

Operating and Financial
Results for the six months
ended 30 June 2015

6 August 2015

Disclaimer

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In accordance with the requirements imposed by the JSE, Sibanye Gold reports its reserves using the terms and definitions of the SAMREC Code (2007 edition). There are differences between the SAMREC Code and the Security and Exchange Commission's Industry Guide 7. Mineral or ore reserves, as defined under the SAMREC Code, are divided into categories of proved and probable reserves and are expressed in terms of tonnes to be processed at mill feed head grades, allowing for estimated mining dilution, recovery and other factors.

The lead Competent Person designated in terms of SAMREC, who take responsibility for the consolidation and reporting of Sibanye Gold's Mineral Resources and Mineral Reserves and of the overall regulatory compliance of these figures is Mr. Gerhard Janse van Vuuren, who gave his consent for the disclosure of the C2015 Mineral Resource and Mineral Reserve Statement. Mr Janse van Vuuren [BTech (MRM), GDE (Mining Eng.), MBA and MScCoC] is registered with Plato (PMS No 243) and has 27 years' experience relative to the type and style of mineral deposit under consideration. He is the current Vice President: Mine Planning and Mineral Resource Management and is a full time employee of Sibanye Gold. Mr. van Vuuren consents to the inclusion of all information in this release relating to mineral resources and mineral reserves in the form in which it appears.

The respective business unit based Mineral Resource Managers, relevant project managers and the respective Mineral Resource Management discipline heads have been designated as the Competent Persons in terms of SAMREC and take responsibility for the reporting of Mineral Resources and Mineral Reserves for their respective area(s) of responsibility. Additional information regarding these personnel, as well as the teams involved with the compilation of the Mineral Resource and Mineral Reserve declaration is incorporated in the Mineral Resources and Mineral Reserves Supplement that will be published in conjunction with the 2014 Sibanye Gold Integrated Report.

1. Introduction – challenging start to 2015
2. Safety performance
3. Operational review
4. Financial review
5. WRTRP – a sneak preview
6. Contextualising the current operating environment
7. Update on wage negotiations
8. H2 2015 outlook
9. Questions

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Introduction – challenging
start to 2015



Six months ended 30 June 2015 in context

- Challenging first quarter – numerous operational disruptions.
- Dollar gold price declines further
- Crisis at Eskom
 - irregular electricity supply – load shedding
 - continually increasing electricity costs
- Preparation for and initiation of wage negotiations – a different approach proposed to unions
- Regulatory uncertainty – disagreement with DMR on principle of continuing consequences or “once empowered always empowered”



Q1 2015 – what the analysts said

THE HONEYMOON IS OVER

“We do not view the past two years as sustainable.”

The ability to reward shareholders underpins SGL’s strategy”

“Was this a poor quarter or a sign of further challenges ahead?”

“Gold reserves have been in decline since 2000.”

“SGL has established a credible delivery track record.”

“The first quarter since the February 2013 listing where SGL have materially missed on expectations.”

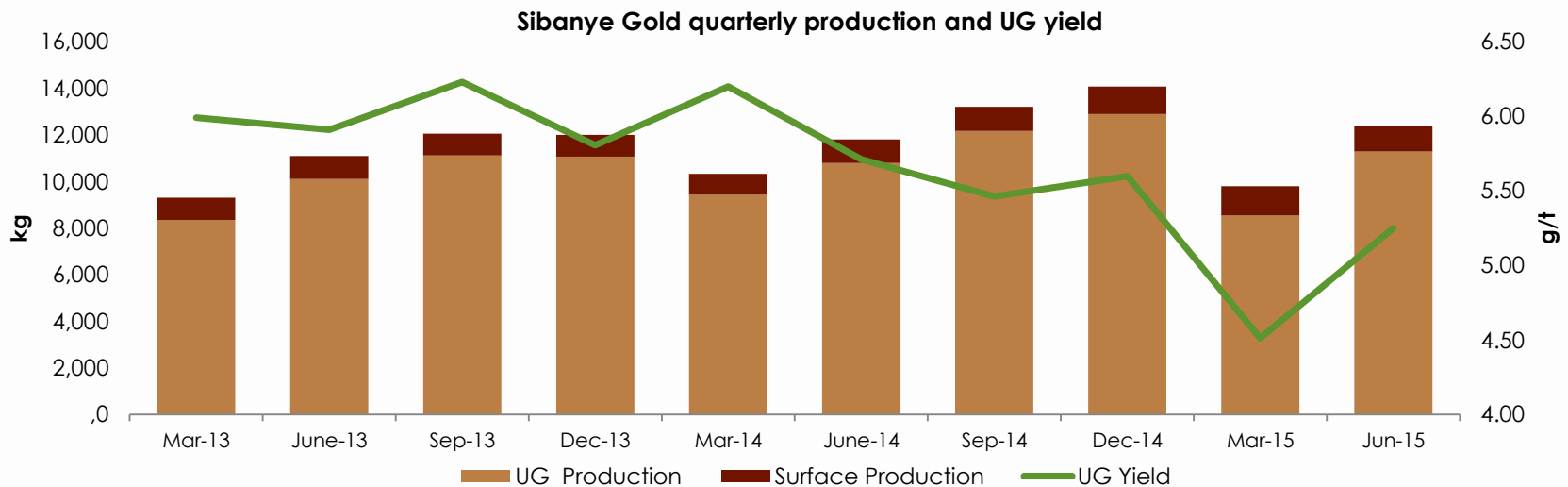
“1Q2015: Operationally the company did poorly. The issues appear temporary. The main issues relate to grade.”

