such as municipal landfills and wastewater treatment facilities)*
- *Business travel: CO_2e emissions associated with employees work-related travel for the SA operations*
- *Employee commuting: CO_2e emissions associated with transportation of Sibanye-Stillwater's employees between homes and work sites*
- *Downstream transportation and distribution: CO_2e emissions associated transportation of products from Sibanye-Stillwater sites*
- *Processing of sold products: CO_2e emissions associated with smelting to repurpose products*
- *End-of-life treatment of sold products: CO_2e emissions associated with smelting to repurpose products*
- *Downstream leased assets: CO_2e emissions associated with the leasing of houses where emissions are generated from electricity use at the SA operations*
- *Investments: CO_2e emissions from investments*

Nitrogen oxide and sulphur dioxide emissions [2] (tonnes)

	2018	2017	2016	2015	2014	2013
Nitrogen oxides						
SA operations	**1,119**	1,126	887	618	19,901	14,618
US operations	**112**	[1] 105	–	–	–	–
Group	**1,231**	1,231	887	618	19,901	14,618
Sulphur dioxides						
SA operations	**656**	605	667	499	632	464
US operations	**4**	[1] 6	–	–	–	–
Group	**660**	611	667	499	632	464

[1] *January to December 2017*

[2] *Nitrogen oxide and sulphur dioxide emissions for the SA and US operations are derived by the multiplication of fuels (diesel, petrol, liquid petroleum gas, coal, helicopter fuel and paraffin) by the corresponding emission factors. The US operations also include SO_2 emissions from the Columbus Metallurgical Complex*

WASTE MANAGEMENT

Sibanye-Stillwater aims to act responsibly in terms of waste management through the implementation of existing waste management procedures based on the current environmental policy statement: “efficient use of resources and responsible management of all waste streams”.

Waste management (Mt)

	2018				2017				2016			2015	2014	2013
	Group	US operations	SA operations		Group	[1] US operations	SA operations		SA operations			SA operations		
	Total	PGM	PGM	Gold	Total	PGM	PGM	Gold	Total	[2] PGM	Gold	Gold	Gold	Gold
Tailings deposited														
Tailings storage facilities	**18.94**	**0.67**	**4. 86**	**13.41**	32.70	0.39	17.05	15.26	26.16	10.7	15.46	14.31	15.73	13.11
Tailings into pits	**3.89**	**NA**	**0**	**3.89**	3.27	0	0	3.27	4.02	0	4.02	4.20	3.79	–
Waste rock	**6.44**	**1.3**	**5.14**		3.39	0.87	12.52	0	2.40	2.22	0.18	7.14	0.60	0.76
Recycled waste [3]	**12.18**	**0.69**	**0**	**11.49**	11.45	0	0	11.45	12.09	0	12.09	11.34	11.96	13.29
Total mining waste	**29.27**	**1.97**	**10.00**	**17.30**	39.36	1.260	19.57	18.53	32.61	12.92	19.69	25.65	20.12	13.87

[1] *May to December 2017*

[2] *Nine months for Kroondal and two months for Rustenburg operations*

[3] *Gold-bearing material such as waste rock dumps retreated at plant*

The Columbus Metallurgical Complex facility in Montana, US

MINIMISING THE ENVIRONMENTAL IMPACT CONTINUED

Materials consumed

	2018				2017				2016			2015	2014	2013
	Group	US operations	SA operations		Group	[1] US operations	SA operations		SA operations			SA operations		
	Total	PGM	PGM	Gold	Total	PGM	PGM	Gold	Total	[2] PGM	Gold	Gold	Gold	Gold
Timber (t)	**85,564**	**146**	**14,193**	**71,225**	117,706	263	16,041	101,402	110,606	82	110,524	163,722	104,468	110,524
Cyanide (t)	**3,450**	**NA**	**NA**	**3,450**	7,552	NA	NA	7,552	11,967	NA	11,967	11,924	11,758	11,967
Explosives (t)	**30,437**	**4,331**	**21,920**	**4,186**	31,942	3,893	22,140	5,902	13,814	7,046	6,768	7,854	4,175	6,768
Hydrochloric acid (t)	**5,148**	**1**	**0**	**5,147**	4,469	0.4	NA	4,469	4,414	NA	4,414	3,773	3,579	4,414
Caustic soda (t)	**2,632**	**0**	**0**	**2,384**	3,378	204	NA	3,174	2,674	NA	2,674	3,421	2,947	2,674
Lime (t)	**50,278**	**0**	**0**	**50,278**	72,378	NA	NA	72,378	76,556	NA	76,556	68,128	39,843	76,556
Cement (t)	**19,809**	**3,454**	**8,294**	**8,062**	60,706	16,459	3,459	40,788	44,378	1,513	42,865	41,101	38,579	42,865
Diesel (kL)	**26,903**	**8,766**	**12,635**	**5,502**	26,059	7,344	12,772	5,943	10,422	3,325	7,097	6,410	6,274	7,097
Lubricating and hydraulic oil (kL)	**8,730**	**447**	**6,817**	**1,466**	7,170	565	5,194	1,411	7,777	7,777	–	–	–	–
Grease (kg '000)	**154**	**15**	**17**	**122**	224	11	26	187	19	19	–	–	–	–

[1] *Represents January to December 2017 figures while Sibanye-Stillwater consumption is only from May to December 2017*

[2] *Includes operations under management: Kroondal (50%) from April to December 2016 and Rustenburg from November to December 2016*

At the gold operations, changes such as the cessation of underground mining at Cooke 1, 2 and 3 as well as disruptions following safety related incidents at Kloof and Driefontein, power disruption earlier in the year at Beatrix and the transfer of transfer of Driefontein 2 and 3 gold plants to DRDGOLD from August 2018 has contributed to a general decrease in the volume of materials consumed in 2018 as compared to 2017. During 2018, the volume of surface material processed at the gold plant increased to compensate for the lower tonnage from underground. The mineralogy of surface material required a higher strength of hydrochloric acid for effective processing and which resulted in increased quantities of hydrochloric acid in 2018.

In reference to materials consumed by the US PGM operations, a comparison of year-on-year use showed a reduction in timber use, cement and hydraulic oils while increasing use of greases. All other parameters remained essentially unchanged. While explosives and diesel show increased use, the values reflected in the table above compare eight months of use in 2017 versus 12 months in 2018. As a result, for explosives and diesel (year-on-year), these values are essentially the same when reconciled for a full 12-month period.

Timber is used at the mines for ground support and backfill activities. Annual use is dependent on the type of rock encountered underground, mining method, backfill type and the need for additional ground support. Less timber was needed for these activities in 2018 as a result of better ground conditions during the year and the type and location of backfill activities. Similarly, cement use decreased significantly during 2018 as a result of less paste backfill and improved ground conditions resulting in lower shotcrete requirements. Lower hydraulic oil use was observed as a result of improved equipment operation and maintenance activities including more frequent "greasing" of equipment which resulted in higher grease use.

SA gold and PGM operations

Our gold operations focused on improving waste record keeping and licensing management in 2018 to ensure compliance with legislation at national and regional levels, specifically in terms of the National Environmental Management: Waste Management Act, and its associated standards and regulations.

A focused sewage sludge initiative began in 2018 and progress will be reported in 2019. The project aims to investigate the beneficial use of sewage sludge waste that is typically sent to landfill and classified as hazardous. In-vessel composting technology was purchased for two of the gold operations as a pilot with the following benefits:

- Sewage sludge waste treated to acceptable standard for beneficial use as compost or fertiliser for rehabilitation and/or agricultural applications
- Decrease in resource requirements for disposal and management of sewage sludge
- Reduced greenhouse gas emissions
- Opportunities created for community and municipal involvement as well as expansion of the composter at other operations or in applications such as food waste processing

A waste minimisation plan is being developed for the SA PGM operations in line with our aim to have zero waste to landfill by 2030.

The National Environmental Management: Waste Management Act: National Information Regulations requires that certain waste generators are registered with the national and regional waste information systems. The need to report on waste information is defined according to the type and quantity of waste produced by a waste generator. The Driefontein gold operation was the only operation that required registration in 2018 while the SA PGM operations were already registered. The regulations highlight the importance of accurate waste record-keeping.

Progress was made with the planned donation of a portion of mine land (119 hectares) on which the Waterval landfill is located, to the Rustenburg Local Municipality. Through the donation process, Sibanye-Stillwater will relinquish the liability for closure and will only be responsible for the latent or residual liabilities or impacts, pollution and ecological degradation emanating from the previous use of the site for mining-related activities.

US PGM operations

Hazardous and non-hazardous waste generation rates at the US operations remained essentially unchanged during the year. The Stillwater and East Boulder mines are identified as conditionally exempt small-quantity generators by the EPA while the Columbus Metallurgical Complex is a large-quantity generator as a result of lead waste generation from the fire-assay process in the laboratory. Both mines continue to generate small quantities of hazardous waste associated with aerosol can disposal and the occasional need to dispose of waste chemicals. For many years, the US PGM operations have implemented a new product review process: any products proposed for use on site must first undergo an extensive chemical review by the environmental and safety departments. If the proposed product contains any chemicals that present a safety or environmental risk, they are rejected and not allowed on site. This process has enabled our waste generation rate to remain low.

During 2018, the Stage 2, Phase 1 section of the East Side waste dump at the Stillwater mine was lined to collect all meteorological water passing through the dump and leaching residue nitrogen from the waste rock. There are four proposed lining stages for the waste dump with Stage 1 complete and Stage 2, Phase 1 complete. All "new" waste rock generated at the Stillwater mine is placed on a liner. The lining also serves to cap existing, historic waste rock not placed on the liner. The Stage 2, Phase 2 liner is scheduled for installation in the spring of 2019 while Stage 3 and Stage 4 are scheduled for later years depending on waste rock production rates. Similarly, at the East Boulder mine, the waste rock lining system was completed in 2016 and all waste rock is now stored on liners for water collection. At both mines, the water collected from the waste rock lining systems is transferred to the water treatment plants for denitrification and water management.

Both mines continued with extensive future waste rock and tailings design and permitting efforts, including identification of best available technologies, site investigations, alternatives assessments, failure modes effects analysis, and multiple accounts analysis for the various waste rock and tailings storage alternatives. These activities and efforts were all completed in collaboration with stakeholders including the Good Neighbors, regulatory agencies, independent review panel experts, and local communities. During the year, the Stage 6 expansion of the East Boulder tailings storage facility was submitted to the agencies for permitting while efforts continue for preparation of the plan of operations Amendment for the future Lewis Gulch tailings storage facility and the Dry Fork waste rock storage dump at East Boulder. At Stillwater, similar activities are underway for a Plan of operations amendment for the Hertzler Stage 4/5 tailings storage facility expansion and an expansion of the east side waste rock storage dump. In both cases, the plan of operations amendment is targeted for submission in Q4 2019, which will initiate a multi-year environmental review and assessment by the permitting agencies.

At the Columbus Metallurgical Complex, efforts for the year focused on routine maintenance and cleanout of the SO_2 regeneration circuit and ongoing management of the gypsum by-product. During the year, approximately 450t of calcified scale was cleaned from the regeneration circuit and properly managed. This maintenance activity will ensure the ongoing successful operation of the SO_2 removal circuit for future years at the smelter. Additionally, the US operations continue to pursue a long-term gypsum management strategy. During the year, a long-term management contract was established with a local landfill, investigations were conducted for a company-managed long-term gypsum storage repository, relationships were established with area farmers for ongoing gypsum agriculture use, and testing was initiated for possible use of the synthetic gypsum in a cement plant in Montana.

"Our concurrent rehabilitation and closure strategy considers the protection of land and biodiversity to ensure post-mining land uses acceptable to stakeholders"

Our SA gold operations run a combat project against alien invasive trees

MINIMISING THE ENVIRONMENTAL IMPACT CONTINUED

"New mine developments undergo a detailed environmental impact assessment process"

REHABILITATION AND CLOSURE

Our concurrent rehabilitation and closure strategy considers the protection of land and biodiversity to ensure post-mining land uses acceptable to stakeholders. Rehabilitation plans promote indigenous vegetation growth and aim to return land to a pre-mining state, weighed against socio-economic development requirements as well as the views of impacted mining communities insofar as end land use is concerned.

Refer to the 2018 Group Annual Financial Statements

Our management processes contribute to the conservation of biodiversity and integrated approaches to land use planning, as guided by the ICMM.

SA operations

At our SA operations, new mine developments undergo a detailed environmental impact assessment process in which all protected areas and the potential impacts from development are identified in line with the national environmental legislation. Mitigation actions and plans are included in environmental management programmes for which approval is sought from the regulatory authorities. Where development needs to occur in ridges and wetlands, we apply for licensing, and specific mitigation measures are proposed and signed off by the relevant regulatory authority before implementation. Scientific information on mine closure and rehabilitation as well as biodiversity aspects are continuously generated by professional scientists and other experts, and disseminated to the mining industry through the Minerals Council's Environmental Policy Committee, the South African Mining Biodiversity Forum, relevant catchment management forums, the Land Rehabilitation Society of Southern Africa as well as conferences and research projects.

Total closure liability for the SA operations as at 31 December 2018 (including our portion of environmental liability in joint ventures and projects) was R7.1 billion. Of this, R2.8 billion was for the PGM operations and R4.3 billion for the gold operations. The inclusion of 15% VAT, as currently proposed in draft legislation, would add approximately R1.1 billion to the cost. We await the anticipated issuance of the draft financial provisioning regulations for public review and comment.

The closure plans have focused specifically on redundant buildings and infrastructure as well as infrastructure on prolonged care and maintenance.

At our PGM operations, R1.15 billion (43%) of the total provision of R2.8 billion was identified for potential permanent closure. Care and maintenance opportunities at our gold operations include the Libanon 9 and Beatrix 2 shafts with a closure provision of R26.4 million. Execution of the closure liability reduction projects and initiatives identified is subject to, among others, finalisation of the mine plans for 2019 and beyond.

US PGM operations

In addition to responsible closure and reclamation, the US operations have conservation easements on nearly 40% of its owned land. These legal mechanisms protect scenic vistas, enhance wildlife habitat, and preserve wildlife migration corridors, while maintaining Montana's rural character and fostering biodiversity and healthy forests.

Reclamation and closure bonds are required at both mines in the US to ensure adequate resources are available to fund reclamation activities at closure. The amounts are adjusted at least every five years or as required by expansion and disturbance requirements following a collaborative review by the US and its regulatory agencies. Based on the five-year review, the East Boulder mine is scheduled for review in 2019 while the Stillwater mine is scheduled for 2020. State and federal regulatory authorities initiate and complete these reviews. The US operations assist in these reviews, provides information and data as requested, and ultimately sign off in agreement with the agency review and calculation.

During the year, US$1 million of additional bond was included for the Stillwater mine to address ongoing expansion activities associated with Blitz. This included the addition of the rail-dump expansion, the 50E north portal addition, the 13.8 surface ventilation breakouts, and water treatment expansions. The reclamation and closure bond is currently US$25.3 million at the Stillwater mine, including the Benbow Portal, and US$18.0 million at the East Boulder mine. An additional US$0.3 million is held for exploration activities not directly tied to either mining operation, for a total of US$42.6 million.

Of the 643 hectares permitted for disturbance, 71% has been disturbed for a total of 457 hectares. Of that total, 236 hectares have been reclaimed for a total of 52% of all disturbance. To date, the US operations have not requested any bond release associated with those 236 hectares.

The US operations have also initiated closure of the original tailings storage facility at the Stillwater mine.

SA OPERATIONS: HERITAGE ASSESSMENTS

All environmental impact assessments include heritage assessments – as indicated below for our gold operations:

- **Beatrix** – No sensitive heritage resources identified
- **Burnstone** – Cemetery dating back to 1933
- **Driefontein** – Sites of archaeological importance found (houses, ruins, workshops, headgear, hostels, graves and graveyards, Iron Age sites, kraals, huts, Anglo-Boer War stone-packed structures, religious sites and dilapidated buildings)
- **Ezulwini** – Sites of cultural significance identified (cemeteries, historic structures, cultural practice areas and Late Iron Age archaeological sites)
- **Kloof** – Sites of archaeological importance identified (Iron Age settlements, kraals, historic buildings, cemeteries, historic shops and farms, and Pullinger shaft)
- **Rand Uranium** – Graves identified

"Legal mechanisms protect scenic vistas, enhance wildlife habitat, and preserve wildlife migration corridors"

US PGM operations: Land under management and rehabilitated in 2018 (hectares)

	Total and/or permitted	Disturbed	Undisturbed	Rehabilitated/ reclaimed
East Boulder	132.9	86.3	46.6	20.8
Stillwater	427.9	357.7	70.2	215.0
Columbus Metallurgical Complex	82.6	13.0	69.6	0
Total	**643.4**	**457.0**	**186.4**	**235.8**

FUTURE FOCUS

SA operations

- Broad alignment of the US PGM and SA operations Environmental Vision, values and practices to the key principles and philosophies that underscore the ESG criteria
- ISO 14001 implementation planned by 2022 with a comprehensive gap analysis across all the operations planned for 2019
- Challenging the complex legislative environment such as the financial provision legislation and carbon tax to develop greater clarity and certainty
- Proactive participation to drive a regional water closure strategy with closer alignment and co-operation between industry, community, local and national government
- Comprehensive carbon footprint disclosure and reduce our carbon footprint through implementation of emission reduction measures
- Improving verifiable compliance to conditions in water use licences, environmental management programmes, atmospheric emissions licences and other regulatory, legal and generally accepted standards
- Reduce overall closure liability, through a focused and cost-effective concurrent rehabilitation programme

US PGM operations

- Good Neighbor Agreement and other stakeholder collaboration
- Environmental management system gap analysis and programme definition
- Streamlining toxic inventory reporting
- Implementation and testing of the GNA adaptive management plans
- Technology enhancement
- Integrated waste management permitting (long-term) for tailings and waste rock
- Long-term gypsum management strategy
- Strategic land acquisitions
- Completion of an independent bond review
- Automation of tailings operation, maintenance and surveillance programs
- Reduction in petroleum releases and spills

section

04

governance

Our Code of Ethics requires the reporting of contraventions and non-compliance with relevant legislation and regulations and includes procedures to address corruption and bribery.

CORPORATE GOVERNANCE AND LEADERSHIP

Sibanye-Stillwater is committed to ethical and fair business dealings and promotes a corporate culture which is non-sectarian, non-political, socially and environmentally responsible and thus subscribes to the core values of the organisation and the following principles:

- fairness and integrity in all business dealings, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships
- respect for the human rights and dignity of others
- acceptance of diverse cultures, religions, race, disability, gender and sexual orientation
- embarking on business activities in a manner that is free of bribery and corruption
- honesty and accountability
- adherence to sound standards of corporate governance, applicable laws and commitment to working with relevant stakeholders to achieve appropriate public policy, laws, regulations and procedures that facilitate a contribution to sustainable development.

In addition, Sibanye-Stillwater is committed to ensuring that all public communications and any documents which the organisation files or submits to any regulatory body or public communication system, has disclosure which is full, fair, accurate, timely and understandable. The principles above are implicit in our CARES values, and are applied in the management of our business, decision-making and in all reporting to and interaction with shareholders and other stakeholders. Our corporate governance framework is underpinned by our policy statements on ethics, corporate governance and human rights.

ETHICAL AND RESPONSIBLE LEADERSHIP

ETHICS IN ACTION

Our Code of Ethics was reviewed and updated in 2018 to take account of the US operations, suppliers and contractors as well as social media. The revised Code of Ethics requires that all Board members, employees, contractors and suppliers conduct themselves ethically, honestly and fairly. The code, together with supporting policies, is based on our core CARES values and is the foundation on which the integrity of our organisational culture is built. Our code and policies are dynamic and evolving as we strive for even higher standards.

The code addresses among others, general conflicts of interests, monitoring of procurement-related conflicts of interest, confidentiality, bribery, political contributions, accountability and insider trading. Regular ethics training is provided for all employees, including those returning from leave, our business partners and Board members.

In building and sustaining an ethical corporate culture, the Board is assisted by the Audit Committee which is accountable for ensuring Group-wide compliance with the Code of Ethics, and by the Social and Ethics Committee which seeks to ensure that Sibanye-Stillwater complies with best practice in the ethical management of its social and environmental responsibilities.

Our Code of Ethics requires the reporting of contraventions and non-compliance with relevant legislation and regulations and includes procedures to address corruption and bribery such as a toll-free line, managed by an independent third party (Deloitte) that guarantees anonymity. The toll-free numbers are: South Africa 0800 001 987 and United States 1-800-317-0287. This enables employees, suppliers and customers to report any irregularities and misconduct without fear of victimisation. The toll-free number is used to report any concerns, including non-compliance.

CORRUPTION IN 2018

A total of 353 incidents (2017: 638) relating to dishonesty were reported at Sibanye-Stillwater's gold operations leading to 313 (2017: 537) employees, including contractors, being charged and disciplined in terms of our Code of Ethics in 2018.

Unlike in 2017, reporting in 2018 excluded policy breaches that did not amount to dishonesty or corruption, which accounts for the perceived reduction in incidents year on year. Furthermore, the lower number of incidents and arrests reported for 2018 may be attributable to a sharp decrease in incidents related to illegal mining as a result of the rolling out of various initiatives to combat this phenomenon.

At Sibanye-Stillwater's PGM operations in South Africa, 130 (2017: 71) of these incidents were reported with 122 (2017: 44) employees implicated being charged and disciplined in terms of our Code of Ethics.

The following anonymous calls were received during 2018 at the SA operations:

	2018				
Area	**Q1**	**Q2**	**Q3**	**Q4**	**Total**
Fraud	1	13	1	17	32
Breach of company policy	5	11	6	10	32
Procurement fraud	4	7	8	7	26
Corruption	2	6	7	1	16
Illegal mining	1	3	6	3	13
Theft of mine property	2	6	4	3	15
Time and attendance fraud	4	5	3	4	16
Total	**19**	**51**	**35**	**45**	**150**

Many of the calls provided valuable leads which were investigated.

The US operations were incorporated onto the anonymous tip-off service hosted by Deloitte on 1 May 2018. Three calls and one email were received during the year, the three phone calls were test calls to check that the telephone line was operational, and the email was a test report requested to check that the correct reporting lines were followed. No actual complaints or tip-offs, other than the test calls and email detailed above, were received during the year.

Given the numerous transactions undertaken by Sibanye-Stillwater in recent years, every effort was made to ensure that no director, management official or other employee of Sibanye-Stillwater was able to benefit directly or indirectly based on unpublished price-sensitive information. A strict procedure which included provision of trading pre-clearance by the Board Chairman and JSE regulatory announcements of any dealings by executive directors was followed. In addition, in certain instances and when required, self-imposed prohibited trading periods were implemented when management believed price-sensitive information was available. We also adhered to strict communication and compliance with blackout/closed periods.

In terms of the Code of Ethics, Sibanye-Stillwater does not, as a general rule, make political donations, either in cash or in kind. No political donations were made in 2018.

CORPORATE GOVERNANCE AND LEADERSHIP CONTINUED

RESPONSIBLE CORPORATE CITIZENSHIP

The Board ensures that the company is and is seen to be a responsible corporate citizen. We ensure this by incorporating the principles of responsible corporate citizenship into our strategy, and by considering the full range of issues that potentially influence the sustainability of the business and our ability to create value over the long term. These principles take into account the social, economic, and natural environments in which Sibanye-Stillwater operates. In particular, the Social and Ethics Committee has oversight of the Group's activities relating to responsible corporate citizenship while the Board, when making decisions, considers the impact of Sibanye-Stillwater's operations on society and the environment, as well as its financial impact on the communities and employees.