“We believe there is significant risk in the current production replacement strategy due to the relatively low quality and capital requirements of projects supporting it. We believe WRTRP is uneconomical in its present form.”

“The stock lacks a positive catalyst until Cooke turns around and the WRTRP is complete.”

Q1 2015 – a disappointing start

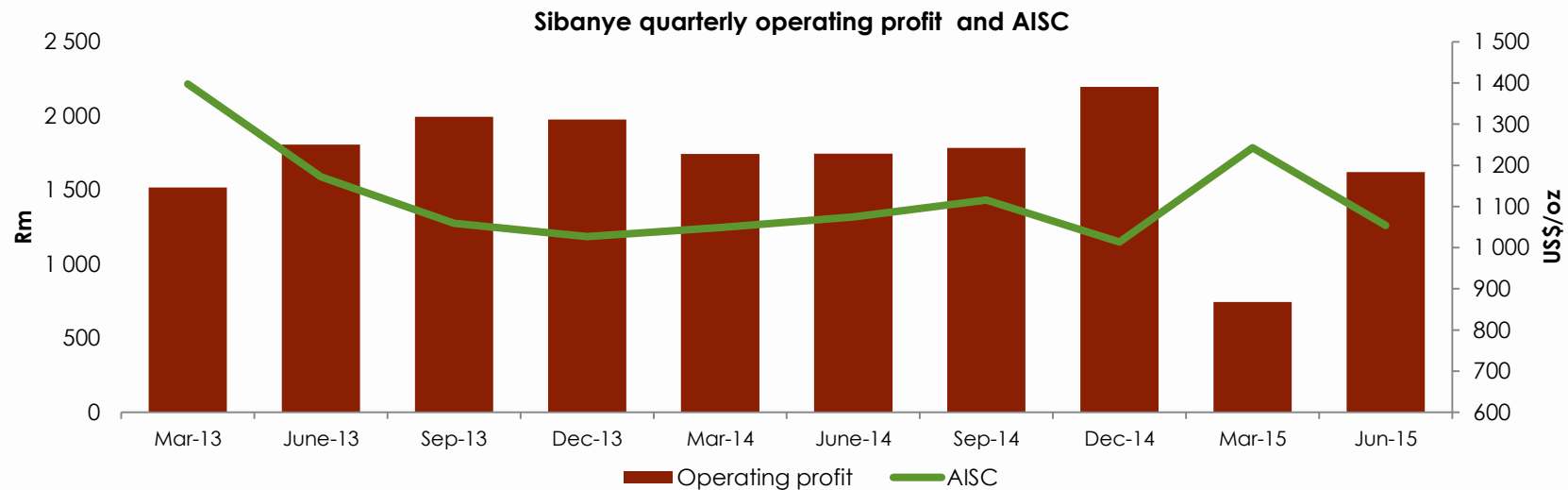
- Gold production 5% lower y-on-y despite inclusion of Cooke.
- UG grade 27% lower
- **Operations impacted by:**
 - **Underground fire and conveyor failure at Kloof**
 - **Inter-union conflict at Beatrix**
 - **Load shedding**
 - **Slow return from December holidays**
- AISC increased by 28% to R467,302/kg (US\$1,242/oz)