Given the importance of the mining industry to the South African economy and to the state of Montana in the United States, and to host and labour-sending communities in particular, our corporate citizenship responsibilities are significant. These responsibilities – which include: the workplace, society, the economy and the environment – underpin our corporate strategy as well as our reputation and relationships with our workforce and communities. Our performance in these areas is detailed in the relevant sections of this report as follows:

Workplace	• Employee safety, health and well-being is a priority • Focus on addressing financial indebtedness • Improving diversity • Employee development and training • For further detail see Superior value for the workforce, Safe production, occupational health and well-being
Economy	• Profitable, safe production of precious metals that are sold to generate revenue • Job creation • Sharing value created with key stakeholder groups: – Salaries and wages paid to employees – Taxes and royalties paid to governments – Investment in socio-economic initiatives and local procurement – Returns to investors through payment of dividends and capital appreciation For further detail see How we create value, CFO's report, Superior value for the workforce
Society	• Investment in community development and contributing to alternative economic activities • Implementation of social impact management plans as well as having in place a social closure strategy • Local procurement For further detail see Social upliftment and community development
Environment	• Managing our environmental impacts and risks and complying with relevant legislation, including: – Land management, rehabilitation and closure – Water and waste management – Air quality – dust and energy and emissions management – For further detail see Minimising our environmental impact

As scrutiny on the integrity of minerals supply chains intensifies globally, the imperative of demonstrating the responsibility of our mining operations is becoming an increasingly critical priority for all our stakeholders. In addition to local stakeholders who have direct interest in our environmental, social and governance (ESG) performance and with whom we sustain our licence to operate, investors, lenders and off takers are progressively insisting on more exacting standards being honoured.

Sibanye-Stillwater's operations have subscribed to the World Gold Council's Conflict Free Gold Standard since its introduction in 2012 to ensure that our mining does not cause, support or benefit unlawful armed conflict or contribute to serious human rights abuses or breaches of international humanitarian law. Our Conflict Free Gold Report will be published on our website as soon as formal independent assurance of our conformance has been obtained from KPMG in line with the requirements of the standard during 2018.

During the course of 2018, we worked closely with the World Gold Council in developing the Responsible Gold Mining Principles (RGMPs) that cover the full spectrum of ESG issues. The RGMPs are expected to complement the London Bullion Market Association's (LBMA's) Responsible Gold Guidance, which will start to embrace the ESG credentials of primary producers from January 2019 as part of the mandatory requirements to supply into LBMA-accredited refineries. Parallel work is being undertaken on the development of a responsible PGM mining code in collaboration with the PGM fabrication and beneficiation supply chain through the International Platinum Association.

We continue to sustain and intensify our focus on ESG performance, with gap analysis conducted to identify areas where improvement will enable attainment of enhanced assurance. A need has been identified for the adoption of more formalised Group-wide management systems geared to the requirements of a mine operator spanning commodities and jurisdictions. This will be supported by progressively acquiring certification of management systems relevant to the most critical dimensions of our ESG performance.

Allied to our role as a responsible corporate citizen, is our commitment to the 10 principles advocated by the International Council of Metals and Minerals (ICMM) as well as our adherence to the principles of the United Nations Global Compact. We also take cognisance of the United Nations Sustainable Development Goals (SDGs) which are addressed throughout the various sections in "How we performed" in this integrated report.

STRATEGY AND PERFORMANCE

King IV recommends that the governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process. The Board contributes to and approves the mission, vision and strategy of the company. The Board satisfies itself that the strategy and business plans do not give rise to risks that have not been thoroughly assessed by management and considers sustainability as a business opportunity that guides strategy formulation.

The Group's strategy is consistent with integrated thinking, which links different capitals and ensures sustainable outcomes. The Board participates in an annual strategy session, in which the Board deliberates on the Group's strategy, assesses risks and opportunities, considers progress of implementation of the strategy and ensures that it is in line with Group values and ensures long term success and sustainability of the Group.

RELATIONSHIPS AND STAKEHOLDER ENGAGEMENT

Effective and ongoing stakeholder engagement is essential in identifying potentially material issues and risks and to manage stakeholder expectations. Constructive, meaningful, transparent relationships with stakeholders are vital to retaining our social and legal license to operate. The Board, assisted by the Audit, Social and Ethics, Safety and Health, and the Risk committees, has oversight of stakeholder engagement and its role in the management and mitigation of material issues and risks. Stakeholder engagement is guided by our Code of Ethics.

A comprehensive communications strategy, together with a stakeholder engagement policy, is in place to oversee stakeholder engagement and manage expectations. As a responsible corporate citizen, Sibanye-Stillwater fosters and maintains constructive engagement with all stakeholders in order to fulfil our vision to improve lives and to deliver on our strategy and to create value by maintaining our social licence to operate, for our long-term success and sustainability.

Effectiveness of stakeholder engagements is monitored by the Social and Ethics Committee.

See *Stakeholder engagement, Managing risks and opportunities, Social upliftment and community development, Superior value for our workforce, Ensuring safe production, Occupational health and well-being and Minimising the environmental impact for further detail*

TAX GOVERNANCE

In line with commitments to responsible corporate citizenship and ethical value creation, Sibanye-Stillwater strives to arrange its tax affairs effectively and efficiently and to act in good faith, by complying with current laws in the jurisdictions in which it operates. We have adopted a conservative approach to tax risk management, understanding our responsibility to pay our tax.

The Group recognises the importance of an effective and efficient tax risk management framework to promote governance, address tax risk and create superior value. Our tax strategy provides a Board-approved tax governance framework through which our tax obligations and associated risk are managed, reported and monitored. The framework is based on good corporate tax citizenship and is aligned with the principles of King IV. The Group uses a decentralised model to ensure compliance with the current laws in the jurisdictions in which we operate. Our tax strategy is supported by a tax policy which is an operational document detailing processes and policies to ensure the effective implementation and compliance.

Ultimately, the Board is accountable for tax governance and must provide oversight of how tax is managed within the organisation by managing key stakeholders' concerns, overall tax risk and delegating authority for the management of tax. In this, the Board is supported by the Audit Committee, Risk Committee and the Executive Committee.

Sibanye-Stillwater currently has no subsidiaries operating in tax havens. It is also not Sibanye-Stillwater's intention to start operating in tax havens.

Overview of the tax landscape

Sibanye-Stillwater contributes directly to tax authorities and other regulators by way of taxes borne and taxes paid in the jurisdictions in which it operates, enabling governments to provide social infrastructure and services.

To deal effectively with uncertainty in the tax landscape in these jurisdictions and to meet objectives and stakeholder expectations, the Group follows a continuous, proactive and dynamic process to monitor both local and international tax developments and to identify, understand, manage and communicate tax risks that may impact the Group's objectives as set out in the Enterprise Risk Management Framework (ERMF).

In monitoring all tax positions, the Group further monitors developments in the international tax landscape, and with specific reference to the Base Erosion and Profit Shifting (BEPS) programme. The Group, in response and in adherence to the BEPS programme, and the South African Revenue Service (SARS) Country-by-Country (CbC) Reporting requirement, submitted its CbC report for the 31 December 2017 year of assessment on 28 December 2018.

The Group acknowledges that the continued focus on the extractive industry, influenced by political changes and the complexity of the operating environment, may give rise to a challenging fiscal environment.

VALUE CREATION AND REPORTING

The Board is committed to good governance while directing and guiding the Group to deliver on its strategic objectives and to create value. We actively integrate our stakeholder engagement, material risk and opportunity evaluation, strategy, business model and performance to create value for our shareholders and stakeholders. We commit to transparent reporting that focuses on:

- our strategy and value creation process in compliance with the requirements of the exchanges on which we are listed and best practice;
- providing stakeholders and the financial investment community with clear, concise, accurate and timely information on Sibanye-Stillwater's operations and results; and
- reporting integrated information to shareholders on Sibanye-Stillwater's financial and sustainability performance.

Our suite of annual reports includes this integrated report, which is our primary report, a mineral resource and reserve report, the financial report and a company financial report. All reports are reviewed and approved by the Audit Committee on behalf of the Board.

CORPORATE GOVERNANCE AND LEADERSHIP CONTINUED

OUR BOARD, GOVERNANCE STRUCTURES AND PROCESSES

Leadership by our Board is vital to achieving our strategic objectives.

Our Board has a unitary structure and is led by an independent Chairman with the roles of the CEO and the Chairman being separate.

Collectively, the directors have the breadth and depth of skills, knowledge and experience required to effectively discharge their duties and responsibilities. This enables the making of informed, objective decisions, providing effective governance and making a positive contribution to value creation.

Sello Moloko | Neal Froneman | Charl Keyter | Timothy Cumming | Barry Davison | Savannah Danson

Harry Kenyon-Slaney | Richard Menell | Nkosemntu Nika | Keith Rayner | Susan van der Merwe | Jerry Vilakazi

CHAIRMAN

SELLO MOLOKO (53)

BSc (Hons) and Postgraduate Certificate in Education, Advanced Management Programme

Appointed non-executive chairman of the Board on 1 January 2013.

Chairman:

Nomination and Governance Committee

Member:

- Remuneration Committee
- Safety and Health Committee
- Social and Ethics Committee

EXECUTIVE DIRECTORS

NEAL FRONEMAN (59)

Chief Executive Officer

BSc Mech Eng (Ind Opt), BCompt, Pr Eng

Appointed an executive director and CEO on 1 January 2013.

Chairman: Executive Committee

Member:

- Risk Committee
- Safety and Health Committee

CHARL KEYTER (45)

Chief Financial Officer

BCom, MBA, ACMA and CGMA

Appointed a director on 9 November 2012, and executive director and CFO on 1 January 2013.

Member: Executive Committee

INDEPENDENT NON-EXECUTIVE DIRECTORS

TIMOTHY CUMMING (61)

BSc (Hons) (Engineering), BA (PPE), MA

Appointed as a non-executive director on 21 February 2013.

Chairman: Remuneration Committee

Member:

- Audit Committee
- Risk Committee
- Social and Ethics Committee

SAVANNAH DANSON (50)

BA (Hons) Communication Science and Finance, MBA, Strategic Planning and Finance

Appointed as a non-executive director on 23 May 2017.

Member:

- Audit Committee
- Remuneration Committee
- Safety and Health Committee

BARRY DAVISON (73)

BA (Law and Economics), Graduate Commerce Diploma, CIS Diploma in Advanced Financial Management and Advanced Executive Programme

Appointed as a non-executive director on 21 February 2013.

Chairman: Safety and Health Committee

Member:

- Nominating and Governance Committee
- Remuneration Committee
- Risk Committee
- Social and Ethics Committee

HARRY KENYON-SLANEY (58)

BSc (Hons) (Geology), International Executive Programme

Appointed non-executive director on 16 January 2019.

RICHARD MENELL (63)

MA (Natural Sciences, Geology), MSc (Mineral Exploration and Management)

Appointed as a non-executive director on 1 January 2013.

Chairman: Risk Committee

Member:

- Audit Committee
- Nominating and Governance Committee
- Safety and Health Committee
- Social and Ethics Committee

NKOSEMNTU NIKA (60)

BCom, BCompt (Hons), Advanced Management Programme, CA (SA)

Appointed as a non-executive director on 21 February 2013.

Member:

- Audit Committee
- Nominating and Governance Committee
- Remuneration Committee
- Social and Ethics Committee

KEITH RAYNER (62)

BCom, CTA, CA (SA)

Appointed as a non-executive director on 1 January 2013.

Chairman: Audit Committee

Member:

- Remuneration Committee
- Risk Committee
- Social and Ethics Committee

SUSAN VAN DER MERWE (64)

BA

Appointed as a non-executive director on 21 February 2013.

Member:

- Audit Committee
- Nominating and Governance Committee
- Risk Committee
- Safety and Health Committee

JERRY VILAKAZI (58)

BA, MA, MBA

Appointed as a non-executive director on 1 January 2013.

Chairman: Social and Ethics Committee

Member: Nominating and Governance Committee

Detailed curriculum vitae of Board members are available on the corporate website at www.sibanyestillwater.com

BOARD CHARTER

Sibanye-Stillwater's ability to deliver on its purpose, mission and strategic objectives is underpinned by the quality and expertise of its leadership. The Board provides sound, effective, ethical leadership and strategic guidance, ensuring that the principles of good governance are the foundation of all that we do and ensuring appropriate business and financial risk management is in place.

The Board charter sets out the Board's responsibilities, authority and mandate. The Board charter is reviewed annually and is aligned with the Companies Act 71 of 2008, as amended, King IV, JSE Listings Requirements and the NYSE Listed Company Manual. The Charter can be accessed through *https://www.sibanyestillwater.com/about-us/corporate-governance*

Key areas of Board deliberation in 2018

- Safety
- Deleveraging of balance sheet
- Proposed Lonmin acquisition
- Strike at SA gold operations

Planned areas of focus for 2019

- Completion of proposed Lonmin acquisition and integration
- Ethics and value-driven performance
- Continue current safe production strategy

CORPORATE GOVERNANCE AND LEADERSHIP CONTINUED

OUR BOARD AND ITS COMMITTEES

AUDIT COMMITTEE

Chairman: Keith Rayner

Ensures financial sustainability of the Group by monitoring and reviewing financial controls and procedures, as well as the effectiveness and integrity of internal audit and control systems. Appoints independent, external auditor. Oversees regulatory and legislative compliance

Members: Tim Cumming, Savannah Danson, Rick Menell, Nkosemntu Nika and Susan van der Merwe

No. of meetings annually: six

No. of meetings in 2018: eight

RISK COMMITTEE

Chairman: Rick Menell

Ensures sustainability of the Group by evaluating and overseeing implementation of efficient risk management processes and controls to identify, monitor and mitigate risks and to act on opportunities identified

Members: Barry Davison, Tim Cumming, Neal Froneman, Keith Rayner and Susan van der Merwe

No. of meetings annually: two

No. of meetings in 2018: two

NOMINATING AND GOVERNANCE COMMITTEE

Chairman: Sello Moloko

Develops our approach to matters relating to corporate governance and makes recommendations to the Board on all such matters, while keeping abreast of best practice. Monitors and evaluates effectiveness and composition of the Board and its committees while planning for director and senior executive succession planning

Members: Barry Davison, Rick Menell, Nkosemntu Nika, Jerry Vilakazi and Susan van der Merwe

No. of meetings annually: four

No. of meetings in 2018: four

Board

Chairman: Sello Moloko

Has ultimate responsibility for providing solid ethical leadership and strategic guidance, ensuring that the principles of good corporate governance underpin all that we do and all decisions made in delivering on our strategic objectives

Members: 10 non-executive directors and two executive directors

No. of meetings annually: four and one strategy session

No. of meetings in 2018: seven and one strategy session

All Board members attended all meetings in 2018

REMUNERATION COMMITTEE

Chairman: Tim Cumming

Ensures payment of fair rewards to attract, retain and motivate executive management with the skills and experience necessary to support and sustain the company and its strategy, and evaluates performance in relation to reward

Members: Savannah Danson, Barry Davison, Sello Moloko, Nkosemntu Nika and Keith Rayner

No. of meetings annually: four

No. of meetings in 2018: five

SAFETY AND HEALTH COMMITTEE

Chairman: Barry Davison

Ensures adherence to occupational health and safety laws, regulations and external standards, reviews relevant policy and monitors performance of related key indicators so as to minimise mining-related accidents and their impacts.

Members: Savannah Danson, Neal Froneman, Rick Menell, Sello Moloko and Susan van der Merwe

No. of meetings annually: four

No. of meetings in 2018: four

SOCIAL AND ETHICS COMMITTEE

Chairman: Jerry Vilakazi

Supports and assists the Board in ensuring compliance with best practice recommendations relating to the ethical conduct of our stakeholder engagement. Oversees and monitors anti-corruption policy and performance, the company's standing as a responsible corporate citizen particularly in relation to the Code of Ethics. Monitors compliance in terms of UNGC

Members: Tim Cumming, Barry Davison, Rick Menell, Sello Moloko, Nkosemntu Nika and Keith Rayner

No. of meetings annually: four

No. of meetings in 2018: four

CHARACTERISTICS OF OUR BOARD

Independence and size

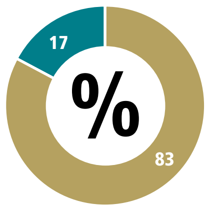
Independent, non-executive chairman

12 DIRECTORS

10 independent, non-executive directors

Unitary Board

Independence*



Independent non-executive directors
Executive directors

Expertise and experience

Target: A Board with an appropriate balance of knowledge, experience and skills in areas pertinent to Sibanye-Stillwater

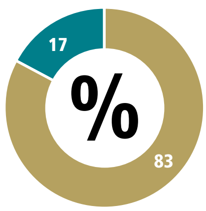
Achieved: Relevant expertise and experience

Gender diversity*

Target: Adopted the Mining Charter 2018 gender target of 20% female representation at Board level as the organisation's gender policy

** See Gender and race diversity policy in Corporate governance*

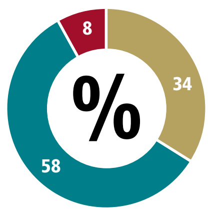
By gender



Male
Female

Racial diversity*

By historically disadvantaged South African (HDSA)



HDSAs
Other South Africans
Other

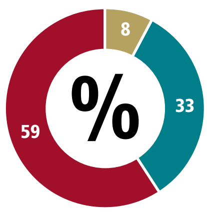
Target: Adopting the Mining Charter 2018 diversity target of 50% at Board level as the organisation's race policy

** See Gender and race diversity policy in Corporate governance*

Age

Target: Currently, the approved retirement age for non-executive directors is 72 years of age. The Board has reserved the right to extend this to 75, provided the member is available and fit to carry out duties

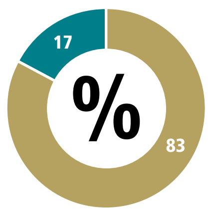
By age



Less than 50 years of age
Between 50 and 60 years of age
More than 60 years of age

Succession and rotation

By tenure



6 years
<2 years

Target: Director rotation ensures a fresh perspective while maintaining continuity of skills, institutional and industry knowledge and experience.

Rotation: Barry Davison will retire at the AGM and is not available for re-election, Neal Froneman, Nkosemntu Nika and Susan van der Merwe retire by rotation and are up for re-election at the May 2019 AGM. New director Harry Kenyon-Slaney will also be elected.

CORPORATE GOVERNANCE AND LEADERSHIP CONTINUED

"The Board has adopted the Mining Charter 2018 gender and race targets at Board level as our gender and race diversity policy."

GENDER AND RACE DIVERSITY POLICY

The Board has adopted the Mining Charter 2018 gender and race targets at Board level as the Company's gender and race diversity policy. These are only effective from the 1 March 2019. The Social and Ethics Committee together with the Nominating and Governance Committee will be monitoring and reporting on the progress made in this regard.

Within five years, the Board will comprise a minimum of 50% historically disadvantaged persons – 20% will be women.

During 2018, the Nominating and Governance Committee actively sought female directors to join the Board. These efforts were, however, unsuccessful. The Board, together with Social and Ethics Committee and the Nominating and Governance Committee, will continue pursuing gender diversity at all levels of the organisation. One of the focus areas for the Social and Ethics Committee during 2018 was women in mining, women in management and assisted by the Remuneration Committee, gender pay parity.

BOARD EFFECTIVENESS AND PERFORMANCE EVALUATIONS

At the beginning of 2017, an external consultant was appointed to independently review the Board's effectiveness. The exercise reviewed the composition of the Board, its attributes and succession planning following the expansion and diversification of the company and concluded that there was a need for an additional director with international, US and PGM experience. Accordingly, the Board mandated the CEO to search for a suitable candidate. This resulted in Mr Harry Kenyon-Slaney being appointed an independent non-executive director on 17 January 2019.

As recommended by King IV, the Board and its committees for 2018, undertook an internal self- assessment. An external assessment will be undertaken in 2019. The results of the internal assessment indicated that all Board members have a clear understanding of the organisation's core business, its strategic direction and the financial and human resources necessary to meet its objectives. The Board devotes quality time to reviewing the implementation of strategy.

Members agreed that the Charter of the Board is clear and covers all appropriate areas and has been complied with, to the fullest extent. The Board was satisfied with the effectiveness and contribution of each of its committees. The Board committees were functioning efficiently and leadership of all the Committees is effective. Continuing education of committee members was an area recommended for improvement.

The size of the Board is considered to be optimal to give every member an opportunity to participate and contribute. The composition of the Board is appropriate in terms of skills, knowledge, experience and qualifications. This is further enhanced by the recent appointment of Mr Harry Kenyon-Slaney, a seasoned mining executive with multinational experience.

In terms of diversity, members noted that there is a need to address the gender aspect. There are currently two female Board members and directors agree more needs to be done in this area.

The Board is satisfied that the evaluation process improves performance and effectiveness.

In addition, the following evaluations were conducted during 2018:

Leadership role	Description of responsibilities	Outcome and recommendations	Succession planning
Chairman	Leads the Board and ensures integrity and effectiveness of Board and committees, and high standards of governance and ethical behaviour	• Members of the Board were satisfied with the performance and leadership of the Chairman. • Annual reappointment of the chairman was undertaken, with Mr Moloko being reappointed as Chairman of the Board for the ensuing year.	Succession planning of the Chairman was discussed both in the context of internal and external candidates.
CEO	• Provides leadership in the area of policy and strategic direction and provides management with comprehensive information, analysis and timely advice on all aspects of the business; • Leads and manages the daily operations	• The Board was satisfied with the performance of the CEO against agreed upon performance measures and targets. • The Remuneration Committee further performed annual review of the CEO's dual contract and approved it for the ensuing year.	Succession planning for the CEO was discussed and potential candidates for development and succession were noted.
CFO and the Finance Function	• Providing leadership, direction and management of the finance and accounting team • Providing strategic recommendations to the CEO/ president and members of the executive management team • Managing the processes for financial forecasting and budgets, and overseeing the preparation of all financial reporting • Advising on long-term business and financial planning • Reviewing all formal finance, and IT related procedures	In terms of the JSE Listings Requirements and King IV, the Audit Committee noted that it was satisfied that the financial director has the appropriate expertise and experience to fulfil his role and that the Finance Function was effective.	Succession planning for the CFO was noted and additional work was to be undertaken.
Internal Audit and Chief Audit Executive (CAE)	• Sets auditing strategies and goals, overseeing implementation and schedules. • Oversee staff, mentoring and developing their skills. • Identify and implement control and compliance initiatives across the organization. • Conduct audits, communicate with departments, and report on audit results.	In terms of King IV, the Audit Committee noted that it was satisfied that the CAE had the necessary competence, gravitas and objectivity.	Successors have been identified and are being groomed.
Company Secretary	• Providing the directors of the company collectively and individually with guidance as to their duties, responsibilities and powers • Making the directors aware of any law relevant to or affecting the company • Responsible for the efficient administration of the Company, and for ensuring compliance with statutory and regulatory requirements in particular	• In compliance with paragraph 3.84(h) of the JSE Listings Requirements. In its assessment, the Board considered the recommended practices of King IV and satisfied itself that the company secretary is competent, qualified and has the necessary expertise and experience to fulfil the role. • The company secretary is not a director of the Group and has an arm's-length relationship with the Board	The appointment of Lerato Matlosa as Company Secretary on the retirement of Cain Farrel was included in the succession plan approved by the Board in line with Cain Farrel's KPIs.

CORPORATE GOVERNANCE AND LEADERSHIP CONTINUED

BOARD COMMITTEES

AUDIT COMMITTEE

The Audit Committee Terms of Reference can be found on https://www.sibanyestillwater.com/about-us/corporate-governance

Membership of and attendance at Audit Committee meetings (2018)

Member	Independent non-executive director	Appointed to the committee	Expertise and experience in:	Meeting attendance
Keith Rayner (Chairman)	✔	1 January 2013	• Corporate finance and accounting • Executive management and governance • Regulatory compliance	8/8
Tim Cumming	✔	30 May 2018	• Engineering in the mining industry • Leadership and strategic development • Financial services	3/3
Savannah Danson	✔	23 May 2017	• Communication, finance, mining and infrastructure management	8/8
Rick Menell	✔	1 January 2013	• All aspects of the mining industry, operationally and at executive management and Board level • Geology • Financial management	8/8
Nkosemntu Nika	✔	21 February 2013	• Finance and accounting at both private and public sector organisations	8/8
Susan van der Merwe	✔	21 February 2013	• Diplomacy, foreign affairs, liaison at highest levels of government and regulators	8/8

In terms of the Companies Act, the Board will recommend members of the Audit Committee for re-election by shareholders at the AGM.

2018: How committee contributed to value creation	2019: Planned areas of focus
• Reviewed and approved the integrated annual report, annual financial statements, interim financial statements and other financial information for publication • Monitored integrity of internal controls, internal financial controls and financial risk management systems to safeguard assets • Monitored and reviewed the independence and effectiveness of internal audit function • Assessed the suitability of external auditors and recommended appointment of new external auditors for appointment by shareholders • Monitored the performance of information and communication technology • Addressed all internal audit and SOX findings • Deleveraging initiatives • Assessed the CFO and Head of Audit • The Audit Committee held additional two meetings during the year to discuss the KPMG issues, which later led to KPMG being replaced by EY *Please refer to the detailed report of the Audit Committee contained in the Annual Financial Report available as part of the suite of reports on www.sibanyestillwater.com*	• Review and approval of deleveraging initiatives • Consolidated reporting – DRDGOLD and Lonmin (following completion of the proposed acquisition)

RISK COMMITTEE

The Risk Committee Terms of Reference can be found on https://www.sibanyestillwater.com/about-us/corporate-governance

Membership of and attendance at Risk Committee meetings (2018)

Member	Independent non-executive director	Appointed to the committee	Expertise and experience in:	Meeting attendance
Rick Menell (Chairman)	✔	1 January 2013	• All aspects of the mining industry, operationally and at executive management and Board level • Geology • Financial management	2/2
Barry Davison	✔	30 May 2018	• All aspects of the PGM mining industry, operationally and at executive management and Board levels • Financial management	1/1
Neal Froneman	✔	30 May 2018	• Operations management • Mergers and acquisitions	1/1
Tim Cumming	✔	13 February 2013	• Engineering in the mining industry • Leadership and strategic development • Financial services	2/2
Keith Rayner	✔	1 January 2013	• Corporate finance and accounting • Executive management and governance • Regulatory compliance	2/2
Savannah Danson	✔	23 May 2017	• Communication, finance, mining and infrastructure management	2/2
Susan van der Merwe	✔	21 February 2013	• Diplomacy, foreign affairs, liaison at highest levels of government and regulators	2/2

2018: How committee contributed to value creation	Areas of focus
• With the changing political landscape and continued depressed commodity prices, country and global risks were reviewed by the committee • US operations specific risks were reviewed in detail	Integration risks

CORPORATE GOVERNANCE AND LEADERSHIP CONTINUED

NOMINATING AND GOVERNANCE COMMITTEE

The Nominating and Governance Committee Terms of Reference can be found on https://www.sibanyestillwater.com/about-us/corporate-governance

Membership of and attendance at Nominating and Governance Committee meetings (2018)

Member	Independent non-executive director	Appointed to the committee	Expertise and experience in:	Meeting attendance
Sello Moloko (Chairman)	✔	1 January 2013	• Financial and executive management	4/4
Barry Davison	✔	21 February 2013	• All aspects of the PGM mining industry, operationally and at executive management and Board levels • Financial management	4/4
Rick Menell	✔	1 January 2013	• All aspects of the mining industry, operationally and at executive management and Board levels • Geology • Financial management	4/4
Nkosemntu Nika	✔	21 February 2013	• Executive management, finance and accounting at both private and public sector organisations	4/4
Jerry Vilakazi	✔	1 January 2013	• Strategic investments • Shaping major public service policies in post-1994 South Africa • Advocacy	4/4
Susan van der Merwe	✔	30 May 2018	• Diplomacy, foreign affairs, liaison at highest levels of government and regulators	2/2

2018: How committee contributed to value creation	2019: Planned areas of focus
• To address gender diversity, the Committee actively looked for women directors on the Board • Recommended gender policy to the Board • Review of Board age limits • Review of Board and Committee charters • Board and Board Committee performance review • Appointment of an additional independent non-executive director with international and US experience • Review and approval of succession plans for the CEO, CFO and Board Chairman • Reviewed new legislation	• Jurisdictional governance and compliance • Gender diversity

REMUNERATION COMMITTEE

The Remuneration Committee terms of Reference can be found on https://www.sibanyestillwater.com/about-us/corporate-governance

Membership of and attendance at Remuneration Committee meetings (2018)

Member	Independent non-executive director	Appointed to the committee	Expertise and experience in:	Meeting attendance
Tim Cumming (Chairman)	✔	13 February 2018	• Engineering in the mining industry • Leadership and strategic development • Financial services	5/5
Barry Davison	✔	23 May 2017	• All aspects of the PGM mining industry, operationally and at executive management and Board levels • Financial management	5/5
Savannah Danson	✔	21 February 2013	• Communication, finance, mining and infrastructure management	5/5
Sello Moloko	✔	21 February 2013	• Financial and executive management	5/5
Nkosemntu Nika	✔	1 January 2013	• Finance and accounting at both private and public sector organisations	4/5
Keith Rayner	✔	1 January 2013	• Corporate finance and accounting • Executive management and governance • Regulatory compliance	5/5

2018: How committee contributed to value creation	2019: Planned areas of focus
• Review and approval of executive remuneration for annual STI and LTI awards plus base pay adjustments • Review of STI performance framework for 2018 (KPIs and BSCs) • Review of gender pay parity • Review of suitable 'remuneration fairness' indicators for on-going analysis • Initiation of a Minimum Shareholding Requirement (MSR) policy for top executives • Approval of executive manager appointments and remuneration • Formalisation of a basis for adjusting STI targets • Review of Remuneration Report relative to King IV code • Review and revision of Terms of Reference • Engagement with institutional investors *See Remuneration report from page 176 for more details*	• Lonmin integration (following completion of the proposed acquisition) and new management structure • Further review of Performance Conditions for vesting of Conditional (LTI) shares • Determination of applicable Performance Conditions for any matching shares applicable to MSR holdings built up by executives

CORPORATE GOVERNANCE AND LEADERSHIP CONTINUED

SAFETY AND HEALTH COMMITTEE*

The Safety and Health Committee terms of Reference can be found on https://www.sibanyestillwater.com/about-us/corporate-governance.

Membership of and attendance at Safety and Health Committee meetings (2018)

Member	Independent non-executive director	Appointed to the committee	Expertise and experience in:	Meeting attendance
Barry Davison (Chairman)	✔	21 February 2013	• All aspects of the mining industry, operationally and at executive management and Board levels • Financial management	4/4
Savannah Danson	✔	30 May 2018	• Communication, finance, mining and infrastructure management	2/2
Neal Froneman	✔	1 January 2013	• Operations management • Mergers and acquisitions	4/4
Rick Menell	✔	1 January 2013	• All aspects of the mining industry, operationally and at executive management and Board levels • Geology • Financial management	4/4
Sello Moloko	✔	1 January 2013	• Financial and executive management	4/4
Susan van der Merwe	✔	21 February 2013	• Diplomacy, foreign affairs, liaison at highest levels of government and regulators	4/4

** Although this committee met four times during the year, the entire Board held additional meetings to discuss safety related matters.*

2018: How committee contributed to value creation	2019: Planned areas of focus
• Safety performance • New ways of working safely • Engagement with stakeholders and mining authorities	Implementation of enhanced safety plans

Much work was done in 2018 to address the Group's anomalous safety performance. For further detail on this work see *Ensuring safe production and Occupational health and well-being from page 102 in this report*.

SOCIAL AND ETHICS COMMITTEE

The Social and Ethics Committee terms of Reference can be found on https://www.sibanyestillwater.com/about-us/corporate-governance.

Membership of and attendance at Social and Ethics Committee meetings (2018)

Member	Independent non-executive director	Appointed to the committee	Expertise and experience in:	Meeting attendance
Jerry Vilakazi (chairman)	✔	21 February 2013	• Strategic investments • Shaping major public service policies in post-1994 South Africa • Advocacy	4/4
Tim Cumming	✔		• All aspects of the mining industry, operational, financial and at executive management and Board levels	4/4
Barry Davison	✔		• All aspects of the mining industry, operationally and at executive management and Board levels • Financial management	4/4
Rick Menell	✔	1 January 2013	• All aspects of the mining industry, operationally and at executive management and Board levels • Geology • Financial management	4/4
Sello Moloko	✔	1 January 2013	• Financial and executive management	4/4
Nkosemntu Nika	✔	30 May 2018	• Executive management, finance and accounting at both private and public sector organisations	2/2
Keith Rayner	✔	21 February 2013	• Corporate finance and accounting • Executive management and governance • Regulatory compliance	4/4

2018: How committee contributed to value creation	2019: Planned areas of focus
• Reviewed and monitored compliance to employment equity targets • Reviewed and monitored compliance to BEE and procurement • Reviewed and implemented recommendation from the Gender Commission report • Women in mining • Review of the gender pay parity • Approved the revised Code of Ethics	• Monitoring of adherence to the Code of Ethics • Gender policy at all levels of the organisation • Environmental, social and governance (ESG) and the Sustainable Development Goals (SDGs) reporting

CORPORATE GOVERNANCE AND LEADERSHIP CONTINUED

REPORT OF THE SOCIAL AND ETHICS COMMITTEE

Jerry Vilakazi
Chairman:
Social and Ethics Committee

In the coming year, the Committee will focus on monitoring of adherence to the Code of Ethics, compliance and improvements to the gender policy at all levels of the organisation.

The Sibanye-Stillwater Social and Ethics Committee (the Committee) is a statutory committee which assists the Board in monitoring the Group's corporate citizenship, environmental, social and governance (ESG), Sustainable Development Goals (SDGs), sustainability and ethics.

The committee is governed by Terms of Reference which detail its duties in terms of the Companies Act 71 of 2008, as amended (the Companies Act) , the JSE Listings Requirements and King IV, as well as responsibilities allocated to it by the Board. These Terms of Reference can be found on the Company's website by following this link *www.sibanyestillwater.com/about-us/corporate-governance*

This report is presented in accordance with the requirements of the Companies Act.

DISCHARGING ITS DUTIES DURING THE YEAR

In the previous report, we reported that the Group complied with the statutory requirements while still addressing some backlog regarding employment equity, supply chain and social and labour plan targets. We are pleased to report that during 2018, the Group has made good progress in each of these areas, noting that our approach is to go beyond compliance by seeking to create value for all our stakeholders and to ensure meaningful transformation.

However, we still have areas of concern, regarding employment equity and local procurement. While we are implementing an attraction and retention strategy that will address employment equity at middle management level, we continue to face a skills shortage. In terms of gender equality, the Committee also spent considerable time reviewing and implementing recommendations from the Gender Commission report, women in mining and gender pay parity. A programme that addresses all the barriers towards achieving employment equity, is in place.

Our approach is to go beyond compliance by seeking to create value for all our stakeholders and to ensure meaningful transformation

A lot of effort has gone into our enterprise development programme

In our endeavour to include local small to medium enterprises and black-owned businesses in our supply chain, we have increased our procurement spend with these businesses. In addition, a lot of effort has gone into our enterprise development programme on activities such as commodity ring-fencing, training and development and small, medium and micro enterprise (SMME) financial and business support.

We have a minimal backlog in our social and labour plans, which is being addressed to ensure continued benefits to the communities around our operations.

In the coming year, the Committee will focus on monitoring adherence to the Code of Ethics, compliance and improvements to the gender policy at all levels of our ESG performance and the SDGs.

Jerry Vilakazi
Chairman: Social and Ethics Committee
29 March 2019

GOVERNANCE FRAMEWORK

A Group governance framework is in place and is continuously being evolved and developed as the business grows. The framework takes into account the existing structures being SA gold, SA PGM and US PGM. It guides the following matters:

- leadership and governance
- strategy development and performance management
- monitoring and oversight
- application of Group policies
- delegation of Authority and Reserved Powers
- operating across jurisdictions
- implementation across the different structures, joint ventures and associates

In the near future, we will focus on:

- refining and aligning of the governance framework as the Group management structure evolves
- alignment of Lonmin into the Group governance and management framework following completion of the proposed acquisition

In addition, in order to fully comprehend the business and the changing environment in which Sibanye-Stillwater operates, the Board has resolved to hold one additional meeting per quarter in order to do an in-depth review of each of the operations.

FUNCTIONAL GOVERNANCE

RISK AND OPPORTUNITY

Which committees have oversight: Audit Committee and Risk Committee

Our risk management framework and processes involve the systematic application of management policies, procedures and practices. It sets out the requirements for effective oversight of risks and ensuring effective integration with the development and execution of Group strategy. The framework includes identifying, assessing, evaluating, mitigating and reporting of risks. This process also includes communicating, consulting and establishing the context for risk, and for opportunity. Operationally, internal audit works closely with the risk management team. Sibanye-Stillwater's risk-management framework and processes, including related policies, procedures and practices, are reviewed annually by the Risk Committee, prior to approval by the Board.

For more effective risk oversight of our risks and risk management, the Audit Committee chairman is a member of the Risk Committee, with the Risk Committee chairman being a member of the Audit Committee.

The Board is satisfied that Sibanye-Stillwater's governance, risk management, compliance, internal control as well as internal audit processes operated effectively for 2018. Business activities were managed within approved risk-tolerance and risk-appetite levels. Primary controls were implemented and continuous reviews undertaken to refine and improve them.

For further detail on our risk management framework and processes and the most significant risks and opportunities identified in 2018, see Managing our material risks and opportunities (from page 40) and the Audit Committee chairman's report in the Group Annual Financial Statements at www.sibanye-stillwater.com as well as the Risk Committee chairman's report (the full version of which is available online at www.sibanye-stillwater.com).

CORPORATE GOVERNANCE AND LEADERSHIP CONTINUED

TECHNOLOGY AND INFORMATION

Which committees have oversight: Audit Committee and Risk Committee

The governance and management of information and related communication technologies (ICT) have become increasingly critical as our dependence on the use of technology to share and collect information – email communication; the electronic exchange of documents and information with suppliers, employees and many others; and the storage of data and information – that is vital to the efficient conduct of our business.

Security of our ICT systems, which apply innovative technology to enhance operational and knowledge performance to enable continuous business improvement, is essential. Our ICT risk governance framework and strategy, which is reviewed annually was approved for 2019, are aimed at minimising risk exposure and mitigating the risks. Cyber risk is strategic (external) rather than operational. An approved Group ICT charter, aligned with King IV and including the US operations, has been approved by the Audit Committee.

Operationally, the CFO, supported by executive management, provides high-level direction for and approves Sibanye-Stillwater's ICT strategy. The SA and US operations have an appointed ICT manager. Oversight is provided by the Audit Committee with the Board having ultimate responsibility.

Major achievements of 2018:

- Full integration of US operations infrastructure into corporate ICT architecture, to benefit from the Group established structures has been completed. Migration of end user computers is scheduled for completion during 2019
- Increased digitalisation of systems remain a core focus for the IT team. Various robotics options are being investigated. A digitalisation steering committee has been established which reports to the Board
- A co-partnership model was adopted with functional business owners in the development, implementation and execution of Business Intelligence KPI measurements and enterprise reporting. This enabled a business model that break down the traditional ICT vs. Business barriers whereby the former has an embedded role within the business
- A service efficiency centre established to deliver Group central services to mining operations on a 24/7 basis.. With the increased focus around Cyber Security, the centre focus on monitoring and response to any immediate threat to the company IT system, The established centre will deliver services to the SA and US operations.
- In addition to quarterly internal vulnerability tests, our ability to prevent and fight off hacking attacks was tested externally. This enabled us to identify a hack and its extent, and to develop a response and related communications plan
- Exercise to determine and prioritise essential information and assets ("crown jewels") to be protected was completed. A business impact assessment of these assets, including reviews of recovery procedures and aligning security controls with information sensitivity, was also undertaken and conducted across all business units. A remediation plan is being developed to prioritise security of key information
- Regular disaster recovery simulations conducted to test application of business impact assessment, the results which were documented along with the lessons learnt. Following feedback, the current ICT application universe was reviewed for impact on availability. Plans are in place to replicate applications with critical and high availability requirements at alternative data centres (Sibanye-Stillwater has three data centres in the SA operations and one in the US operations)
- Work progressed on conversion of the corporate domain ICT infrastructure to a cloud-based system. Cloud-based systems enable the outsourcing of data storage with safety ensured by the supplier and help to reduce the administrative burden relating to business continuity and data recovery. Having completed the consolidation of all data for the SA operations during 2018, the next step will be migrating the data centre facility to an external hosted facility. This externally hosted system will enable Sibanye-Stillwater to benefit from increased bandwidth and availability and place it in a position to optimally support all central services to the SA and US operations
- The project to review the storage and keeping of information and records in line with the Protection of Personal Information Act (POPI) continued and is being aligned with the European Union's General Data Protection Regulations (GDPR). The cloud storage system will entail management of the compliance risk of POPI and the GDPR

Additionally, technological innovation mining is an important aspect of our drive to deliver value by improving efficiencies and productivity at our mining operations. The Safety and Health Committee has oversight of mining technology and innovation. For further information on what was accomplished in the past year, see *Technological innovation and modernisation on page 73.*

OUTLOOK AND PLANS FOR 2019

- Planning for robotics and automation (in internal audit and tax functions, and increased automation in HR payroll, all aimed at driving improved efficiencies
- Preparatory work on future integration of Lonmin into Sibanye-Stillwater's ICT infrastructure has been conducted in readiness for approval of its acquisition

COMPLIANCE

Which committees have oversight: Audit Committee, Risk Committee, Nominating and Governance Committee, Safety and Health Committee, Social and Ethics Committee

Sibanye-Stillwater subscribes to a zero-tolerance policy in relation to non-compliance with laws, regulations, supervisory and other requirements. Compliance Officers for the US and SA operations have responsibility for this.

Compliance risk comprises two elements: regulatory risk and reputational risk. Regulatory risk includes the penalties that Sibanye-Stillwater and its operating entities may incur if they do not comply with all defined statutory, regulatory, supervisory and other requirements. Reputational risk involves Sibanye-Stillwater being exposed to, for example, possible loss, resulting from damages to Sibanye-Stillwater's reputation.

Legislative and regulatory compliance is the responsibility of functional departments. The regional compliance functions assist by simplifying legislation and alerting management to changes or pending legislative and regulatory changes. The compliance function's mandate is to facilitate the management of compliance risk by means of the effective distribution of a compliance methodology, compilation of regulatory compliance risk profiles and to provide advice and guidance relating to strategic compliance issues.

Compliance risk profile sessions are held with business units on a bi-annual basis and conducted with the main aim of assigning responsibility for all relevant compliance commitments, and to furnish the business with fit-for-purpose regulatory risk profiles, which highlight areas of improvement. Any instances of non-compliance can be reported through the toll-free number, 0800 001 987.

There were no material or repeated regulatory penalties, sanctions or fines for contraventions of, or non-compliance with, statutory obligations in 2018. Besides the revised Mining Charter released in September 2018, and revised JSE Listings Requirements, no new major legislation was promulgated. Pending legislation includes:

- POPI (To safeguard personal information. A project to review the retention and storage of information and records in accordance with the POPI continues, although regulations are not yet effective (also refer to Technology and Information section))
- Cybercrimes and Cybersecurity Bill 2017 (possible loss of information that might potentially lead to regulatory penalties and reputational harm. Controls have been put in place to prevent and/or mitigate the consequences of a breach of our ICT systems)
- Carbon Tax Bill 2017 (financial impact)
- Expropriation Bill 2019 (subject to negotiations)
- Companies Amendment Bill, 2018 (the Bill seeks to review and identify all the problematic areas resulting from the implementation of the Companies Act, 2008 and the Regulations as from May 2011)
- JSE consultation paper recommendations

In the US operations, the Tax Cuts and Jobs Act became effective January 1, 2018, This Act reduces the federal corporate income tax rate to 21% from 35%. The rate change, together with other immaterial changes, resulted in a decrease in our US operations net deferred tax liabilities of R2,532 million (US$205 million) and a corresponding deferred tax benefit in 2017. Federal income tax expense 2018 will be based on the new rate. Also, on May 18, 2018, the Department of the Interior released its Final List of Critical Minerals, which designates PGMs as "certain mineral commodities that are vital to the Nation's security and economic prosperity."

A change to New Jersey tax law beginning 1 January 2019, subjects almost all of the US operations' consolidated income to New Jersey tax, which will have a significant impact on the overall state cash taxes of the Group, as US operations revenue is recognised in New Jersey where concentrate is sent for final refining. The US operations continue to proactively engage with outside experts to fully understand complicated legislation changes, at federal and state level, and business optimisation activities continue in the US operations with the objective to add value and ensure our structures and processes are efficient.

CORPORATE GOVERNANCE AND LEADERSHIP CONTINUED

REMUNERATION

Which committees have oversight: Remuneration Committee

Sibanye-Stillwater's ability to attract, motivate and retain those with the talent and skills necessary, particularly at executive and senior management levels, to enable delivery on our strategic vision in the short, medium and long term, hinges on our remuneration policy and practices. It is thus essential to motivate and reward individual, team and operational performances to enable us to deliver on our strategic objectives, with reasonably equitable remuneration underpinning our remuneration philosophy.

Detailed information on remuneration philosophy, policies and implementation of remuneration and significant developments of the past year as well as intentions of the coming year, is available in the Remuneration Report. See also the summary of the Remuneration Committee in this corporate governance section.

ASSURANCE

Which committees have oversight: Audit Committee and Risk Committee

The internal audit function objectively and independently assures the operating effectiveness of the internal control environment. Internal audit uses predominantly in-house resources to conduct its internal audits. A risk-based internal audit plan linked to the combined assurance approach was used during the year. This ensured that there was adequate co-ordination of internal and external audit assurances over strategic and material issues. Reporting to the Audit Committee is done on a quarterly basis with the Vice President: Internal Audit (also the CAE) reporting to the Audit Committee. Quarterly private sessions between the Vice President: Internal Audit and Audit Committee were held.

Independence and alignment with the Institute of Internal Auditors Professional Practices Framework, Standards and Ethics was externally assessed during 2017. No adverse findings were raised and the internal audit department received a Generally Compliant rating which is the highest rating that can be bestowed on an internal audit function.

For further information on assurance, see *the reports on the Audit Committee and the Risk Committee in this corporate governance section*.

EXECUTIVE MANAGEMENT

Sibanye-Stillwater's executive committee drives and oversees implementation of strategy. The team includes two executive directors. The committee has been restructured in line with the revised organisational structure that is based on commodities rather than regions.