A combination of operational disruptions

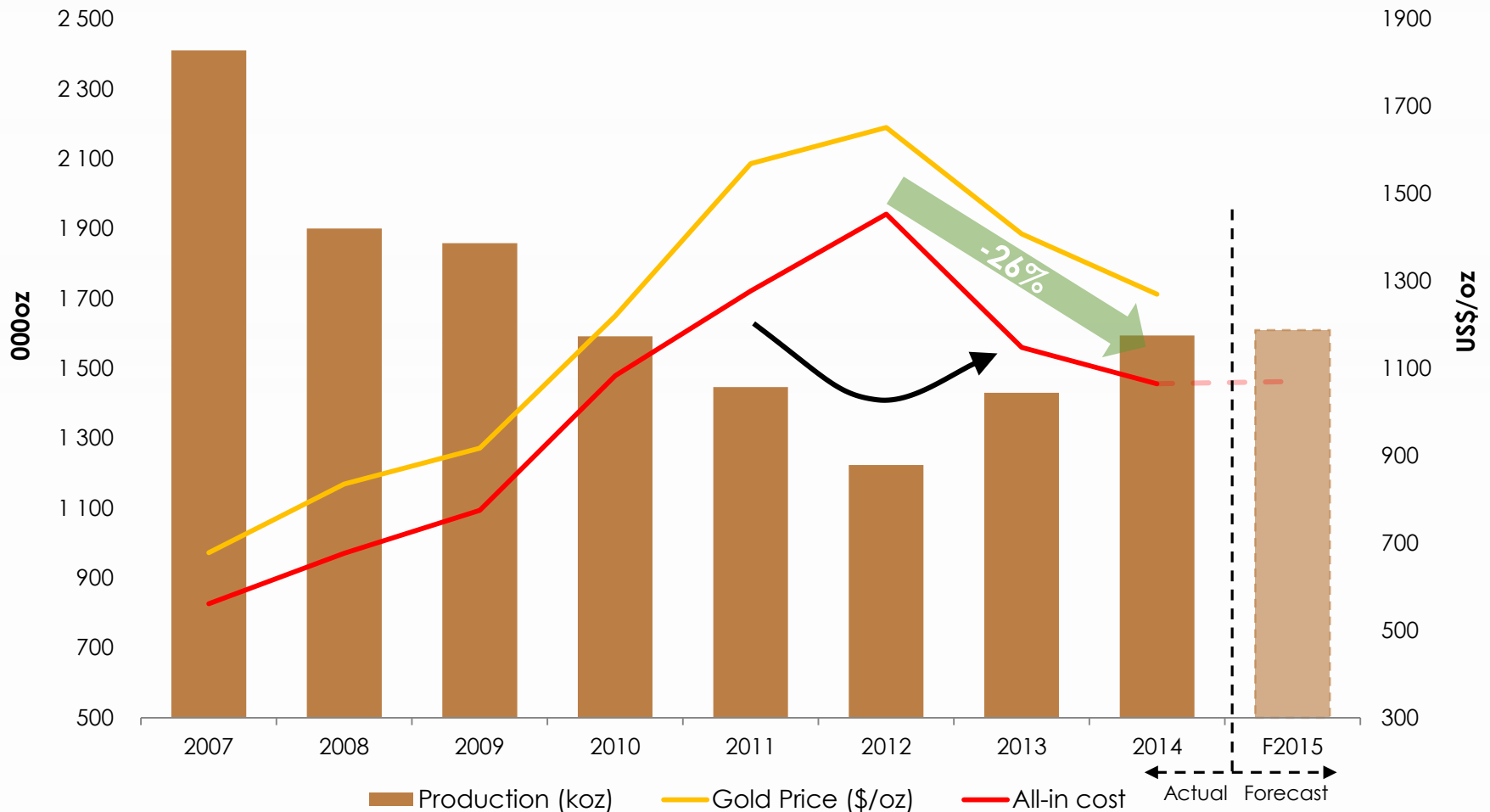
Q1 2015 – is the honeymoon over?