EXECUTIVE COMMITTEE

The executive committee, which comprises our prescribed officers, meets regularly to discuss, plan and make decisions on the strategic and operating issues facing Sibanye-Stillwater. As at 29 March 2019, the committee was made up as follows:

Neal Froneman (59)
Chief Executive Officer

Charl Keyter (45)
Chief Financial Officer

Robert van Niekerk (54)
EVP: SA PGM operations

Chris Bateman (53)
EVP: US PGM operations

Shadwick Bessit (56)
EVP: SA gold operations

Hartley Dikgale (59)
EVP: Legal and compliance

Dawie Mostert (49)
EVP: Organisational growth

Themba Nkosi (45)
EVP: Corporate affairs

Wayne Robinson (56)
EVP: Group technical

Richard Stewart (43)
EVP: Business development

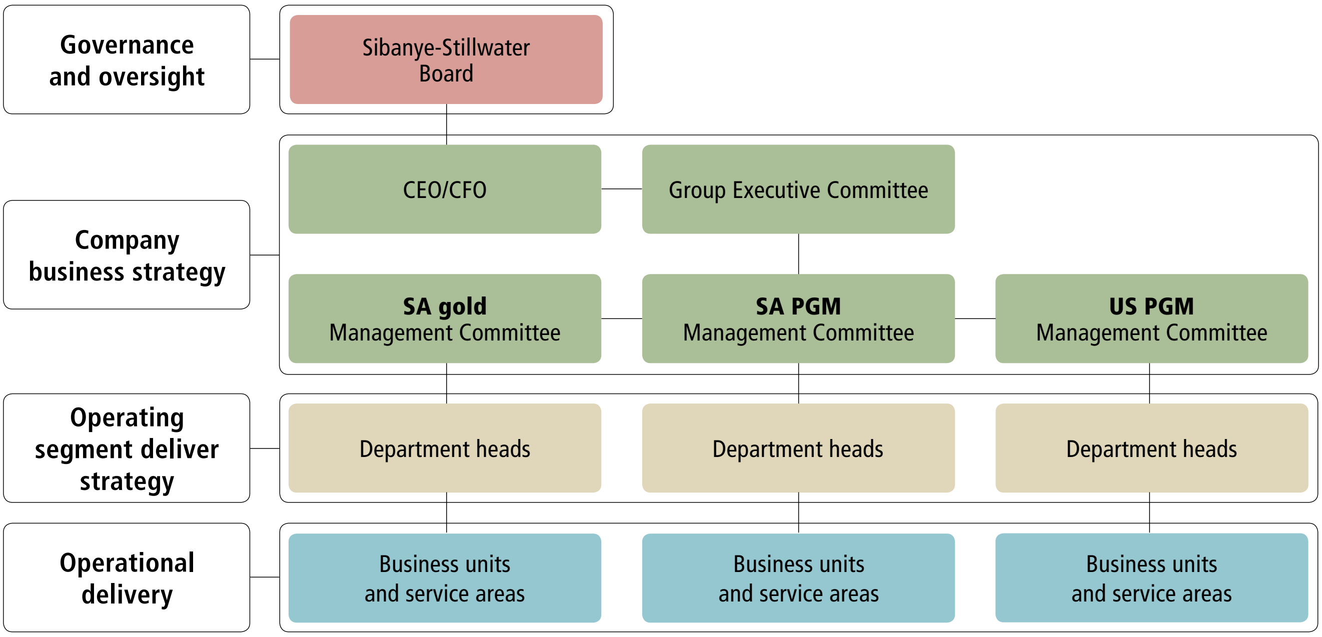
EVP: Executive vice president

Detailed curriculum vitae of members of executive management are available on our website at www.sibanyestillwater.com

CORPORATE GOVERNANCE AND LEADERSHIP CONTINUED

IMPROVED GOVERNANCE AND OPERATIONAL MANAGEMENT

The organisational structure has been revised to better reflect the distinct requirements of the business. The new structure is based on three distinct operating segments as follows:



The advantages of this structure are:

- dedicated leadership to drive focused strategy for each business segment
- accommodates planned Lonmin acquisition
- team focused on restoring SA gold operations to profitability
- addresses the need for Group-wide strategies in critical areas

To strengthen and support the Executive Committee in addressing multi-disciplinary strategic issues effectively, we are establishing executive sub-committees that include, as members, Group executives and other specialists. For the immediate future, these executive sub-committees listed in the table below are based on priority areas of attention. These areas of focus will be amended as the strategic issues requiring attention evolve.

Group Executive Committee sub-committees

Committee	Participants
Organisational performance and review	• Operating segment heads • SA services integration • Organisational growth • Business development • Group technical • Safety and health • Investor relations
Organisational Culture	• Operating segment heads or nominees • SA services integration • Corporate affairs • Safety, health and ESG • Group strategy
ESG	• Operating segment heads or nominees • Corporate affairs • Governance and compliance • Investor relations • Bio-physical environment
Technology and digitalisation	• Operating segment heads or nominees • SA services integration • Business development • Safety, health and ESG

REMUNERATION REPORT

PART 1: REMUNERATION COMMITTEE CHAIRMAN'S STATEMENT

Dear Shareholders

I am pleased, on behalf of the Group's Remuneration Committee, to present our Remuneration Report for 2018.

The report is structured in three parts in line with King IV specifications, and comprises:

- This statement from the Chairman of the Remuneration Committee that provides background to our work over the year
- An overview of the main provisions of our Remuneration Policy which is based on our current remuneration philosophy and guides the related remuneration framework
- A Remuneration Implementation report containing details of:
  - remuneration awarded to executive directors and executive vice presidents of the Group, who collectively comprise our Prescribed Officers (prescribed officers or executives)
  - fees paid to non-executive directors during the 2018 financial year

This remuneration report is intended to present information on our remuneration policies and practices in a meaningful and transparent way and to provide sufficient detail and explanation to enable you and other stakeholders to make an informed assessment of these policies and their implementation.

We have noted the feedback received from certain stakeholders requesting additional detail and, with our desire to be responsive to our stakeholders, we have continued to evolve our disclosure in line with changing best practice.

ADDRESSING SAFETY

Let me start by echoing what has already been addressed in other parts of this Integrated Annual Report, that 2018 was a year marred by two particularly tragic and anomalous incidents which resulted in multiple losses of life at our SA gold operations. These tragic events, along with other fatalities, occurred during the first half of the year but were in stark contrast to Sibanye-Stillwater's prior safety record and the fatality rate in the latter half of the year when the last four and half months of the year were fatality-free across the Group – which is a trend that has continued into 2019.

Nonetheless, this prompted us to adjust the weight given to safety on the SA gold operations' contribution to the Group's Balanced Scorecard for 2018.

The Group's Balanced Scorecard focuses on four key result areas namely: safety, costs, production and sustainability (explained in more detail further on in this report). Prior to the adjustment, safety carried a weighting of 25% of the total score at the SA gold operations, split equally between the measurement of the fatal injury frequency rate (FIFR) and the serious injury frequency rate (SIFR). For the second half of 2018, we decided to include the FIFR achieved in H2 as a specific additional measure (that is in addition to the four existing measures – which already included the FIFR and the SIFR) and to give this a weighting of 20% (for the 2018 year only) at a more stretching FIFR target entailing a 30% improvement in FIFR against the existing baseline.

Furthermore, in March 2019, when we had to determine what percentage of the March 2016 Share Awards would be allowed to vest in March 2019, we chose to invoke a discretionary adjustment that reduced the vesting percentage determined using the performance conditions by 20% in recognition of the increased number of fatalities in comparison with previous years, as a result of the two safety incidents.

In addition, in order to place specific emphasis on our desired culture of values-based decision-making in support of the highest levels of safe production delivery, an objective evaluation of values alignment has been included, with significant weightings, in the 2019 individual scorecards for all senior executives and top management levels.

We will continue to ensure that safety remains a foremost priority in our remuneration policies and will continue to investigate how remuneration practices can more effectively support the aims of the Zero Harm Strategic Framework. For more information on what has been done to address our safety performance, see *Ensuring safe production from page 102* in this integrated report.

OTHER AREAS OF ATTENTION

The remuneration team remains focused on the growth and complexities that come with integrating various diverse operations, each with pertinent sub-cultures, while maintaining competitive performance relative to organisations that are in a less rapid phase of growth. This has required agility from the Remuneration Committee in dealing with remuneration matters, and robust debate and consideration of various factors relating to matters of pay.

Since transitioning into an operation that spans multiple jurisdictions, Sibanye-Stillwater has maintained a consistent remuneration policy with incremental adjustments in response to evolution in external and internal circumstances.

Given the challenging economic climate as well as the prevailing headwinds for mining businesses in southern Africa (especially with respect to commodity prices and input cost pressures), at the annual remuneration review early in 2018, the Remuneration Committee agreed to the proposal initially made by management that the executive directors and Group Executive Committee (Group Exco) forgo their salary increases in their Guaranteed Remuneration Packages (GRP) for this cycle, and any benefits calculated thereon.

This arrangement was also extended to senior leadership with below-inflation increases granted to management. While this action has obviously reduced the guaranteed remuneration paid to Group leadership fractionally relative to their previous market benchmark levels, it was recognised and accepted as a measure that was necessary to set the leadership tone in preserving the sustainability of the operations.

Early in 2019, we again reviewed the GRP levels for executive directors and prescribed officers and awarded increases on a person-by-person basis with effect from 1 March 2019, taking account of the annual CPI levels, together with any additional consideration for personal performance. This resulted in increases that ranged between 4.5% and 5.5% for the South African-domiciled executives. This is close to the expected cost of living increase in South Africa for the year ahead and is similar to or less than increases to base pay awarded at lower employee band levels in the organisation.

The parameters used to determine incentive payments to management were updated to align with the evolving strategic priorities of the business. The weighting assigned to the performance elements used to determine short-term incentives continues to track the strategic imperatives and priorities of the Group as they evolve over time.

In recognition of the Group CEO's role in providing strategic and technical leadership to the US operations and the proportion of his time and attention spent between the SA and US operations, we determined that a commensurate portion of his guaranteed remuneration and incentive payments should be paid in the United States through a dual services contract.

We continue to track emerging remuneration trends both globally and in the territories where Sibanye-Stillwater operates, both for executive remuneration and in order to ensure employee benefits, such as healthcare, are kept in line with current appropriate employment practices applicable to the regions in which our employees are engaged.

SUMMARY OF ACTIVITIES UNDERTAKEN DURING 2018

Besides standard governance and approval items on the Remuneration Committee's annual work plan, we addressed the following matters during the year:

- Particular focus on addressing and accounting for the increased number of fatalities in comparison with previous years as a result of the two safety incidents in 2018
- Adjustments to weightings used on performance scorecards for executives
- What criteria to apply when considering whether or not, and to what extent, any adjustments might be applied to performance scorecard targets during the year
- Deliberations on increases to executives' GRP in the context of remuneration competitiveness and fairness
- Review of benchmark practices with respect to the Minimum Shareholding Requirements (MSR) for senior leadership
- Substantial further and on-going benchmarking in relevant markets to assess the level and mix of remuneration
- Engagement with shareholders and their proxies as to concerns and expectations
- Determination of dual role remuneration for the CEO to reflect SA and US accountabilities
- An initial review of gender and race pay parity measures
- An initial review to establish an appropriate basis for tracking executive management remuneration relative to broader employee pay parity to gain better insight and understanding in this regard

FOCUS AREAS FOR 2019

- Implementation of the MSR plan with effect from March 2019
- Determining an appropriate basis for the award of matching shares in respect of MSR holdings, which are to be granted with effect from 2020, together with the performance conditions to be applied
- Further review and revision of the performance conditions applicable to the Long-Term Incentive (LTI) share awards applicable from 2020 awards onwards in order to be appropriately aligned with current best market practices
- Following conclusion of the Lonmin acquisition, the integration and alignment of Lonmin's employees and their remuneration practices with our Group's policies and practices
- Further review of the level and mix of remuneration to better ensure the fairness and reasonableness of remuneration for the size and structure of the Group across the markets in which it operates

REMUNERATION REPORT CONTINUED

NON-BINDING ADVISORY VOTES

Shareholders will once again be afforded the opportunity to vote on two separate non-binding advisory resolutions at the forthcoming AGM on 28 May 2019: one on remuneration policy (Part 2 of this report) and the other on the remuneration implementation report (Part 3 of this report).

In the event that either or both are voted against by 25% or more of entitled voting rights exercised by shareholders, Sibanye-Stillwater commits to implement measures, including engagement with dissenting shareholders, in an attempt to address all legitimate and reasonable objections and concerns and to disclose how these objections and concerns would be addressed in next year's integrated report.

At the 2018 AGM in May last year, 3.2% and 16.5% of shares voted were against the remuneration policy and remuneration implementation report respectively.

While both resolutions received votes above the required majority, we still engaged with concerned shareholders and institutional shareholder advisory services who had expressed reservations relating to remuneration implementation in 2017. We acknowledge these comments and, consistent with our desire to be responsive to our stakeholders, we have continued to evolve our disclosure in line with changing best practice.

The table below provides an overview of the main feedback given and concerns raised together with our responses.

Shareholder concerns and feedback	Responses
Additional detail on the reasons for the year-on-year increases in guaranteed remuneration required	The growth of Sibanye-Stillwater into a multi-national operator with a revised leadership configuration had resulted in an updated assessment of the company's position relative to comparator benchmarks, determined in terms of both the span of operations and the organisational size and complexity. While the 2016 guaranteed remuneration levels had been deemed appropriate based on a peer group of South African-based gold companies, the 2017 benchmarks were reassessed relative to global precious metal miners with operating footprints spanning numerous jurisdictions. Drawing on advice and guidance from PwC (our remuneration consultants, then headed by Martin Hopkins) as independent third party experts, and recognising the very substantial increase in scale, scope and complexity of senior roles, 'larger than inflation' increases were readily warranted so as to place the relevant executives at appropriate levels according to their particular benchmarks.
Special cash incentives were paid to executive directors	In recognition of the value created through the rights offer completed in 2016 and the exemplary work done to execute and coordinate the major transformative financing arrangements relating to the bridging and permanent financing of the Stillwater transaction, management motivated the payment of a special award in the form of an ex-gratia cash bonus to eight members of the management team (excluding the CEO and CFO) amounting to R6.5 million in total. The Remuneration Committee supported this request but chose to extend this award to include the two executive directors (CEO and CFO) as well. Some shareholders objected to their inclusion in this arrangement, as they believed this should only be assessed and rewarded within the confines of their regular variable pay incentives. We take their point in this regard on board and undertake not to enter into similar ex-gratia awards for executive directors in future.
Concern expressed about the extent of linkage between remuneration, business performance and value creation	We believe that the Group's remuneration philosophy, policy and practices are well founded and structured so as to readily link remuneration outcomes to the organisational and personal performance in the short term and that the long-term incentives are well aligned to the delivery of value over time. See Part 2 for further details.
A concern expressed that the performance targets set 'are not robust and stretching'	In determining and setting appropriate performance targets in the organisational and personal performance scorecards, Sibanye-Stillwater undertakes a thorough process in order to ensure that sufficiently stretching targets are set and approved by the Board. For each key result area, there is a determination of what would be considered acceptable as 'on target' together with a determination of what are considered the 'threshold' and 'stretch' levels of performance. The level of performance required to secure the 'on target' level of incentive payment is pitched to be reasonably and safely achievable, taking into account the normal level of operational risk exposure and also taking into account what has been acceptably achievable in the past.

Shareholder concerns and feedback	Responses
Concerns regarding change of control and termination payments due to change of control.	We acknowledge shareholders' concerns regarding the change-of-control provisions in the service contracts of the two executive directors. This has been disclosed in Sibanye-Stillwater's integrated reporting since the outset and is a legacy arrangement that will be honoured in terms of the existing commitments but will not be repeated going forward.
Vesting for below median performance for the total shareholder return (TSR) performance condition in respect of LTI Share Awards	The shareholder who raised this concern noted that the performance condition as applied attracted qualified support given the recognition that the arrangement is in line with practices commonly applied in South Africa and the below median vesting is at a modest level. The level of vesting at median performance of the peer group was noted as acceptable in the shareholder feedback. Recognising that it is particularly relevant in the cyclical mining sector to maintain stability in performance conditions to fairly reward long-term performance over several performance cycles, the Remuneration Committee intends to review the performance conditions to be applied to awards from 2020 onwards during 2019 in the context of evolving trends and standards.
Concern raised about lack of performance conditions applicable to Forfeitable (Bonus) shares that are awarded alongside the cash portion of the annual bonus	The annual bonus at the senior level is split between cash and shares, which we refer to as Forfeitable (Bonus) Shares, in a 60:40 ratio. Forfeitable Shares are a short-term deferral of a portion of the annual incentive since they vest in two parts, half after nine months and the balance after 18 months. They only vest if the employee is still in employment with us at the date of vesting. As such, this should be seen as a short-term lock-in arrangement as opposed to a longer-term performance incentive (for which we have our LTI share awards) and therefore we do not believe that applying performance conditions to these shorter-term Forfeitable shares is appropriate or necessary.

REMUNERATION CONSULTANTS

During the year, we consulted with remuneration consultants, PwC, to assist us with the benchmarking of non-executive director fees.

The Remuneration Committee has previously engaged with remuneration consultants on a case-by-case basis as and when the need arose. However, the Remuneration Committee agreed that we needed to enter into a more on-going relationship with an expert remuneration advisor as a dedicated advisor to the Remuneration Committee and have agreed to enter into such an arrangement with effect from 2019, details of which will be provided once concluded.

Furthermore, management will continue to engage with the remuneration consulting team at PwC in support of the development and implementation of our Group reward policies and practices and will call on other experts as required.

We are satisfied that these consultants are independent, objective and well qualified and experienced for our purposes.

FUNCTION OF THE REMUNERATION COMMITTEE

The Remuneration Committee assists the Board in discharging its responsibilities for setting and administering remuneration policies and practices in line with the Group's strategies, objectives and long-term interests. It has a particular focus on the remuneration of Executive directors and the executive vice presidents (EVPs) of the Group, collectively our Prescribed Officers. Our Prescribed Officers are members of the Group Exco, which constitutes what King IV refers to as 'executive management'.

We are mandated through, and act on the basis of, the Remuneration Committee's Terms of Reference. This document is available on our website (https://www.sibanyestillwater.com/about-us/corporate-governance). We believe these Terms of Reference remain fully compliant with the requirements and principles of King IV.

The Remuneration Committee is responsible for, *inter alia*:

- Considering and recommending remuneration policies for all employment levels in the company with a particular focus on the remuneration of the Group Exco. The approved remuneration policies are reported in Sibanye-Stillwater's Integrated Annual Reports in accordance with applicable rules and regulations
- Advising the Board on Sibanye-Stillwater's Remuneration Policy in respect of the Group Exco
- Recommending to the Board the remuneration payable and conditions of employment for executive directors and approving the remuneration payable to the Prescribed Officers (comprising the Group Exco)

The Terms of Reference were reviewed during the year with no material changes except that the role of determining and recommending the appropriate level and periodic increases in the fees of non-executive directors is now the responsibility of the Remuneration Committee whereas it had previously been overseen by the Nominating and Governance Committee.

The Remuneration Committee is satisfied that Sibanye-Stillwater has, throughout 2018, complied with the Remuneration Policy and that no material deviations have been noted.

REMUNERATION REPORT CONTINUED

COMPOSITION AND OPERATION OF THE REMUNERATION COMMITTEE

- There were no changes to the composition of the committee membership during the year.
- The committee members are myself as Chair, Savannah Danson, Barry Davison, Sello Moloko, Nkosemntu Nika and Keith Rayner.
- All members are independent non-executive directors
- All meetings have been quorate and attendance by committee members is recorded in the governance section of the integrated report.
- In addition to committee members, the CEO, the EVP: Organisational Effectiveness (who has accountability for Group leadership development and growth, among other functions), the VP: Strategy and the Company Secretary typically attend our meetings, none of whom do so as of right and nor do they attend when their own remuneration is being discussed and all of whom provide material assistance to the Committee.
- Executive directors are not involved in any decisions regarding their own remuneration and are recused from such discussions and deliberations.
- We agree an annual work plan that guides our agendas and areas of focus for our four meetings over the year.
- Between meetings, we will review and consider relevant matters by round robin when required, with subsequent confirmation of the round robin decisions at the next committee meeting.

APPRECIATION

Lastly, I would like to thank my committee colleagues for their assistance in ensuring that we pay proper attention to the key aspects of remuneration in the Group (both the development of policy and practice as well as its implementation) and that we deliver on our mandate appropriately.

I also extend my thanks to the members of the management team for their hard work and dedication during the year, as well as to those shareholders and proxy advisors who gave us constructive and candid feedback on our policies and practices.

Tim Cumming
Chairman: Remuneration Committee

29 March 2019

PART 2: REMUNERATION POLICY

REMUNERATION PHILOSOPHY GUIDES POLICY

Sibanye-Stillwater's remuneration philosophy guides the Group's Remuneration Policy and decision-making processes. It is founded upon the simple recognition that various forms of capital are engaged in driving the performance of the business over time and that each of those capitals seeks a fair return.

Shareholders and creditors have provided the financial capital that is then applied to acquiring and developing the resources/reserves (mining assets), the physical assets (plant and equipment etc.) and the human capital (the employees) of the business. In addition, the countries and the communities in which the mines operate should also be seen as providers of capital on which they seek a return – which is afforded them in terms of mining royalties, incomes taxes, employee taxes, property rates and other levies and expenses paid by the Group.

However, although some mining assets are clearly superior to others (in terms of potential for realisation of value), the success of a mining business very much depends on the skills and application of its employees to deliver financial value from the assets with which they have to work.

Accordingly, in order to ensure that the providers of financial capital receive attractive returns over time they need to be satisfied that they have the best mix of human capital available to deliver this for them. Furthermore, in order to drive and motivate exceptional performance, the providers of financial capital also believe in the principle of sharing the gains achieved on a basis that is fair and competitive.

REMUNERATION POLICY

Accordingly, Sibanye-Stillwater's remuneration policy seeks to attract and retain key talent and to reward employees fairly and appropriately across the organisation such that the Group is viewed by all pertinent stakeholders, both within and outside the employ of the Group, as an organisation that provides a positive performance environment, a workplace with upstanding ethics and morals, and an opportunity for employees to develop their careers and earn a good living focused on delivery of our common purpose that "our mining improves lives"

The remuneration framework and practices that are determined by this remuneration policy are designed to have the following attributes:

- **Flexibility.** To support a diverse and multi-regional organisation to accommodate differences and changes in job requirements, labour market practices and economies.
- **Transparency.** To provide executives and staff with clarity regarding their roles and performance expectations and a clear understanding as to how the remuneration practices and structures applicable to them work.
- **External competitiveness.** To enable and reflect appropriate pay levels and structures for comparable jobs within the relevant labour market.
- **Internal comparability.** To provide remuneration guidelines that ensure similar jobs are paid equitably across the Group within relevant markets.
- **Recognition.** To reward performance through appropriate base pay progression, short-term incentives (bonuses) and, where applicable, long-term incentives. Extraordinary performance and contributions are further rewarded at a level that signifies the value of the employee to the organisation and encourages retention and further commitment.

From a market-competitiveness perspective, our remuneration policies and practices are also designed to be appropriately competitive so as to enable the attraction, retention and motivation of talented and skilled people, especially at executive and senior management levels, in order to ensure the company is best able to deliver on its core purpose, vision and strategies.

From a retention perspective, key consideration and focus are placed upon enabling individual growth, offering compelling career development and enhancement opportunities as well as allowing for a reasonable work-life balance.

Remuneration structures are benchmarked annually against relevant peer groups on a territory-specific basis to ensure reasonable external parity and competitive remuneration potential. In addition, employees' remuneration levels and remuneration potential are also compared internally to ensure appropriate parity or differentiation as needs be.

ENSURING THE LINK BETWEEN STRATEGY AND REMUNERATION

The Group strategy and related strategic objectives are described elsewhere in this report. However, it is important to comment on how remuneration is linked to the delivery on these strategic objectives.

The Group's primary driver of desired performance is exerted through the use of cascading performance scorecards that apply a top-down approach that is premised on the simple dictum (arguably) attributed to Peter Drucker that goes: "What gets measured, gets managed. What gets managed, gets done."

Simply put, the strategies of a company are nothing more than the decisions that have been made as to how one allocates, uses and optimises the value generated from the resources available to the company in pursuit of its vision and mission. All these resources are finite and limited – and are often scarce and typically much competed for. They comprise little more than the following: money, people, physical assets, geological and natural assets (in the case of mining companies), intellectual property (sometimes) and time.

REMUNERATION REPORT CONTINUED

Accordingly, after the Board and management have agreed and set out the short- and long-term strategies for the company they are devolved into business plans (i.e.: determining who will do what, with what, to what extent and by when). These are then broken down and captured in the various performance scorecards applicable at all levels of the organisation, starting from the top and cascading down, and taking into account what can be safely and efficiently extracted from the mining assets available.

Not only do the scorecards enable us to allocate pertinent elements of the strategies and business plans to particular executives and their teams tasked to deliver on them but it also enables management to indicate the degree of importance attached to each of these component elements by applying different weights to each area accordingly.

Furthermore, three scorecards are used to determine the success of the organisation (collectively) or the Executives (individually) and ultimately the extent of remuneration paid to each Executive. The first two scorecards relate to measuring short-term performance and the third one focuses on delivery of superior value to shareholders over time and is a key determinant of long-term incentive outcomes for executives.

1. **Group Performance Scorecard:** Covers the four key operational result areas for the Group as a whole that we refer to as Safety, Cost, Production and Sustainability. These are described in more detail below.

2. **Personal Performance Scorecard**: Contains a mix of key result areas that are deemed appropriate to judge the extent to which a particular executive has performed as a manager and leader within their specific domain and range of responsibilities.

3. **Shareholder Value Delivery Scorecard:** Assesses the delivery of sustainable value to shareholders over a rolling three-year period through the assessment of the performance conditions applied to determine the vesting percentage of the Conditional Share awards.

The overall remuneration for each Executive, for the purposes of short-term and long-term incentive awards, is then determined by the performance achieved on each of these scorecards with the applicable influence on each component of the remuneration mix.

This gives the resulting incentive-based remuneration which is determined by the short-term and long-term awards which are clearly and directly linked to the Group's strategies.

DISTINCTION BETWEEN SHORT-TERM INCENTIVES (STI) AND LTI

It is important to set out an explanation as to the rationale behind the design and structure of the STI and LTI at Sibanye-Stillwater. When considering STIs in any particular period (where financial performance or the share price may increase or decrease), it is important to view the whole package, that is the STI plus LTI outcomes and not just the STI on its own.

Management does not have any control over several key exogenous factors that can have a very substantial impact on short-term financial performance or the company's share price. The most significant of these factors include:

- the commodity prices of the metals we mine and refine, which directly determine revenue received for the metals produced and sold,
- the rand/dollar exchange rate, which also directly affects Rand revenues (and some costs).

Not only does management have no control over these variables but they are also notoriously difficult to predict and therefore it is not reasonable in the short term to measure or reward management on factors largely beyond their control and for which they have no accountability.

However, what management can be held accountable for is the safe and efficient development and extraction of metal from our mining operations and the safe production of as much of the metal as possible for the least cost.

That is why the short-term incentive assessment uses the four factors – safety, production, cost and sustainability – as key performance indicators (KPIs) as opposed to, for example, revenue or profit.

Nonetheless, shareholders would understandably wish to see senior employees having a degree of alignment to their own interests, which are typically concerned with share price performance and return on capital/equity. Accordingly, the long-term incentive portion of executive remuneration is paid to them in shares with the quantum of this amount being a function of recent individual performance combined with a determination of the extent to which total shareholder return was achieved relative to peers and the extent to which the Group's return on capital exceeds the cost of capital (or not) over the prior three years. In this way, executives feel the same pain as shareholders when these returns are poor and/or will experience the benefits of good financial performance when shareholders do.

FAIR AND RESPONSIBLE REMUNERATION

We remain committed to remuneration fairness across all levels of the Group.

Clearly this is a complex matter since fairness can be considered from the perspectives of different stakeholders – employees, shareholders, the broader community in which we operate, among others – and there can be conflicting opinions between these different stakeholders in terms of what each might deem to be 'fair'. We have to try and navigate those differences bearing in mind our responsibility as directors towards the interests of the Group.

The two key criteria in considering what is fair are, in the first instance, external parity and internal parity.

By this we mean that all employees' remuneration arrangements should be determined and reviewed for fairness with reference to how their actual and potential rewards from remuneration stack up relative to these two criteria. i.e.:

- How does this compare relative to other people who undertake a similar role, have similar levels of skill, experience and responsibility in other similar or comparable organisations within the same country or region?
- How does this compare relative to other people who are also working at Sibanye-Stillwater, in the same or similar roles in terms of their respective levels of work, skills, experience and responsibilities?

No perceptible difference in actual and potential remuneration of one person when compared to that of another who is deemed to be reasonably comparable on either an External and Internal Parity basis – and, importantly, who has been performing with the same degree of success as the comparator - should ever be accorded to their gender, their race or any other personal factor not relevant to the job.

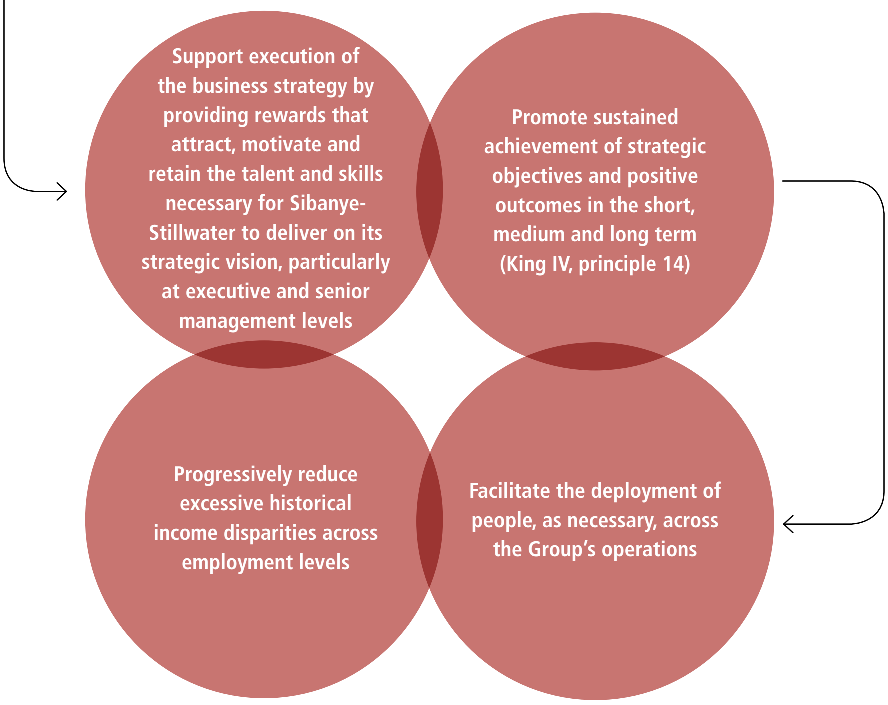
Accordingly, as a matter of policy, we seek to ensure that we are fair and equitable in this regard with no discrimination that could be attributed to differences in race, gender or any other personal factor that has no bearing on the person's ability to perform acceptably on the job.

We also recognise the need to address the challenges of unreasonable income inequality (that is the difference between remuneration earned by employees at the top of the organisation as compared to those lower down in the organisation) whilst still remaining competitive and retaining the ability to attract the talent necessary to provide the required levels of technical and professional management and leadership. To that end we are mindful of paying attention to respective increases in remuneration between these levels over time.

Part 3 of this Remuneration report sets out some analysis of how we have addressed this to good effect over the past five years.

By way of summary, the key principles underpinning Sibanye-Stillwater's remuneration approach are encapsulated in the diagram below:

KEY PRINCIPLES OF REMUNERATION



REMUNERATION REPORT CONTINUED

REMUNERATION ELEMENTS

Sibanye-Stillwater's remuneration structure includes the following elements:

	Description	Pay element	Alignment with remuneration philosophy
Guaranteed base pay	Base salary and allowances including provision for medical and retirement	**Guaranteed remuneration package (GRP)**	With reference to the relevant market median guaranteed pay benchmark taken from remuneration surveys. This provides the foundational element of the remuneration mix
Short-term incentive (STI)	Annual incentive based on a combination of operational delivery and execution of approved business strategies	**Cash bonus (60%)**	Performance-based reward providing immediate recognition for superior performance over the prior year
		Forfeitable (Bonus) shares (40%)	A deferred performance-based reward (for retention purposes) and incorporating a limited alignment with delivery of value to shareholders through medium term exposure to share price movement
Long-term incentive (LTI)	Share award linked to recent personal and organisational performance, with the value on vesting being determined by the extent of delivery of superior shareholder value	**Conditional (Performance) shares**	Motivation and retention with a strong performance component rewarding sustained delivery by the company of superior shareholder value over the medium term

TARGET REMUNERATION MIX

The table below sets out the remuneration mix for the various levels of management assuming on-target performance.

In line with the scope and influence of each level of management, there is a progressive increase in the weighting towards long-term incentives with an emphasis on delivery of sustained value to shareholders at the more senior levels.

The value quoted for Forfeitable Share awards in the target remuneration mix is the face value at award date without taking into account the impact of potential share price appreciation over the vesting periods.

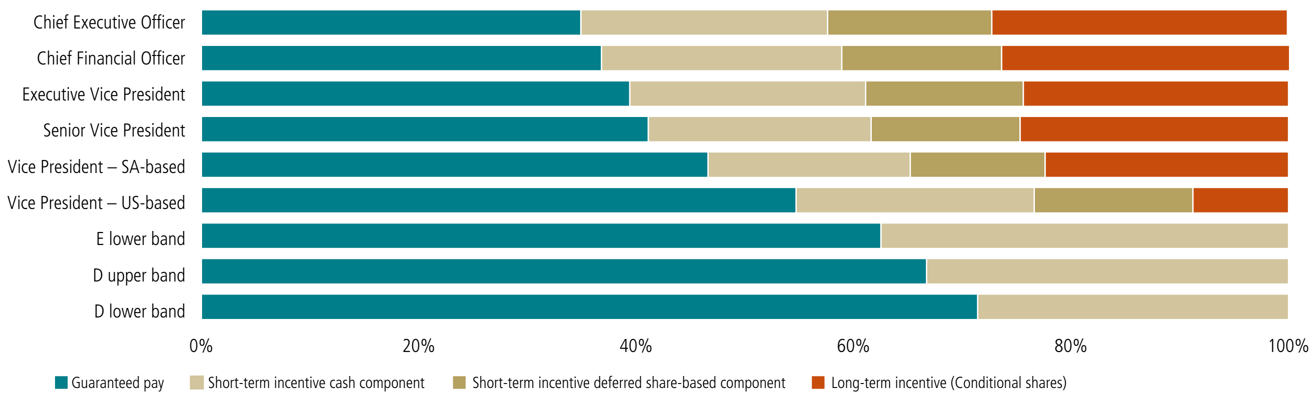
The value of the Conditional Shares awarded for on-target performance in each remuneration cycle is quoted at the estimated "fair value" of the on-target award. This is an actuarial determination of the typical value of the award granted in each remuneration cycle that the participant should expect to receive at vesting. The calculation takes into account the projected change in the share price over the vesting period and the market-related performance conditions that are expected to apply on vesting.

Remuneration structure mix (% of total potential remuneration for on target performance)

		Short-term incentive		Long-term incentive	
Level	**Guaranteed pay**	**Cash bonus**	**Forfeitable shares**	**Conditional shares**	**Total**
Chief Executive Officer	34.9	22.7	15.1	27.2	**100.0**
Chief Financial Officer	36.8	22.1	14.7	26.5	**100.0**
Executive Vice President (or prescribed officer)	39.4	21.7	14.5	24.4	**100.0**
Senior Vice President	41.1	20.5	13.7	24.7	**100.0**
Vice President – SA-based	46.6	18.6	12.4	22.4	**100.0**
Vice President – US-based	54.7	21.9	14.6	8.8	**100.0**
E lower band*	62.5	37.5	0.0	0.0	**100.0**
D upper band*	66.7	33.3	0.0	0.0	**100.0**
D lower band*	71.4	28.6	0.0	0.0	**100.0**

** Patterson bands applicable to middle and junior management*

Remuneration structure mix (% of total potential remuneration)

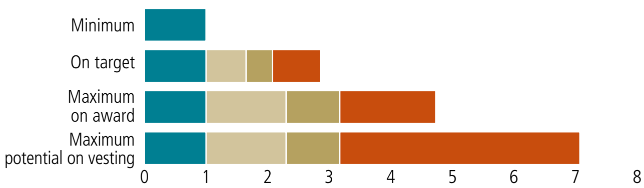


COMPOSITION OF TOTAL REMUNERATION PACKAGE – EXECUTIVE DIRECTORS AND SENIOR EXECUTIVES

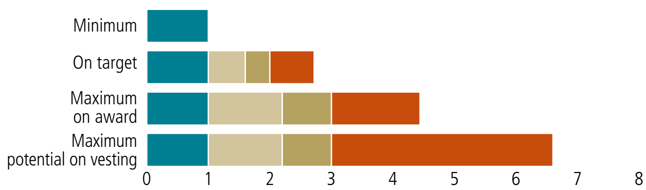
The range of potential incentive pay per rand of GRP is illustrated below for the Group Exco who constitute executive management as per King IV and Prescribed Officers in terms of the South African Companies Act, 2008. The "maximum on award" represents the implications of the highest possible performance rating from the previous performance cycle at a typical fair value of the Conditional Shares awarded over the vesting period. Maximum potential on vesting represents maximum awards with the highest possible performance condition applied to the Conditional Shares at vesting although not incorporating the possible effects of share price appreciation over the vesting period.

Range of performance-related pay by executive

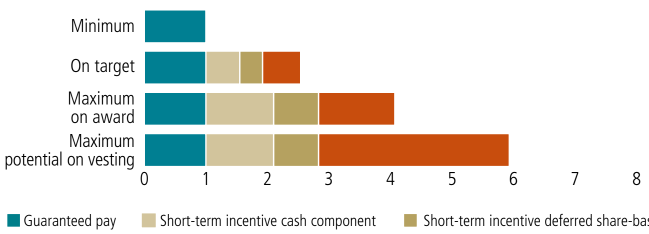
Chief Executive Officer



Chief Financial Officer



Executive Vice President



GUARANTEED REMUNERATION

The benchmark used, in the first instance, for determining GRP by job level and discipline, is a market median level obtained through independent remuneration survey databases for peer mining companies with differentiation by territory. At the time of assessment, an Executive's actual remuneration may well be above or below the median level and may remain above or below the median for good reasons such as length of time in the role, level of performance while in this role etc.

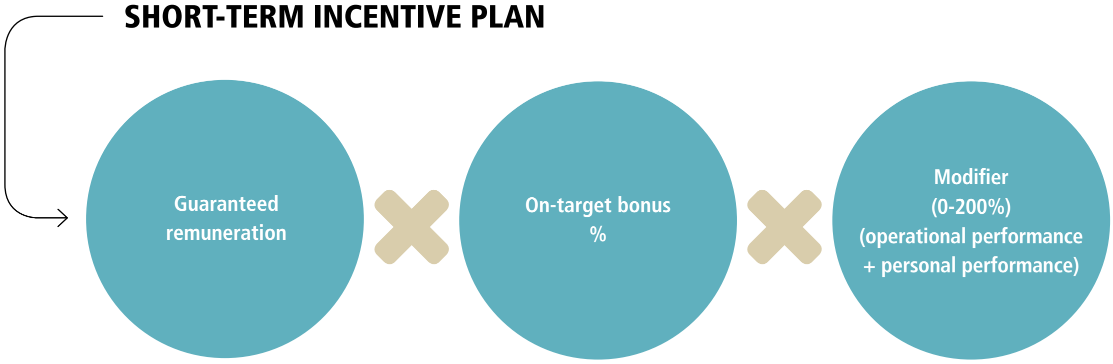
For consistency in application, the Company made use of relevant comparator companies as a peer group and the related survey data supplied by Mercer and Hay for the US PGM operations and PwC for the SA operations, backed by independent advice and support from external consultants. In addition, further verification was obtained by collecting comparable data from competitor company proxy statements to verify "pay for performance" relativity for the Executives. This practice of benchmarking by using peer group data (provided by Mercer and PwC) to ensure pay parity and internal alignment with our remuneration principles is used extensively for levels below the Executive. GRP levels are reviewed annually against market benchmarks to remain competitive. The median benchmark is the first point of reference when making comparisons with other factors such as length of time in the role, extent to which the executive is more than, or less than, fulfilling all aspects commensurate with the role also considered when making pay level determinations.

REMUNERATION REPORT CONTINUED

PERFORMANCE-BASED INCENTIVE PLANS

While the short-term incentive scheme rewards those elements of performance that are mostly within the control and line-of-sight of the employees, the long-term incentive is conditional on the achievement of longer-term financial hurdles that are aligned with shareholder value creation.

SHORT-TERM INCENTIVE PLAN



Short-term incentives focus on and incentivise management to achieve safe, sustainable, cost effective delivery from operations and to achieve proper progress in executing the Board-approved Group strategic goals. These incentives are awarded following the assessment of the Group's annual performance (or at lower levels, the operating unit or area of accountability) against agreed targets (Operational performance) as well as the individual performance goals achieved during the year under review (Personal performance).

For 2018, weightings between the Operational performance and Personal performance elements differed according to the location of the employee in the business as follows:

Deployment	Operational performance	Personal performance
Individuals in South Africa with direct line responsibility for management of production operations	90%	10%
Regional executives and services functions and all United States management	70%	*30%
Group executives and corporate office	60%	40%

** There is a split between personal and service area delivery performance for SA Services Management and certain Corporate Services employees. For employees in services functions, half of the Personal performance is accounted for by performance in the service area of which they are part*

The weightings to be applied to Operational and Personal performance in 2019 have been reviewed in order to:

- intensify operational focus
- enhance consistency across the Group
- provide for the introduction of a 'values alignment' component as a new element in the Personal performance evaluation of all managers (this is to have a significant weighting of approximately 10% of overall performance)

It has been decided to change the 90:10 weighting to 80:20 for those managers with direct responsibility for management of production operations for the 2019 period. All other managers and executive management will have the respective elements weighted on a 70:30 basis.

OPERATIONAL PERFORMANCE

As discussed earlier, operational performance is determined for the Group through a scorecard using safety, production, cost and sustainability as the key performance indicators.

Targets in the forthcoming year's approved business plans are used to set the Organisational performance targets applicable for the STI calculations. In determining the targets, consideration was given to performance that is considered realistically achievable, given the levels of operational risk that would normally be experienced while allowing for an element of stretch and taking into consideration the organisation's performance over the past few years.

Based on these business plans and at the start of each performance cycle, the Remuneration Committee approves the key performance indicators, target performance levels and ranges that will be used to determine the quality of the Group's delivery from operations.

Overall Group operational delivery is a weighted aggregate of the performance of the major operating areas of the business. The threshold and stretch targets are set based on these targets, with threshold performance resulting in a 0% score for that particular KPI, and a stretch performance outcome resulting in a 200% score for that KPI.

Criteria to determine and adjust performance targets

The Remuneration Committee has the discretion to adjust targets during the course of the year where significant anomalous and unforeseeable events occur which are outside the control of management, or where there are conscious value-adding (or loss-saving) operational departures from the Board-approved plan and where these events cause material deviations from the approved targets. An example of such an event might be a massive seismic event that renders a section of the mine inaccessible or no longer worth mining.

2019 Operational performance conditions

The table below details the 2019 KPIs for the key focus areas for each major operating area within Sibanye-Stillwater.

KPIs for 2019 per major operating area

KPI	Weight	Metric	Weighting
SA gold operations (one third contribution to Group)			
Safety	25%	FIFR (per million hours worked)	50%
		SIFR (per million hours worked)	50%
Production	25%	Gold produced (kg)	100%
Cost	25%	Operating cost per underground ton milled (R/ton)	100%
Sustainability	25%	Primary on-reef development (m)	50%
		Primary off-reef development (including Burnstone and Capex) (m)	50%
SA PGM operations (one third contribution to Group)			
Safety	25%	Fatal injuries	50%
		SIFR (per million hours worked)	50%
Production	25%	Ounces produced ('000 4E oz)	100%
Cost	25%	Operating cost including ORD before credits and direct costs of by product per 4E ounce produced (R/4E oz)	100%
Sustainability	25%	Primary on-reef development (m)	50%
		Primary off-reef development (m)	50%
US PGM operations (one third contribution to Group)			
Safety	25%	Total reportable injuries per million hours	50%
		Progress on ongoing refinement of US PGM operations safety strategy	25%
		Progress on review of GET Safe Safety and Health Management System	25%
Production	25%	Returnable 2E PGM produced ('000 oz)	50%
		Tons milled ('000 ton)	25%
		Recycling throughput (tons smelted per day)	25%
Cost	25%	All-in sustaining cost per 2E oz (US$ / oz)	75%
		Recycling EBITDA (US$ million)	25%
Sustainability	25%	Development advance (Stillwater including Blitz excluding project) (equivalent 000 ft)	12.5%
		Development advance (East Boulder excluding project) (equivalent 000 ft)	12.5%
		Diamond drilling advance (Stillwater including Blitz including project) (000 ft)	12.5%
		Diamond drilling advance (East Boulder including project) (000 ft)	12.5%
		Concentrate handling project status	20%
		Progress made in the review of environmental management systems	15%
		Number of externally reportable incidents or notifications of violations based on Environmental Protection Agency and Montana Department of Environmental Quality guidelines	15%

REMUNERATION REPORT CONTINUED

Personal performance

The Remuneration Committee and the Audit Committee also approve respectively the individual scorecards of the CEO and the CFO that reflect strategic business imperatives for the company. In turn, the CEO develops specific individual objectives, aligned with the organisation's strategic objectives, with those who report directly to him at the beginning of each year. On conclusion of each cycle, the Remuneration Committee reviews the performance determinations of the Executive Directors and the rest of the Group Exco as the basis of approving STI payments and LTI awards.

The Group uses a rating scale of 1 - 5 where a rating of 3 will equate to a 100% score for the Personal performance component, with the highest rating of 5 resulting in a 200% score for the personal performance component. If the personal performance evaluation of any Executive falls below 2.5 then no STI (cash or Forfeitable shares) will be awarded.

Maximum STI achievable

If stretch targets are achieved on both Operational and Personal performance scorecards, the maximum incentive is capped at twice the on-target bonus level.

Deferral of a portion of STI into Forfeitable (Bonus) shares

All employees who are at VP level or above have 40% of their overall STI settled in Forfeitable shares (sometimes referred to as 'Bonus shares'). These shares vest in two equal tranches at nine months and eighteen months after the award date. Participants have full shareholder rights on those shares from the date of award (save for the right to dispose) including the right to receive dividends. The Forfeitable shares will be forfeited in the event of resignation or termination for cause, with a pro rata vesting applicable in the case of no-fault separations.

Long-Term Incentives

Annual awards of Conditional (Performance) shares under the current Sibanye-Stillwater Share Plan

Annual awards of Conditional shares (sometimes referred to as Performance shares) are made to VPs and above, with the number of Conditional shares awarded being a function of the annual GRP (guaranteed remuneration) multiplied by a factor related to the Executive or management job grade and further multiplied by a factor related to their assessed performance for the relevant period preceding the award. The performance factor applied in this latter case is determined by reference to the table below.

Individual rating	Value as a % of value for on target performance
1.0 - 2.4	0%
2.5 - 2.7	50%
2.8 - 3.0	100%
3.1 - 3.3	125%
3.4 - 3.7	150%
3.8 - 4.0	175%
4.1 - 5.0	200%

Conditional shares have no dividend rights, or dividend equivalent rights associated with them prior to vesting.

The awards of Conditional shares will vest on the third anniversary of the award date dependent on the extent to which the performance conditions have been met.

The award may be forfeited in the event of resignation of an Executive or their termination for cause, with a pro rata vesting subject to application of performance conditions applicable in the case of no-fault terminations.

Performance conditions for vesting

The proportion of shares awarded that vest after the three year period depends on the extent to which Sibanye-Stillwater has performed relative to two performance criteria – Total Shareholder Return (TSR) and Return on Capital Employed (ROCE) over the applicable three years. The Remuneration Committee also has discretion to reduce the quantum of shares that would otherwise have vested by up to 20% in the event of any serious poor performance relating to the Group's ESG track record. These performance conditions were introduced with effect from the award of Conditional shares made in March 2016 and were based on what was understood to be widely acceptable measures used to gauge the extent to which shareholder interests are being met. Accordingly, the actual number of shares that will vest at the end of each award cycle will range from 0% to 100% of the shares initially awarded.

Total shareholder return – applicable to 70% of Conditional shares

TSR, a composite measure of share price appreciation and dividends paid to shareholders, is widely recognised as one of the most appropriate indicators of shareholder value delivery. It is used extensively internationally and increasingly in South Africa, sometimes as a single metric and often as one of two or three weighted performance metrics. In a few cases an absolute target is set, but most often it is targeted in relation to a peer or comparator group of "like" companies.

The TSR for Sibanye-Stillwater's purposes is measured against an appropriate peer group of eight mining and resource companies that might provide alternative investment options to Sibanye-Stillwater's shareholders. When the peer group for the 2016 awards was determined, the companies selected had similar market capitalisation and occupied similar strategic positioning to Sibanye-Stillwater as value-driven, multi-commodity resources companies listed on the JSE with a primary focus on precious metals. These eight peer comparator companies are set out below:

Peer companies for TSR comparison
African Rainbow Minerals Limited
Anglo American Platinum Limited
AngloGold Ashanti Limited
Exxaro Resources Limited
Gold Fields Limited
Harmony Gold Mining Company Limited
Impala Platinum Holdings Limited
Northam Platinum Limited

The TSR performance condition is determined based on the cumulative curve of the peer companies TSRs over the vesting period and where each peer company is assigned a weighting in accordance with its market capitalisation. The percentile at which Sibanye-Stillwater's TSR falls on this curve is then determined at the end of the period. The applicable TSR score used in determining the percentage of awarded shares that will vest in terms of this criterion is established using the table below, with linear interpolation between the levels quoted.

Vesting percentage relationship to relative TSR performance

Percentile on peer group TSR curve	% vesting
0%	**0**
10%	**0**
20%	**0**
30%	**5**
40%	**20**
50%	**35**
60%	**55**
70%	**75**
80%	**90**
90%	**100**
100%	**100**

REMUNERATION REPORT CONTINUED

Return on capital employed – applicable to 30% of the Conditional shares awarded

Return on capital employed (ROCE) is a metric that can be used to assess how effectively a company generates profits from its employed capital. There has been an increased focus on measuring the returns earned by businesses on the capital deployed over and above the applicable prevailing risk-free rate or other 'required' rates of return. For Sibanye-Stillwater, the ROCE is evaluated against the cost of capital, which includes an equity risk premium over the risk free rate. A minimum threshold on the performance scale for ROCE is set as equalling the cost of equity, Ke, which would lead to 0% for the ROCE performance condition. Delivering a return that exceeds Ke by 6% or more would be regarded as a superior return representing the maximum 100% on the performance scale and full vesting in respect of the ROCE element. The performance curve governing vesting is linear between these limits as follows:

Vesting percentage relative to ROCE outcomes

ROCE element of performance condition (30%) Annual ROCE	% vesting
≤Ke	**0**
Ke + 1%	**16.7**
Ke + 2%	**33.3**
Ke + 3%	**50.0**
Ke + 4%	**66.7**
Ke + 5%	**83.3**
Ke + 6%	**100**

ESG over-ride condition

The Board, at its sole discretion may determine that, if there is evidence of material and significant environmental, social and governance (ESG) malpractice during the vesting period applicable to Conditional shares, up to 20% of the Conditional shares that would otherwise vest may be forfeited. In exercising its discretion, the Board may consider level 4 and higher environmental incidents, level 4 and higher social incidents, negligence with respect to occupational health and safety management, material breaches of good corporate governance, and other relevant issues impacting Sibanye-Stillwater's ESG performance and track record. The forfeiture may be applied to specific areas of the business or to the Group as a whole depending on the malpractices identified.

2017 Share Plan limit

Following shareholder approval at last year's AGM, the share capital approved for issue under the 2017 Share Plan is 4% of the company's issued share capital at the time, being a total of 86,748,850 shares.

MINIMUM SHAREHOLDING REQUIREMENT PLAN

On a supplemental basis to the Remuneration Policy and in order to encourage executive leadership of the Group to take on personal exposure to the Sibanye-Stillwater share price thereby increasing the extent of alignment with shareholder interests, the Remuneration Committee has approved a MSR plan for implementation with effect from March 2019.

In terms of this plan, executives will be expected to build personal holdings in Sibanye-Stillwater shares in excess of threshold levels over the five years from 2019 to 2023. Matching awards will be granted at the end of each year in the cycle based on the holdings achieved representing satisfactory progress towards the thresholds. The first matching awards will only be made in March 2020 depending on progress made during 2019.

Matching awards will be capped at a maximum of double the minimum shareholding requirement, will be subject to performance conditions and a vesting period of three years, and will be forfeited should the minimum shareholding requirement not be met. A claw-back provision will also be applied in respect of matching awards that have already vested by the end of the minimum shareholding build-up period should the minimum holding not be met. The holding may be satisfied through a combination of pledging of unvested Forfeitable shares, commitment of Forfeitable or Conditional shares on vesting and commitment of personal holdings, all converted to a pre-taxed equivalent value. These parameters, on which we have received independent third party review from PwC, are considered consistent with parallel plans that have been introduced by comparable South African mining companies.

Level	Minimum shareholding requirement as a percentage of annual GRP at the start of the build up period
CEO	200%
CFO and other executive directors	150%
Other prescribed officers	100%

The matching shares ratio and performance conditions applicable to the matching share awards are still under consideration and will be finalised during the course of 2019 in conjunction with the review of performance conditions applicable to the long-term incentive share awards. That determination will be guided by comparable custom and practice in this regard so as to be aligned with appropriate industry standards.

NON-EXECUTIVE DIRECTOR FEES

In terms of Sibanye-Stillwater's Memorandum of Incorporation, fees for the services of non-executive directors are determined by the Company's shareholders at annual general meetings under the oversight of the Remuneration Committee as from the current cycle.

The appropriate level of fees and increases thereon are determined in a similar manner to assessing executive remuneration. Accordingly, we review the relevant fees for board and committee membership with comparable governance responsibilities for companies with characteristics in terms of operational size, complexity, regional spread and listing locations similar to Sibanye-Stillwater.

No provision is made for travel allowances, however, directors may claim for a refund of reasonable expenses if they incur these directly as opposed to having the company make the travel arrangements on their behalf. These figures are disclosed in the relevant table on fees in Part 3 of this report.

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-Stillwater can also terminate an executive director's employment summarily for any reason recognised by law as justifying summary termination.

Except for the two current executive directors, none of the Prescribed Officers have employment contracts that provide for any compensation for severance because of change of control.

The service agreements of the two executive directors contain "change of control" conditions, which are set out for information below. These contracts and conditions will be honoured until they terminate. However, any future appointments of Executive Directors will be made without provision for any compensation for severance because of 'change of control'.

The employment contracts for the current two executive directors 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, within 12 months of the 'change of control', the executive director is entitled to:

- in respect of the CEO, payment of an amount equal to two and a half times GRP and in respect of the CFO payment of an amount equal to twice the GRP
- payment of an amount equal to the average of the incentive bonuses paid to the executive director during the previous two completed financial years
- any other payments and/or benefits due under the contracts
- payment of any annual incentive bonus he has earned during the financial year notwithstanding that the financial year is incomplete
- an entitlement to awards, in terms of the Sibanye-Stillwater 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 payments will also cover any compensation or damages the executive director may have under any applicable employment legislation

'Change of control' in terms of the above is defined as the acquisition by a third party or concerned parties of 30% or more of Sibanye-Stillwater ordinary 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.

Going forward, we will not include any contractual provisions in any employment contracts or variable pay contracts allowing for accelerated vesting without the testing of performance conditions.

REMUNERATION REPORT CONTINUED

NON-BINDING VOTE ON REMUNERATION POLICY

The Remuneration Policy, as set out here in Part 2 of this report, will be tabled for a separate non-binding advisory vote at the AGM.

PART 3: IMPLEMENTATION OF THE REMUNERATION POLICY – 2018

EXECUTIVE DIRECTORS' AND PRESCRIBED OFFICERS' SINGLE FIGURE OF REMUNERATION

The remuneration outcomes for executive directors and prescribed officers (who constitute executive management as per King IV) for 2018 are set below. We have included comparative tables for 2017.

As introduced last year, these tables have been compiled in a manner that improves clarity and transparency and aligns with the expected principles and practices of King IV.

Two perspectives are provided, the first being a Single Total Figure of Remuneration that reflects earnings attributable to the performance delivered during the relevant cycle and the second, Total Cash Remuneration, reflecting earnings received by each executive director and prescribed officer during the cycle. This should be considered in conjunction with the table of unvested awards, which provides a view of the 'inflight' LTI share awards for each executive during the cycle.

In this report, as for last year, both the short-term cash incentive and Forfeitable share awards, which are in proportion to the cash incentive with deferred vesting, are reported on an accrued basis in the Single Total Figure of Remuneration. Conditional shares, as before, continue to be reported on at vesting. To determine cash earnings in the cycle, amounts of shares that accrued in 2018 but were not settled are subtracted while shares accrued in previous years and which were settled in 2018 are added back in. Finally, adjustments are added on to take account of market movements on shares that were settled in 2018.

Remuneration paid to Sibanye-Stillwater executive directors and prescribed officers for the year ended 31 December 2018

		2018 (R000)												
		Salary	Pension scheme total contributions	Cash bonus accrued	Accrual of Forfeitable share award	Other cash payment	Conditional Share proceeds	Other Benefits	Termination/Separation benefits	Total Single Figure of Remuneration	Less: Amount accrued not settled in 2018	Plus: Amount of previous accruals settled in 2018	Adjustments for Market Movements on accruals settled	Total Cash Remuneration
Executive directors														
Neal Froneman [1]		8,939	993	6, 729	4,486	–	8,431	249	–	**29,827**	(11,215)	19,691	(1,559)	**36,744**
	Rand equivalent	2,783	–	1,890	1,260	–	–	–	–	**5,933**	(3,150)	–	–	**2,783**
	Total	11,722	993	8,619	5,746	–	8,431	249	–	**35,760**	(14,365)	19,691	(1,559)	**39,527**
Charl Keyter		6,033	862	4 237	2,824	–	3,697	44	–	**17,697**	(7,061)	10,009	(773)	**19,872**
Prescribed officers														
Hartley Dikgale		3,560	260	2,022	1,348	–	1,571	–	–	**8,761**	(3,370)	3,470	(429)	**8,432**
Dawie Mostert		3,674	501	2,352	1,568	–	2,017	–	–	**10,112**	(3,920)	3,866	(458)	**9,600**
Themba Nkosi		3,648	269	2,009	1,339	–	–	–	–	**7,265**	(3,348)	3,572	(431)	**7,058**
Wayne Robinson		4,330	351	2,440	1,626	–	2,178	–	–	**10,925**	(4,066)	3,559	(458)	**9,960**
Richard Stewart		3,774	419	2,500	1,667	–	4,626	–	–	**12,986**	(4,167)	6,319	(490)	**14,648**
Robert van Niekerk		4,868	541	3,221	2,147	–	2,731	–	–	**13,508**	(5,368)	6,532	(663)	**14,009**
Shadwick Bessit [2]		336	59	176	117	–	–	–	–	**688**	(293)	–	–	**395**
Chris Bateman [3]	Rand equivalent	7,944	291	4,160	2,773	[4] 1,717	–	–	–	**16,885**	(8,650)	3,498	(229)	**11,504**
Total		**49,889**	**4,546**	**31,736**	**21,155**	**1,717**	**25,251**	**293**	**–**	**134,587**	**(54,608)**	**60,516**	**(5,490)**	**135,005**

[1] Entered into a dual service contract with effect 1 May 2018, remuneration paid in US$ was converted at an average exchange rate of R13.87/US$ applicable for the eight month period ending 31 December 2018

[2] Appointed a prescribed officer on 1 December 2018

[3] Remuneration paid in US$ was converted at the average exchange rate of R13.24/US$ applicable for the twelve month period ending 31 December 2018

[4] The other cash payment represents the contracted payout of benefits arising from the treatment of unvested share based remuneration in respect of the Stillwater Mining Company share plan, which comprised shares granted in the form of RSUs (retention based) and PSUs (performance based). In accordance with the change of control provisions of the Stillwater Mining Company share plan, on the acquisition of Stillwater by Sibanye-Stillwater all shares (RSUs and PSUs) were converted to a cash settlement with phased payments at US$18/share. No further performance criteria were to be applied with settlement subject to the prescribed officer remaining in the employment of Sibanye-Stillwater at 31 December of the year in question to qualify for the payment. The final tranche is payable at 31 December 2019.

The corresponding information for the period ended 31 December 2017 is presented in the table below:

Remuneration paid to Sibanye-Stillwater executive directors and prescribed officers for the year ended 31 December 2017

2017 (R000)	Salary	Pension scheme total contributions	Cash bonus accrued	Accrual of Forfeitable Share award	Special cash bonus accrued	Conditional Share proceeds	Other benefits	Termination/separation benefits	Total single figure of remuneration	Less: Amounts accrued not settled in 2017	Plus: Amount of previous accruals settled in 2017	Adjustments for market movements on accruals settled	Total cash remuneration
Executive directors													
Neal Froneman	10,265	1,103	9,418	6,278	5,741	22,775	174	–	**55,754**	(21,437)	7,460	(1,809)	**39,968**
Charl Keyter	5,501	758	4,614	3,076	3,160	7,834	35	–	**24,978**	(10,850)	3,753	(919)	**16,962**
Prescribed officers													
Hartley Dikgale	3,749	258	2,291	1,528	–	4,455	–	–	**12,281**	(3,819)	2,130	(480)	**10,112**
Dawie Mostert	3,634	496	2,578	1,718	–	4,495	–	–	**12,921**	(4,296)	2,242	(521)	**10,346**
Themba Nkosi	3,509	276	2,372	1,582	–	–	–	–	**7,739**	(3,954)	1,636	(180)	**5,241**
Wayne Robinson	4,287	348	2,328	1,552	–	1,295	–	–	**9,810**	(3,880)	2,474	(602)	**7,802**
Richard Stewart	3,731	414	2,829	1,886	2,096	1,045	–	–	**12,001**	(6,811)	2,360	(551)	**6,999**
Robert van Niekerk	4,517	489	4,492	2,995	–	6,540	–	–	**19,033**	(7,487)	2,875	(686)	**13,735**
John Wallington [1]	1,772	313	1,309	872	–	–	–	–	**4,266**	(2,181)	1,264	–	**3,349**
Chris Bateman [2]	4,023	148	2,628	1,743	–	–	483	–	**9,025**	(4,372)	–	–	**4,653**
Total	**44,988**	**4,603**	**34,859**	**23,230**	**10,997**	**48,439**	**692**	**–**	**167,808**	**(69,087)**	**26,194**	**(5,748)**	**119,167**

[1] *Ceased being a Prescribed Officer on 30 June 2017*

[2] *Became a Prescribed Officer on 1 July 2017. Remuneration paid in US dollars was converted at the average exchange rate of R13.41/US$ for the six-month period ending 31 December 2017*

GRP ADJUSTMENTS DURING 2018

Our remuneration practice makes provision for annual salary increases typically taking effect from March of each year. As has been set out in Part 2 of this report, when reviewing base pay, whether for senior executives or for lower levels of employees, the increase in cost of living is one of the key factors taken into account, with comparative 'market positioning' and benchmarked remuneration for similar roles in peer group companies and individual performance also influencing the increase granted.

As stated in Part 1 of this report, the Executive Group leadership team waived remuneration increases in the 2018 increase cycle as a result of the tight economic climate at the time of the review – the US dollar gold and PGM basket prices were languishing, compounded by a relatively strong South African rand (relative to the US dollar) in the earlier part of 2018, and escalating input costs.

Nonetheless, despite this, the total salary earned in 2018 was still higher than the total salary earned in 2017, due to the level and timing of the increases in GRP granted during 2017 and accounted for in 2018.

While the annual inflationary adjustments and other increases that were made in March 2017 represent a modest contribution to this difference, much of the difference arises from the review of Executive remuneration undertaken in the middle of 2017. Peer remuneration comparisons, on which the Remuneration Committee received independent expert inputs from Mercer and PwC, were updated to take account of the expanded size and diversified operating footprint of the group with the associated increased complexity of organisational oversight arising from the very substantial transformation of the Group into a multi-jurisdictional operator with the expansion into PGM mining in the United States. The large increases in executive remuneration granted in July 2017 as a result of this review were deemed appropriate and market-related in recognition of this organisational transformation.

REMUNERATION REPORT CONTINUED

REMUNERATION FAIRNESS

Part 2 of this report addressed our policy and the principles applied in relation to Fair and Responsible Remuneration. This section sets out some commentary and analysis undertaken to assess our progress in this regard.

The Group in South Africa has implemented a deliberate and integrated program since 2013 to facilitate the decline in the Gini co-efficient (when applied to income inequalities), whilst retaining a competitive total reward construct at management levels.

The result is that at the operator level (i.e.: lowest levels of pay) the average level of base salaries since 2013 has increased by approximately 65% compared to 35% for supervisory employees and 30% for management over the same time period.

In addition to the deliberate action to implement higher salary increases over time at the lower employee levels, there have been deliberate efforts to also focus on job enlargement and job enrichment wherever practically possible in order to try and stimulate employee mobility and job re-grading.

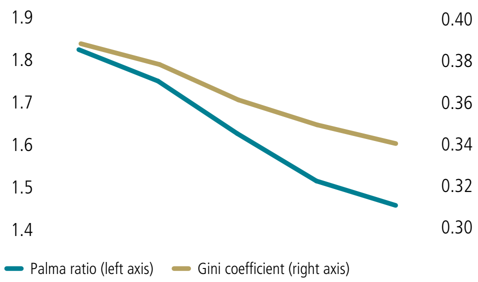
Over this period the Group has extended a variety of 'Total Reward' elements to the lower level employees which had traditionally been earmarked for supervisory and management levels such as:

- improved healthcare benefits
- better retirement benefits
- paid Family-Responsibility leave
- debt consolidation and work/life balance programmes
- career enhancement development aimed at improved career progression in support of our "Employment brand and value" proposition focusing on pay, benefits and careers

By way of illustration, the table below demonstrates the progress that Sibanye-Stillwater has made using the Palma ratio as an indicator when comparing differences in levels of base pay at the top and bottom of the Group in South Africa.

The Palma ratio represents the amount earned by the top 10% of a group of employees divided by the amount earned by the bottom 40% of that group. The trend over the last five years is illustrated below. This measure demonstrates a steady decline in this ratio over the past five years among Sibanye-Stillwater's South African-domiciled employees. People in the top 10% at the SA operations were earning guaranteed pay on average about 5.8 times what people in the bottom 40% were earning in 2018 compared to 7.2 times in 2014. Over the period the differential in GRP has declined by just short of 20%.

Trends in remuneration fairness



A declining trend is also observed when assessing remuneration data using the Gini co-efficient, which is an internationally accepted measure of the distribution of income within a society or even within a group, with a value of 0 indicating complete equality, and 1 meaning that one person receives all the income. This measure also demonstrates declining differentials in GRP. While not directly comparable it is interesting to note by way of contrast, that South Africa's Gini co-efficient, currently reported by the World Bank to be 0.65, is one of the highest, or most unequal, in the world, although this is primarily due to the high levels of unemployment in the country.

GRP ADJUSTMENTS EFFECTIVE FROM MARCH 2019

The following increases were granted to executive directors and prescribed Officers (who comprise the Group Exco) with effect from March 2019:

Executive	2017/2018 GRP (R000/US$000)	Increase %	2018/2019 GRP (R000/US$000)
Neal Froneman [1]	12,500	5.3%	13,163
Charl Keyter	6,895	5.2%	7,254
Chris Bateman [2]	US$600	2.8%	US$617
Dawie Mostert	4,175	5.2%	4,393
Hartley Dikgale	3,819	5.1%	4,014
Richard Stewart	4,193	5.5%	4,424
Robert van Niekerk	5,409	5.3%	5,696
Shadwick Bessit [3]	4,747	4.5%	4,961
Themba Nkosi	3,918	4.9%	4,110
Wayne Robinson	4,682	5.0%	4,916

[1] *Neal Froneman's approved GRP is maintained in South African rands with a portion covering the time spent in the provision of strategic and technical leadership to the Sibanye-Stillwater operations based in the United States to be paid under the dual services contract converted into US dollars at a 12-month trailing exchange rate*

[2] *Chris Bateman's salary is reflected in US dollars*

[3] *Cost-of-living increase only based on a default performance rating applicable to newly promoted employees*

Base pay increases at operator levels of the organisation in South Africa averaged 6.7%. Cost-of-living increases at the level of traditional officials, union members and the artisans group were 5.2% before taking into account any additional promotional or performance adjustments.

Non-executive directors, Susan van der Merwe and Nkosemntu Nika, during an underground mine visit at one of the SA gold operations

REMUNERATION REPORT CONTINUED

STI OUTCOMES

As set out in Part 2 of this report, the STI bonus payments are based on measuring and rating the performance of the Group Exco against operational measures, as itemised in the Group Performance scorecard and Personal performance of each executive based on their personal KPIs.

Operational performance outcomes during 2018

The table below shows the outcomes on the Group scorecard for 2018 relative to approved targets, which represents the largest element of each executive's assessment for bonus determination for the year (along with the assessment of their Personal Scorecards).

Addressing safety in the 2018 Group Scorecard

As mentioned in Part 1 of this report, in mid-2018, the Remuneration Committee chose to grant more weight to safety in the scorecard applicable to the SA gold operations after the increased number of fatalities in comparison with previous years as a result of the two anomalous safety incidents at these operations in the first half of 2018. It should be noted that, even before doing so, the weighting applicable to safety had already been increased from 21% in the 2017 scorecard to 25% in the 2018 scorecard for all operating segments.

Nonetheless, the weighting of the fatalities element of safety performance for the South African gold operations was further increased and the FIFR achieved during H2 was included as a specific additional measure with a weighting of 20% on its own in addition to the existing Safety measures (which still included FIFR for the full year along with the SIFR component). Furthermore, this additional FIFR metric was set at a more stretching target requiring a 30% improvement in the FIFR to the existing baseline. Until then (mid-2018), the safety score had carried a weighting of 25% of the total Group performance score, split equally between the measurement of the FIFR and the SIFR. However, this increased weighting for the FIFR measure for H2 2018 for the SA gold operations raised the FIFR weighting from the original 12.5% to 30% in the final scorecard used for evaluation of performance.

This decision is considered to have been a contributing factor to the SA gold operations being fatality-free since August 2018, and in the process, achieving an exceptional milestone in deep-level mining of more than three million fatality-free shifts.

It should be noted that, having not only substantially increased the weighting of the fatalities factor in the scorecard but also lifting the 'height of the hurdle' by adding more stretch to the targeted FIFR in the second half, the gold operations managed to not only exceed the 'on target' measure but to also nearly reach the 'stretch' target, which was for a 50% improvement to the baseline, during H2. Accordingly this resulted in a 'tale of two halves' with a zero score for the FIFR for the full year against the original target and, as it turned out, a strong result for the second half following the substantial increase in weighting of the FIFR. That may seem counterintuitive when you look at the overall result for the year but if one is setting targets to drive particular behaviours and they are achieved then that would be deemed to be an appropriate outcome.

OTHER CONSIDERATIONS

As has been indicated before, there are circumstances in which significant anomalous events arise that are beyond management's control and for which reasonable risk mitigation was unable to predict or diminish the impact. The Remuneration Committee is prepared to consider altering the relevant scorecard KPI targets to allow for these. An example would be a major seismic event that renders an entire section of a mine inaccessible or no longer possible to mine.

During the review of performance for 2018, the Remuneration Committee considered several justifiable cases in which some moderation of particular KPI targets (such as development metres, metal production relative to target, etc.) might have been applicable. However, besides the Safety metric already discussed and given the relative materiality of the possible resulting impact on performance and the experience of the year as a whole, the Remuneration Committee decided not to allow any adjustments to any of the KPI targets on the scorecards for the executive directors and prescribed officers.

The table below presents the applicable operational KPIs, threshold, on-target and maximum target levels, and actual achievement relating thereto.

The overall score for the Group as a whole for 2018 was 80.68%. However, there were significantly different outcomes for each of the three main operating units namely: 34.35% for the SA gold operations; 131.13% for the SA PGM operations and 76.01% for the US PGM operations.

Sibanye-Stillwater short term incentive scorecard evaluation 2018

Contribution	KPI	Weight	Parameter	Sub-weight	Threshold	On Target	Maximum	Actual	Rating
					0%	100%	200%		
SA operations (81% contribution to Group)									
SA gold operations (51% contribution to SA operations)									
20%	H2 Fatalities	100%	FIFR during H2 (per million hours)	100%	0.086	0.060	0.043	0.048	171.76%
80%	Safety	25%	FIFR (per million hours)	50%	0.086	0.077	0.073	0.237	0.00%
			SIFR (per million hours)	50%	4.12	3.88	3.75	4.53	0.00%
	Production	30%	Gold produced (kg)	100%	36 767	40 852	43 002	34 620	0.00%
	Cost	30%	Operating cost per underground tonne milled (R/tonne)	100%	2 266	2 060	1 957	2 528	0.00%
	Sustainability	15%	Primary on-reef development (including Burnstone) (m)	50%	12 292	13 658	14 377	11 113	0.00%
			Primary off-reef development (including Burnstone) (m)	50%	35 013	38 903	40 950	31 182	0.00%
								SA gold operations overall	34.35%
SA PGM operations (49% contribution to SA operations)									
100%	Safety	25%	Fatal injuries	50%	3	2	1	3	0.00%
			SIFR (per million hours)	50%	2.59	2.47	2.39	2.09	200.00%
	Production	30%	Ounces produced ('000 4E oz)	100%	1 147	1 275	1 307	1 305	192.63%
	Cost	30%	Operating cost including Ore Reserve development before credits and direct costs of by-product per 4E ounce produced (R/4E oz)	100%	12 235	11 123	10 845	11 242	89.26%
	Sustainability	15%	Primary on-reef development (m)	50%	19 627	21 808	22 367	21 537	87.57%
			Primary off-reef development (m)	50%	10 949	12 165	12 477	14 395	200.00%
								SA PGM operations overall	131.13%
								SA operations overall	81.78%
US PGM operations (19% contribution to Group)									
100%	Safety	25%	AIFR* per 200,000 hours	100%	2.68	2.42	2.30	2.79	0.00%
	Production	25%	Returnable 2E PGM produced ('000 oz)	50%	537.7	597.4	627.3	592.6	91.97%
			Tonnes milled ('000)	50%	1326	1473	1547	1474	101.35%
	Cost	25%	All-in sustaining cost ($/2E oz)	75%	717.9	677.3	656.9	677.1	100.72%
			Recycling operations EBITDA ($ million)	25%	10	20	27	24.6	165.73%
	Sustainability	25%	Linear development (incl. Blitz capital development) ('000 ft)	25%	64	72	76	71.2	90.30%
			Diamond drilling ('000 ft)	25%	760	800	820	834.7	200.00%
			Blitz ventilation raise completion date	25%	31 Dec 2018	31 Oct 2018	30 Sep 2018	18 Dec 2018	21.31%
			Blitz TBM/Benbow/56E combined linear development ('000 ft)	12.5%	9.20	10.20	10.70	7.03	0.00%
			Stillwater Water Treatment Project completion date	12.5%	September	July	May	July	100.00%
								US PGM operations overall	76.01%
								Group	80.68%

** All injury frequency rate*

REMUNERATION REPORT CONTINUED

Personal performance outcomes for executive directors during 2018

As set out in Part 2 of this report, a rating scale of 1-5 is used for each factor and then a weighted average score is determined based on the outcomes for each factor. A rating of 3 corresponds to an 'on target' score and equates to 100% whereas a rating of 5 is afforded a score of 200%.

CEO: Achieved a score of 140% for the personal performance component of his STI payment. During the year, the CEO continued to lead the strategic transformation of Sibanye-Stillwater into a leading international precious metals producer through the acquisitive growth that is strongly value accretive in the medium term. Among the notable performance highlights for the year were:

- Leadership that was instrumental in maintaining the positive safe production momentum at all of the PGM operations acquired during the previous two years, with the production ramp up from the Blitz project at the United States operations initiated on the planned time scale
- Cemented Sibanye-Stillwater's strategic position in the global PGM sector through preparatory work to secure a full mine to market value chain for the SA PGM operations
- Delivered effective deleveraging through the successful conclusion of the bespoke streaming transaction with Wheaton Precious Metals, complemented by additional commercial transactions
- Conclusion of the DRDGOLD and Aldebaran transactions to secure meaningful financial participation in non-core activities through business ventures that will afford dedicated focus

While the regrettable and tragic safety incidents at the South African gold operations detracted from the overall performance (which is reflected in the Group scorecard as opposed to the Personal scorecard), these are regarded as anomalous and not reflective of the values-based leadership culture that is generally practised at Sibanye-Stillwater or the quality of the safe production management systems that are in place. Management of the crisis that arose from these safety incidents was conducted in an exemplary manner through intensive and transparent interactions led personally by the CEO.

CFO: Achieved a personal performance score of 135% for the personal performance component of his STI payment. The notable performance highlights for the year were:

- Focused on the deleveraging of the balance sheet
- Concluded the gold and palladium streaming transaction with Wheaton Precious Metals
- Executed a US$395 million bond buy-back resulting in annual interest commitments reducing by US$25 million and by US$137 million over the remaining life of these instruments
- Executed a gold hedging programme of ~25% of annual planned production providing downside protection at ~R558,000/kg which was well above the realised average gold price of R535,929/kg
- Successfully executed the statutory audit tender process to appoint a new audit firm from commencement of the 2019 financial year, subject to shareholder approval at the Annual General Meeting
- Maintained a high level of governance and internal control over financial reporting

Overall STI outcomes for executive directors and prescribed officers for 2018

The following table represents the 2018 individual performance assessments made for STI award purposes, together with the applicable cash and Forfeitable (Bonus) shares allocated to the Executive Directors and the Prescribed Officers.

Executive STI incentives and bonus share value

Executive		Organisation performance	Individual Balanced Scorecard	Overall performance	Approved annual GRP*	Cash incentive*	Value of Bonus Shares*
	Jan-Apr				R12,500	R2,789	R1,859
Neal Froneman	May-Dec (RSA)	80.68%	140.0%	104.41%	R8,649	R3,940	R2,627
	May-Dec (USA)				US$299.1	US$136.3	US$90.8
Charl Keyter		80.68%	135.0%	102.41%	R6,895	R4,237	R2,824
Chris Bateman		76.01%	140.0%	95.21%	US$600.0	US$314.2	US$209.5
Dawie Mostert		80.68%	135.0%	102.41%	R4,175	R2,352	R1,568
Hartley Dikgale		81.78%	130.0%	96.24%	R3,819	R2,022	R1,348
Richard Stewart		80.68%	150.0%	108.41%	R4,193	R2,500	R1,667
Robert van Niekerk		81.78%	140.0%	99.24%	R5,409	R3,221	R2,147
Shadwick Bessit [1]		81.78%	100.0%	87.24%	R4,316	R176	R117
Themba Nkosi		81.78%	120.0%	93.24%	R3,918	R2,009	R1,339
Wayne Robinson		81.78%	125.0%	94.74%	R4,682	R2,440	R1,626

** The financial figures in the table are in R000 or US$000 as the case may be*

[1] The amounts due to Shadwick Bessit are in respect of the period during the year for which he was appointed as a member of the Group Executive Committee and a Prescribed Officer at the beginning of December 2018

LTI CONDITIONAL SHARE AWARDS MADE DURING 2018

The details for the determination of the Conditional (Performance) share awards made to Executive Directors and Prescribed Officers on 1 March 2018 are shown below. The basis on which these share awards were determined is explained in Part 2 of this report.

It is important to bear in mind that the value shown here represents the amount that was used to determine the actual number of shares to be awarded using the applicable pricing formula at the time (March 2018). However, the number of shares that will finally vest in March 2021 at the end of this three-year cycle will vary between 0% and 100%, depending on how well the performance conditions have been met by then.

Executive LTI and performance share value 2018

Executive	Award for on target BSC rating	% of on target award based on BSC rating	% of annual GRP awarded	Value of Performance Share award*
Neal Froneman	195%	200%	390%	R51,919
Charl Keyter	180%	200%	360%	R26,361
Chris Bateman	165%	175%	289%	US$1,784
Dawie Mostert	165%	175%	289%	R12,780
Hartley Dikgale	165%	150%	248%	R9,982
Richard Stewart	165%	200%	330%	R14,722
Robert van Niekerk	180%	200%	360%	R20,661
Themba Nkosi	165%	150%	248%	R10,239
Wayne Robinson	165%	150%	248%	R12,236

** The financial figures in the table are in R000 or US$000 as the case may be*

REMUNERATION REPORT CONTINUED

LTI CONDITIONAL SHARE AWARDS TO BE MADE DURING 2019

The details for the determination of the Conditional (Performance) share awards made to executive directors and prescribed officers on 1 March 2019 are shown below.

While the actual number of shares that will finally vest in March 2022 will vary, the value shown here applies to the maximum value at the time of the granting of the award.

Executive LTI and bonus share value 2019

Executive	Award for on target BSC rating	% of on target award based on BSC rating	% of annual GRP awarded	Value of Performance Share award*
Neal Froneman	195%	175%	341%	R44,917
Charl Keyter	180%	150%	270%	R19,585
Chris Bateman	165%	175%	289%	US$1,781
Dawie Mostert	165%	150%	248%	R10,871
Hartley Dikgale	165%	150%	248%	R9,934
Richard Stewart	165%	175%	289%	R12,773
Robert van Niekerk	180%	175%	315%	R17,942
Shadwick Bessit [1]	165%	100%	165%	R8,185
Themba Nkosi	165%	150%	248%	R10,171
Wayne Robinson	165%	150%	248%	R12,166

** The financial figures in the table are in R000 or US$000 as the case may be*

[1] The amounts due to Shadwick Bessit are in respect of the period during the year for which he was appointed as a member of the Group Executive Committee and a Prescribed Officer at the beginning of December 2018

VESTING OUTCOMES FOR THE 2015 CONDITIONAL SHARE AWARDS VESTING IN 2018

For the Conditional shares awarded on 2 March 2015, the performance condition applied differed from those applicable to awards made since 2016.

The applicable conditions for these share awards only had one criterion, which was based on the change in the average daily closing Sibanye-Stillwater share price over the three-year performance period as compared to two peer companies, Harmony and Pan African, as follows:

Sibanye-Stillwater rank	Performance condition
1	200%
2	Linear interpolation between first and third ranked companies
3	100%

The average daily share price appreciation achieved by the three companies was as follows over the vesting period.

Company	Average daily share price appreciation
Harmony Gold Mining Co. Ltd	0.0568%
Sibanye-Stillwater	(0.0110%)
Pan African Resources	(0.0396%)

On this basis, Sibanye-Stillwater was the second ranked company in the peer group, and the resultant vesting percentage applied to the awards was 129.59%.

As a result, the number of shares that vested in 2018 for each of the relevant executives was as follows:

Executive	Number of shares vesting
Hartley Dikgale	134,883
Neal Froneman	696,047
Charl Keyter	317,476
Dawie Mostert	173,202
Wayne Robinson	186,988
Richard Stewart	156,246
Robert Van Niekerk	234,514

VESTING OUTCOMES FOR 2016 CONDITIONAL (PERFORMANCE) SHARE AWARDS VESTING IN MARCH 2019

The vesting conditions for the Conditional shares awarded in 2016 onwards have changed considerably from the above performance conditions. These performance conditions are the same as those currently applicable to the awards made in 2018 and 2019 and can be referenced in Part 2 of this report.

In summary, they depend on the relative performance of Sibanye-Stillwater as measured on a TSR basis against a comparator group and on a determination of the Group's ROCE relative to the required return on equity.

The share awards granted in March 2016 will now vest in March 2019 following the application of these new performance conditions.

When assessing the TSR factor, which is applicable to 70% of the shares awarded, Sibanye-Stillwater's performance was the lowest of the comparator group over the three-year assessment period. Accordingly this factor achieved a vesting percentage score of 0%. While still subject to audit review, indications are that the ROCE exceeded the threshold Return on Equity for the period by 2.07% resulting in a vesting percentage score of 34.4%.

Since the ROCE condition is applicable to 30% of the shares awarded then, before the consideration of any discretion by the Remuneration Committee, 10.3% of the Conditional shares awarded in March 2016 would vest in 2019.

However, given the increased number of fatalities in comparison with previous years as a result of the two anomalous safety incidents during the first half of 2018, the Remuneration Committee considered this to be a significant negative impact on Sibanye-Stillwater's ESG performance and thus exercised its discretion to reduce the vesting outcome by 20%. Consequently, subject to final audit review, only 8.24% of the Conditional shares awarded in March 2016 will vest in March 2019.

EXECUTIVE DIRECTORS AND PRESCRIBED OFFICERS' EQUITY-SETTLED INSTRUMENTS

The tables below present the details of the awards made under share-based incentive schemes in 2018 and in prior years that have not yet vested and the income received for awards settled during the 2018 financial year.

CFO and executive director, Charl Keyter during a mine visit at the US PGM operations

REMUNERATION REPORT CONTINUED

Share equity summary

	Award	Award date	Award price	Vesting date	Equity-settled instruments at 31 December 2017	Number of shares awarded inclusive of performance condition award	Equity-settled instruments forfeited during the year	Equity-settled instruments exercised during the year	Equity-settled instruments at 31 December 2018	Face value at award date (R000)	Fair value at award date (R000)	Fair value at 31 December 2018 (R000)
EXECUTIVE DIRECTORS												
Neal Froneman	**Conditional Share Awards**											
	PS - 2 March 2015	2 Mar 2015	R0.00	2 Mar 2018	537,115	186,772	–	723,887	–	10,400	12,983	–
	PS - 1 March 2016	1 Mar 2016	R0.00	1 Mar 2019	910,086	36,403	–	–	946,489	33,166	12,540	2,849
	PS - 1 March 2017	1 Mar 2017	R0.00	2 Mar 2020	2,011,752	80,470	–	–	2,092,222	35,716	31,280	7,616
	PS - 1 March 2018	1 Mar 2018	R0.00	1 Mar 2021	–	4,440,824	–	–	4,440,824	48,750	29,292	25,890
	Forfeitable Share Awards											
	BS - 1 March 2017	1 Mar 2017	R0.00	1 Sep 2018	51,716	2,069	–	53,785	–	1,393	1,224	–
	BS - 1 March 2018	3 Mar 2018	R0.00	3 Dec 2018	–	285,957	–	285,957	–	3,139	3,143	–
	BS - 1 March 2018	2 Mar 2018	R0.00	2 Sep 2019	–	285,959	–	–	285,959	3,139	3,143	2,865
Total					**3,510,669**	**5,318,454**	**–**	**1,063,629**	**7,765,494**	**135,703**	**93,605**	**39,220**
Charl Keyter	**Conditional Share Awards**											
	PS - 2 March 2015	2 Mar 2015	R0.00	2 Mar 2018	244,985	72,491	–	317,476	–	4,744	5,922	–
	PS - 1 March 2016	1 Mar 2016	R0.00	1 Mar 2019	413,540	16,542	–	–	430,082	15,070	5,698	1,295
	PS - 1 March 2017	2 Mar 2017	R0.00	2 Mar 2020	1,019,482	40,779	–	–	1,060,261	18,099	15,851	3,859
	PS - 1 March 2018	1 Mar 2018	R0.00	1 Mar 2021	–	2,261,131	–	–	2,261,131	24,822	14,915	13,182
	Forfeitable Share Awards											
	BS - 1 March 2017	1 Mar 2017	R0.00	1 Sep 2018	25,861	1,034	–	26,895	–	697	612	–
	BS - 1 March 2018	3 Mar 2018	R0.00	3 Dec 2018	–	140,114	–	140,114	–	1,538	1,540	–
	BS - 1 March 2018	2 Mar 2018	R0.00	2 Sep 2019	–	140,114	–	–	140,114	1,538	1,540	1,404
Total					**1,703,868**	**2,672,205**	**–**	**484,485**	**3,891,588**	**66,508**	**46,078**	**19,740**

Share equity summary continued

	Award	Award date	Award price	Vesting date	Equity-settled instruments at 31 December 2017	Number of shares awarded inclusive of performance condition award	Equity-settled instruments forfeited during the year	Equity-settled instruments exercised during the year	Equity-settled instruments at 31 December 2018	Face value at award date (R000)	Fair value at award date (R000)	Fair value at 31 December 2018 (R000)
PRESCRIBED OFFICERS												
Hartley Dikgale	**Conditional Share Awards**											
	PS - 2 March 2015	2 Mar 2015	R0.00	2 Mar 2018	104,084	30,799	–	134,883	–	2,015	2,516	–
	PS - 1 March 2016	1 Mar 2016	R0.00	1 Mar 2019	192,536	7,701	–	–	200,237	7,016	2,653	603
	PS - 1 March 2017	1 Mar 2017	R0.00	2 Mar 2020	580,521	23,221	–	–	603,742	10,306	9,026	2,198
	PS - 1 March 2018	1 Mar 2018	R0.00	1 Mar 2021	–	861,041	–	–	861,041	9,452	5,680	5,020
	Forfeitable Share Awards											
	BS - 1 March 2017	1 Mar 2017	R0.00	1 Sep 2018	15,404	616	–	16,020	–	415	365	–
	BS - 1 March 2018	1 Mar 2018	R0.00	3 Dec 2018	–	69,579	–	69,579	–	764	765	–
	BS - 1 March 2018	1 Mar 2018	R0.00	2 Sep 2019	–	69,579	–	–	69,579	764	765	697
Total					**892,545**	**1,062,536**	**–**	**220,482**	**1,734,599**	**30,733**	**21,769**	**8,517**
Dawie Mostert	**Conditional Share Awards**											
	PS - 2 March 2015	2 Mar 2015	R0.00	2 Mar 2018	133,653	39,549	–	173,202	–	2,588	3,231	–
	PS - 1 March 2016	1 Mar 2016	R0.00	1 Mar 2019	247,938	9,918	–	–	257,856	9,035	3,416	776
	PS - 1 March 2017	1 Mar 2017	R0.00	2 Mar 2020	581,610	23,264	–	–	604,874	10,326	9,043	2,202
	PS - 1 March 2018	1 Mar 2018	R0.00	1 Mar 2021	–	1,098,264	–	–	1,098,264	12,056	7,244	6,403
	Forfeitable Share Awards											
	BS - 1 March 2017	1 Mar 2017	R0.00	1 Sep 2018	15,938	638	–	16,576	–	429	377	–
	BS - 1 March 2018	1 Mar 2018	R0.00	3 Dec 2018	–	78,266	–	78,266	–	859	860	–
	BS - 1 March 2018	1 Mar 2018	R0.00	2 Sep 2019	–	78,266	–	–	78,266	859	860	784
Total					**979,139**	**1,328,165**	**–**	**268,044**	**2,039,260**	**36,153**	**25,032**	**10,165**
Themba Nkosi	**Conditional Share Awards**											
	PS - 1 Sep 2016	1 Sep 2016	R0.00	2 Sep 2019	104,751	4,190	–	–	108,941	3,850	1,443	742
	PS - 1 March 2017	1 Mar 2017	R0.00	2 Mar 2020	520,136	20,805	–	–	540,941	9,234	8,087	1,969
	PS - 1 March 2018	1 Mar 2018	R0.00	1 Mar 2021	–	883,240	–	–	883,240	9,696	5,826	5,149
	Forfeitable Share Awards											
	BS - 1 March 2017	1 Mar 2017	R0.00	1 Sep 2018	15,185	607	–	15,792	–	409	359	–
	BS - 1 March 2018	1 Mar 2018	R0.00	3 Dec 2018	–	72,034	–	72,034	–	791	792	–
	BS - 1 March 2018	1 Mar 2018	R0.00	2 Sep 2019	–	72,035	–	–	72,035	791	792	722
Total					**640,072**	**1,052,911**	**–**	**87,826**	**1,605,157**	**24,770**	**17,299**	**8,582**
Wayne Robinson	**Conditional Share Awards**											
	PS - 2 March 2015	2 Mar 2015	R0.00	2 Mar 2018	144,292	42,696	–	186,988	–	2,794	3,488	–
	PS - 1 March 2016	1 Mar 2016	R0.00	1 Mar 2019	267,170	10,687	–	–	277,857	9,736	3,681	836
	PS - 1 March 2017	1 Mar 2017	R0.00	2 Mar 2020	652,656	26,106	–	–	678,762	11,587	10,148	2,471
	PS - 1 March 2018	1 Mar 2018	R0.00	1 Mar 2021	–	1,055,500	–	–	1055,500	11,587	6,962	6,154
	Forfeitable Share Awards											
	BS - 1 March 2017	1 Mar 2017	R0.00	1 Sep 2018	16,890	676	–	17,566	–	455	400	–
	BS - 1 March 2018	1 Mar 2018	R0.00	3 Dec 2018	–	70,691	–	70,691	–	776	777	–
	BS - 1 March 2018	1 Mar 2018	R0.00	2 Sep 2019	–	70,692	–	–	70,692	776	777	708
Total					**1,081,008**	**1,277,048**	**–**	**275,245**	**2,082,811**	**37,711**	**26,233**	**10,169**

REMUNERATION REPORT CONTINUED

Share equity summary continued

	Award	Award date	Award price	Vesting date	Equity-settled instruments at 31 December 2017	Number of shares awarded inclusive of performance condition award	Equity-settled instruments forfeited during the year	Equity-settled instruments exercised during the year	Equity-settled instruments at 31 December 2018	Face value at award date (R000)	Fair value at award date (R000)	Fair value at 31 December 2018 (R000)
PRESCRIBED OFFICERS continued												
Richard Stewart	**Conditional Share Awards**											
	PS - 2 March 2015	2 Mar 2015	R0.00	2 Mar 2018	120,569	35,677	–	156,246	–	2,335	2,914	–
	PS - 3 Nov 2015	3 Nov 2015	R0.00	3 Nov 2018	291,336	11,653	–	302,989	–	3,113	7,042	–
	PS - 1 March 2016	1 Mar 2016	R0.00	1 Mar 2019	261,437	10,457	–	–	271,894	9,527	3,602	818
	PS - 1 March 2017	1 Mar 2017	R0.00	2 Mar 2020	779,114	31,165	–	–	810,279	13,832	12,114	2,949
	PS - 1 March 2018	1 Mar 2018	R0.00	1 Mar 2021	–	1,260,423	–	–	1260,423	13,837	8,314	7,348
	Forfeitable Share Awards											
	BS - 1 March 2017	1 Mar 2017	R0.00	1 Sep 2018	16,733	669	–	17,402	–	451	396	–
	BS - 1 March 2018	1 Mar 2018	R0.00	3 Dec 2018	–	85,900	–	85,900	–	943	944	–
	BS - 1 March 2018	1 Mar 2018	R0.00	2 Sep 2019	–	85,900	–	–	85,900	943	944	861
Total					**1,469,189**	**1,521,844**	**–**	**562,537**	**2,428,496**	**44,980**	**36,271**	**11,977**
Robert van Niekerk	**Conditional Share Awards**											
	PS - 2 March 2015	2 Mar 2015	R0.00	2 Mar 2018	180,966	53,548	–	234,514	–	3,504	4,374	–
	PS - 1 March 2016	1 Mar 2016	R0.00	1 Mar 2019	287,477	11,499	–	–	298,976	10,476	3,961	900
	PS - 1 March 2017	1 Mar 2017	R0.00	2 Mar 2020	765,144	30,606	–	–	795,750	13,584	11,897	2,897
	PS - 1 Sep 2017	1 Sep 2017	R0.00	1 Sep 2020	111,676	4,467	–	–	116,143	2,303	2,635	423
	PS - 1 March 2018	1 Mar 2018	R0.00	1 Mar 2021	–	1,773,860	–	–	1,773,860	19,473	11,701	10,342
	Forfeitable Share Awards											
	BS - 1 March 2017	1 Mar 2017	R0.00	1 Sep 2018	20,120	805	–	20,925	–	542	476	–
	BS - 1 March 2018	1 Mar 2018	R0.00	3 Dec 2018	–	136,408	–	136,408	–	1,497	1,499	–
	BS - 1 March 2018	1 Mar 2018	R0.00	2 Sep 2019	–	136,410	–	–	136,410	1,497	1,499	1,367
Total					**1,365,383**	**2,147,603**	**–**	**391,847**	**3,121,139**	**52,877**	**38,043**	**15,928**
Chris Bateman	**Conditional Share Awards**											
	PS - 1 Sep 2017	1 Sep 2017	R0.00	1 Sep 2020	413,920	16,557	–	–	430,477	8,537	9,768	1,584
	PS - 1 March 2018	1 Mar 2018	R0.00	1 Mar 2021	–	1,810,808	–	–	1,810,808	19,878	11,944	10,557
	Forfeitable Share Awards											
	BS - 1 March 2018	1 Mar 2018	R0.00	3 Dec 2018	–	136,632	–	136,632	–	1,500	1,502	–
	BS - 1 March 2018	1 Mar 2018	R0.00	2 Sep 2019	–	136,632	–	–	136,632	1,500	1,502	1,369
Total					**413,920**	**2,100,629**	**–**	**136,632**	**2,377,917**	**31,415**	**24,715**	**13,510**
Shadwick Bessit [1]	**Conditional Share Awards**											
	PS - 1 March 2016	1 Mar 2016	R0.00	1 Mar 2019	259,954	–	–	–	259,954	9,109	3,444	782
	PS - 1 March 2017	1 Mar 2017	R0.00	2 Mar 2020	568,821	–	–	–	568,821	9,710	8,504	2 071
	PS - 1 March 2018	1 Mar 2018	R0.00	1 Mar 2021	737,114	–	–	–	737,114	8,092	4,862	4,297
	PS - 3 Dec 2018	3 Dec 2018	R0.00	3 Dec 2021	-	49,288	–	–	49,288	425	336	336
	Forfeitable Share Awards											
	BS - 1 March 2018	1 Mar 2018	R0.00	3 Dec 2018	98,619	–	–	98,619	–	1,083	1,084	–
	BS - 1 March 2018	1 Mar 2018	R0.00	2 Sep 2019	98,620	–	–	–	98,620	1,083	1,084	988
Total					**1,763,128**	**49,288**	**–**	**98,619**	**1,713,797**	**29,501**	**19,314**	**8,474**

[1] *Became a prescribed officer on 1 December 2018. The initial holdings reflect all awards made but not settled as at the date he assumed the role of prescribed officer, with awards, forfeitures and exercises only provided for the period for which he was a prescribed officer.*

NON-EXECUTIVE DIRECTOR FEES

Fees and reimbursements paid in respect of Directors' 2018 Board and Committee duties are presented in the table below exclusive of the VAT component that is included in the fees schedule as approved by shareholders.

Non-executive director*	Directors Fees	Committee Fees	Expense allowance	Total
Tim Cumming	954	589	155	1,698
Savannah Danson	953	528	_	1,480
Barry Davison	953	696	_	1,649
Rick Menell	954	742	27	1,723
Sello Moloko	1,802	_	_	1,802
Nkosemntu Nika	922	513	_	1,435
Keith Rayner	954	695	74	1,723
Sue van der Merwe	954	536	_	1,491
Jerry Vilakazi	945	344	_	1,289
Grand Total	**9,392**	**4,643**	**257**	**14,291**

** Financial figures in table are in R000*

In reviewing the fees for non-executive directors, the Remuneration Committee considered a detailed report and comparative analysis of the level of fees paid relative to other comparator companies.

The various level of fees – for Board members, committee members, chairs of boards / committees – were compared against 12 comparator companies. Only three of those 12 companies were dual listed with the remainder having only a South African listing.

Against this group, all categories of Sibanye-Stillwater's board fees, with the exception of the 'main board membership' fee, were at, or just above, the median of the comparator group (using the compa-ratio approach). However, when the 'main board membership' fee for Sibanye-Stillwater was compared to the three dual listed companies (considered fair comparisons to Sibanye-Stillwater) the Group's fees were lower than all three of the comparators and about 30% below the median of that group of three.

In summary, if Sibanye-Stillwater was only listed in South Africa and had pre-dominantly local operations then its Non-Executive Director fees – bar the main board fee – would be appropriate. However, as the Group is both dual-listed and multinational, with exception of the main board fees, all the fees appear to be well below appropriate levels.

The Remuneration Committee has had insufficient time to gather further information after their initial deliberation on this matter in February 2019, but will do so and will reconsider the matter further during the course of 2019.

Accordingly, it is proposed to apply a nominal 5% cost-of-living increase across the board to all fee categories for Non-Executive Directors.

The proposed fees, set out in Special resolution number 1 in the Notice of AGM and cited on a VAT inclusive basis, reflect this 5% adjustment, which is slightly lower than the expected change in the South African CPI over the coming year and in line with the increase approved in the previous year.

Per annum (Rand)	2019	2018	5% increase
The Chair of the Board	2,215,697	**2,110,188**	105,509
The Chair of the Audit Committee	423,938	**403,750**	20,188
The Chairs of the Nominating and Governance Committee, Risk Committee, Remuneration Committee, Social and Ethics Committee, and Safety and Health Committee (excluding the Chairman of the Board)	261,453	**249,003**	12,450
Members of the Board (excluding the Chairman of the Board)	1,171,366	**1,115, 587**	55,779
Members of the Audit Committee (excluding the Chairman of the Board)	220,094	**209,613**	10,481
Members of the Nominating and Governance Committee, Risk Committee, Remuneration Committee, Social and Ethics Committee, and Safety and Health Committee (excluding the Chairman of the Board)	165,439	**157,561**	7,878

NON-BINDING VOTE ON IMPLEMENTATION REPORT

The Remuneration Implementation report, as set out here in Part 3 of this report, will be tabled for a separate non-binding advisory vote at the AGM. (See Ordinary resolution number 15 in the Notice of AGM).

section

05

ancillary information

FEEDBACK

We would appreciate your feedback on this report. Please send any comments and questions you might have on the usefulness and relevance of the information presented in this report to:

James Wellsted
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STATEMENT OF ASSURANCE

To the Directors of Sibanye-Stillwater Limited

We have undertaken a limited assurance engagement on selected sustainability key performance indicators ("selected sustainability KPIs"), as described below, and presented in the Sibanye Gold Limited, trading as Sibanye-Stillwater ("Sibanye-Stillwater"), Integrated Annual Report for the year ended 31 December 2018 ("the Report"). This engagement was conducted by a multi-disciplinary team including health, safety, social, environmental and assurance specialists with relevant experience in sustainability reporting.

SUBJECT MATTER

We have been engaged to provide a limited assurance conclusion in our report on the following selected sustainability KPIs, referenced by foonote 5 in the Five-year Statistical Review on pages 12 to 17 of the Report. The selected sustainability KPIs described below have been prepared in accordance with the criteria set out in (a), (b) and (c) of the table below, which is collectively referred to as Sibanye-Stillwater's reporting criteria.

Selected sustainability KPIs	Unit of measurement	Scope of coverage
(a) Prepared in accordance with the Global Reporting Initiative Sustainability Reporting Standards ("GRI Standards")		
Environment		
Total CO_2 equivalent emissions, Scope 1-2	Tonnes	Sibanye-Stillwater Group
Total CO_2 equivalent emissions, Scope 3	Tonnes	
Electricity consumed	MWh	
Number of environmental incidents – level 3 and higher	Number	
Total water withdrawn	ML	
Diesel	TJ	
SO_2 emissions	Tonnes	US PGM operations
Health		
Number of cases of silicosis reported	Number of cases	Sibanye-Stillwater Group
Number of cases of noise induced hearing loss (NIHL) reported	Number of cases	
Number of cases of chronic obstructive airways diseases (COAD) reported	Number of cases	
Cardiorespiratory tuberculosis (TB) – new and retreatment cases	Number of cases	
TB incidence (new and relapse cases)	Number of cases	
Highly-active antiretroviral treatment (HAART) patients on treatment and active employment	Number of patients	
HIV prevalence of employees	% of HIV Prevalence in employees	
Safety		
Lost time injury frequency rate (LTIFR)	Rate	Sibanye-Stillwater Group
Medically treated injury frequency rate (MTIFR)	Rate	
Number of fatalities	Number	
Social		
Total socio-economic development (SED) spend in rands	R million	Sibanye-Stillwater Group
(b) Prepared in compliance with the Broad-Based Socio-Economic Empowerment Charter for the South African Mining and Minerals Industry ("BBSEEC") (2002) and related scorecard (2004)		
Approved social and labour plan (SLP) projects	R million	SA operations only
(c) Prepared in compliance with the Amendment to the BBSEEC (2010) and related scorecard (2010)		
Employment equity		
Percentage HDSAs in management who are classified as designated groups and who are employed at management levels (excluding foreign nationals and white males)	Total Percentage at • Top Management (Board) • Senior (Executives) • Middle (E Band) • Junior (D Band)	SA operations only
Procurement and enterprise development		
Total procurement spend from BEE entities	R million	SA operations only
BEE procurement spend: capital goods	Percentage (%)	
BEE procurement spend: services	Percentage (%)	
BEE procurement spend: consumables	Percentage (%)	

STATEMENT OF ASSURANCE CONTINUED

DIRECTORS' RESPONSIBILITIES

The Directors are responsible for the selection, preparation and presentation of the selected sustainability KPIs in accordance with Sibanye-Stillwater's reporting criteria. This responsibility includes the identification of stakeholders and stakeholder requirements, material issues, commitments with respect to sustainability performance and design, implementation and maintenance of internal control relevant to the preparation of the Report that is free from material misstatement, whether due to fraud or error.

The Directors are also responsible for determining the appropriateness of the measurement and reporting criteria in view of the intended users of the selected sustainability KPIs and for ensuring that those criteria are publicly available to the Report users.

INHERENT LIMITATIONS

Greenhouse gas emissions quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

OUR INDEPENDENCE AND QUALITY CONTROL

We have complied with the independence and all other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

KPMG Services Proprietary Limited applies the International Standard on Quality Control 1 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.

PRACTITIONER'S RESPONSIBILITY

Our responsibility is to express a limited assurance conclusion on the selected sustainability KPIs based on the procedures we have performed and the evidence we have obtained. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements ("ISAE") 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board. That Standard requires that we plan and perform our engagement to obtain limited assurance about whether the selected sustainability KPIs are free from material misstatement.

A limited assurance engagement undertaken in accordance with ISAE 3000 (Revised) involves assessing the suitability in the circumstances of Sibanye-Stillwater's use of its reporting criteria as the basis of preparation for the selected sustainability KPIs, assessing the risks of material misstatement of the selected sustainability KPIs whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the selected sustainability KPIs.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. The procedures we performed were based on our professional judgement and included inquiries, observation of processes followed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- Interviewed management and data owners to obtain an understanding of the internal control environment, risk assessment process and information systems relevant to the sustainability reporting process
- Inspected documentation to corroborate the statements of management and data owners in our interviews
- Enquired about and inspected the processes and systems to generate, collate, aggregate, monitor and report the selected sustainability KPIs
- Inspected supporting documentation on a sample basis and performed analytical procedures to evaluate the data generation and reporting processes against the reporting criteria
- Performed a controls walkthrough of identified key controls for selected sustainability KPIs
- Evaluated the reasonableness and appropriateness of significant estimates and judgements made by the Directors in the preparation of the selected sustainability KPIs
- Undertook a selection of site visits and desktop reviews of the selected sustainability KPIs at the Sibanye-Stillwater operations in South Africa and the United States
- Evaluated whether the selected sustainability KPIs presented in the Report are consistent with our overall knowledge and experience of sustainability management and performance at Sibanye-Stillwater

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether Sibanye-Stillwater's selected sustainability KPIs have been prepared, in all material respects, in accordance with the Sibanye-Stillwater's reporting criteria.

LIMITED ASSURANCE CONCLUSION

Based on the procedures we have performed and evidence we have obtained, nothing has come to our attention that causes us to believe that the selected sustainability KPIs, as set out in the table, included in the Subject Matter paragraph above, for the year ended 31 December 2018, are not prepared, in all material respects, in accordance with Sibanye-Stillwater's reporting criteria.

OTHER MATTER

The maintenance and integrity of Sibanye-Stillwater's website is the responsibility of Sibanye-Stillwater management. Our procedures did not involve consideration of these matters and, accordingly, we accept no responsibility for any changes to either the information in the Report or our independent limited assurance report that may have occurred since the initial date of its presentation on the Sibanye-Stillwater website.

RESTRICTION OF LIABILITY

Our work has been undertaken to enable us to express a limited assurance conclusion on the selected sustainability KPIs to the Directors of Sibanye-Stillwater in accordance with the terms of our engagement and for no other purpose. We do not accept or assume liability to any party, other than Sibanye-Stillwater, for our work, for this report or for the conclusion we have reached.

KPMG Services Proprietary Limited

Per PD Naidoo

Director

KPMG Crescent
85 Empire Road
Parktown
Johannesburg 2193

29 March 2019

SHAREHOLDER INFORMATION

Share information

Sector		Resources	
Issued share capital	at 31 December 2018	2,266,260,491	
	at 31 December 2017	2,168,721,220	
JSE Ticker: SGL			
Market capitalisation	at 31 December 2018	R22.7 billion	
	at 31 December 2017	R34.3 billion	
12-month average daily share trading volumes	year ended 31 December 2018	10,567,124	
	year ended 31 December 2017	9,080,455	
Share price statistics	12-month low and high for 2018	Low: R7.08	High: R16.64
	12-month low and high for 2017	Low: R14.15	High: R35.40
	closing price as at 31 December 2018	R10.02	
NYSE Ticker: SBGL			
Market capitalisation	at 31 December 2018	US$1.6 billion	
	at 31 December 2017	US$2.8 billion	
12-month average daily share trading volumes on the NYSE and other US platforms	year ended 31 December 2018 year ended 31 December 2017	3,874,676 4,145,245	
Share price statistics	12-month low and high for 2018	Low: US$2.05	High: US$5.27
	12-month low and high for 2017	Low: US$4.14	High: US$6.65
	closing price as at 31 December 2018	US$2.83	
Free float		80%	
ADR ratio		1 ADR:4 ordinary shares	
ADRs outstanding	31 December 2018	222,762,141	
	31 December 2017	138,926,006	

Ownership summary at 31 December 2018 – top 10 shareholders

Rank	Investor	Current combined holding of shares in issue	% of shares in issue
1	Gold One International Limited	454,608,714	20.06
2	Government Employees Pension Fund (PIC)	223,673,695	9.87
3	Exor Investments UK	184,601,372	8.15
4	Investec Asset Management	113,304,131	5.00
5	Van Eck Associates Corporation	122,809,448	4.98
6	Hosking Partners	86,245,293	3.81
7	Dimensional Fund Advisors	71,657,654	3.16
8	Vanguard Group	61,276,405	2.70
9	BlackRock Inc	37,035,123	1.63
10	Majedie Asset Management (UK)	27,584,364	1.22

Registered shareholder spread at 31 December 2018

	Number of holders	% of total shareholders	Number of shares	% of issued capital
1-1,000 shares	13, 216	72.10	1,987,547	0.09
1,001-10,000 shares	3,614	19.72	12,337,289	0.54
10,001-100,000 shares	1, 134	6.19	35,042,377	1.55
100,001-1,000,000 shares	263	1.43	79,130,981	3.49
1,000,001 shares and above	102	0.56	2,137,762,297	94.33
Total	**18,329**	**100**	**2,266,260,491**	**100**

Public and non-public shareholdings

Shareholder type	Number of holders	% of total shareholders	Number of shares	% of issued capital
Non-public shareholders	10	0.05	29,451,655	1.30
Directors	8	0.04	7,944,067	0.35
Share trust	1	0.00	19,233,755	0.85
Own holding	1	0.01	2,273,833	0.10
Public shareholders	18,319	100	2,236,808,836	98.70
Total	**18,329**	**100**	**2,266,260,491**	**100**

Foreign custodian holdings of more than 3% at 31 December 2018

	Number of shares	% of issued capital
Bank of New York Depositary Receipts	566,937,909	26.14
State Street Bank and Trust Company	176,103,999	8.12
Citibank	78,318,008	3.61
JP Morgan Chase Bank	67,039,472	3.09

Investment management shareholdings of more than 3% at 31 December

	2018		2017		2016	
Beneficial shareholdings	Number of shares	% of shares in issue	Number of shares	% of shares in issue	Number of shares	Number of shares
Government Employees Pension Fund (PIC)	**223,673,695**	**9.87**	190,930,628	8.80	76,941,387	8.28
Exor Investments	**184,601,372**	**8.15**	NA	NA	NA	NA
Investec Asset Management	**113,304,131**	**5.00**	145,619,201	6.71	9,026,558	0.97
Van Eck Associates Corporation	**122,809,448**	**4.98**	232,647,340	10.73	53,555,603	5.76
Hosking Partners LLP	**86,245,293**	**3.81**	47,388,289	2.19	9,998,424	1.08
Dimensional Fund Advisors	**71,657,654**	**3.16**	60,314,329	2.78	22,462,462	2.42

Figures may not add due to rounding

DISCLAIMER AND FORWARD-LOOKING STATEMENTS

DISCLAIMER

This Integrated Annual Report ("Report") is for informational purposes only and does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States or any other jurisdiction nor a solicitation of any vote of approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. The shares to be issued in connection with the offer for Lonmin plc ("Lonmin" and the "New Sibanye Shares", respectively) have not been and will not be registered under the US Securities Act of 1933 (the "Securities Act") and, accordingly, may not be offered or sold or otherwise transferred in or into the United States except pursuant to an exemption from the registration requirements of the Securities Act. The New Sibanye Shares are expected to be issued in reliance upon the exemption from the registration requirements of the Securities Act provided by Section 3(a)(10) thereof.

This Report is not directed to, or intended for distribution to or use by, any person or entity that is a citizen or resident or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would require any registration or licensing within such jurisdiction.

No statement in this Report should be construed as a profit forecast.

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements within the meaning of the "safe harbour" provisions of the United States Private Securities Litigation Reform Act of 1995.

These forward-looking statements, including, among others, those relating to Sibanye-Stillwater's future business prospects, revenues and income, the potential benefits of past, ongoing and future acquisitions (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, information relating to the Sibanye-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 (Blitz Project), and estimations or expectations of enterprise value, adjusted EBITDA and net asset values wherever they may occur in this annual report, are necessarily estimates reflecting the best judgement of the senior management and directors of Sibanye-Stillwater.

All statements other than statements of historical facts included in this report may be forward-looking statements. Forward-looking statements also often use words such as "will", "forecast", "potential", "estimate", "expect" and words of similar meaning. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances and should be considered in light of various important factors, including those set forth in this disclaimer. Readers are cautioned not to place undue reliance on such statements. The important factors that could cause Sibanye-Stillwater's actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, changes in the market price of gold, PGMs and/or uranium; fluctuations in exchange rates, currency devaluations, inflation and other macro-economic monetary policies; the occurrence of labour disruptions and industrial action; 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; power disruptions, constraints and cost increases; the outcome and consequence of any potential or pending litigation or regulatory proceedings or other environmental, health and safety issues; the occurrence of temporary stoppages of mines for safety incidents and unplanned maintenance; the occurrence of hazards associated with underground and surface gold, PGMs and uranium mining; failure of Sibanye-Stillwater to comply with various lender covenants and restrictions and difficulties in obtaining additional financing or refinancing; Sibanye-Stillwater's ability to service its bond instruments (including high yield bonds and convertible bonds); plans and objectives of management for future operations; the ability to achieve anticipated efficiencies and other cost savings in connection with, and the ability to successfully integrate, past, ongoing and future acquisitions, as well as at existing operations; Sibanye-Stillwater's ability to achieve steady state production at the Blitz project; the ability of Sibanye-Stillwater to complete any ongoing or future acquisitions; Sibanye-Stillwater's ability to obtain the benefits of any streaming arrangements or pipeline financing; operating in new geographies and regulatory environments where Sibanye-Stillwater had no previous experience; Sibanye-Stillwater's ability to implement its strategy and any changes thereto; the success of Sibanye-Stillwater's business strategy, exploration and development activities; Sibanye-Stillwater's future financial position, plans, strategies, objectives, capital expenditures, projected costs and anticipated cost savings, financing plans, debt position and its ability to reduce debt leverage; the availability, terms and deployment of capital or credit; changes in assumptions underlying Sibanye-Stillwater's estimation of their current mineral reserves and resources; supply chain shortages and increases in the price of production inputs; economic, business, political and social conditions in South Africa, Zimbabwe, the United States, the United Kingdom and elsewhere; the ability of Sibanye-Stillwater to comply with requirements that it operate in a sustainable manner; failure of information technology and communications systems; Sibanye-Stillwater's ability to hire and retain senior management or sufficient technically skilled employees, as well as their ability to achieve sufficient representation of historically disadvantaged South Africans' in management positions; the adequacy of insurance coverage; uncertainty regarding the title to Sibanye-Stillwater's properties; 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. These forward-looking statements speak only as of the date of this report. Sibanye-Stillwater expressly disclaims any obligation or undertaking to update or revise any forward-looking statement (except to the extent legally required).

ADMINISTRATION AND CORPORATE INFORMATION

SIBANYE GOLD LIMITED
TRADING AS SIBANYE-STILLWATER
Incorporated in the Republic of South Africa
Registration number 2002/031431/06
Share code: SGL
Issuer code: SGL
ISIN: ZAE E000173951

LISTINGS
JSE: SGL
NYSE: SBGL

WEBSITE
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Neal Froneman (CEO)
Charl Keyter (CFO)
Savannah Danson*
Timothy Cumming*
Barry Davison*#
Rick Menell*
Nkosemntu Nika*
Keith Rayner*
Susan van der Merwe*
Jerry Vilakazi*
Harry Kenyon-Slaney*

** Independent non-executive*
 # Retiring on 28 May 2019

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