- Operating profit decreased to R744 million
- The restart of operations post the Christmas break was largely complete by March, resulting in normal operations resuming in Q2 2015
- **Production recovered strongly in Q2 2015 (+26%), with UG grades returning to more normal, sustainable levels**
- Operating profit more than doubled in Q2 compared with Q1
- A positive outlook for H2 2015 – **annual guidance unchanged**



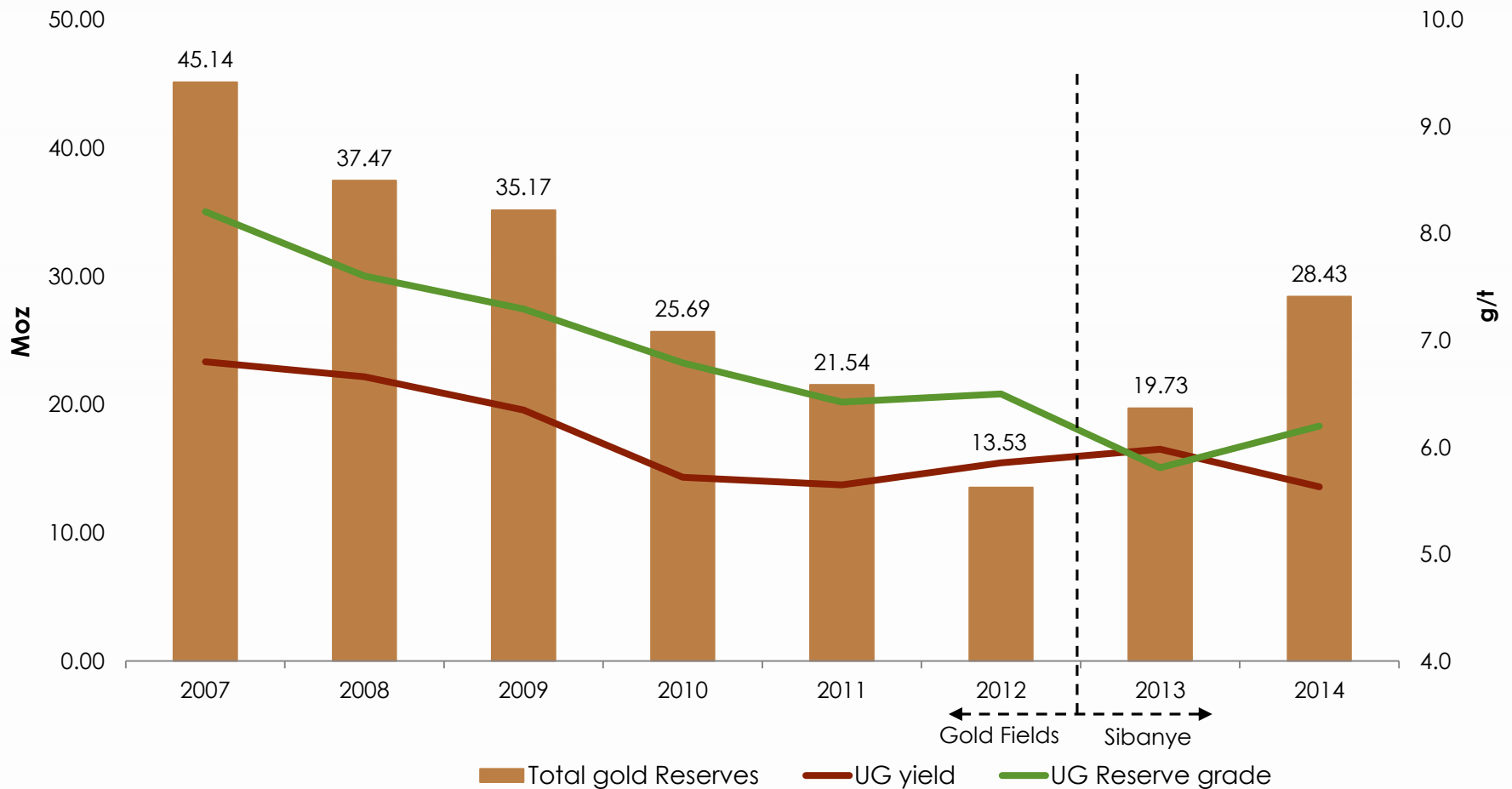
Q2 2015 significantly improved on all measures

The last two years aren't sustainable?



Operational turnaround unaffected

Gold reserves have been in decline since 2000?



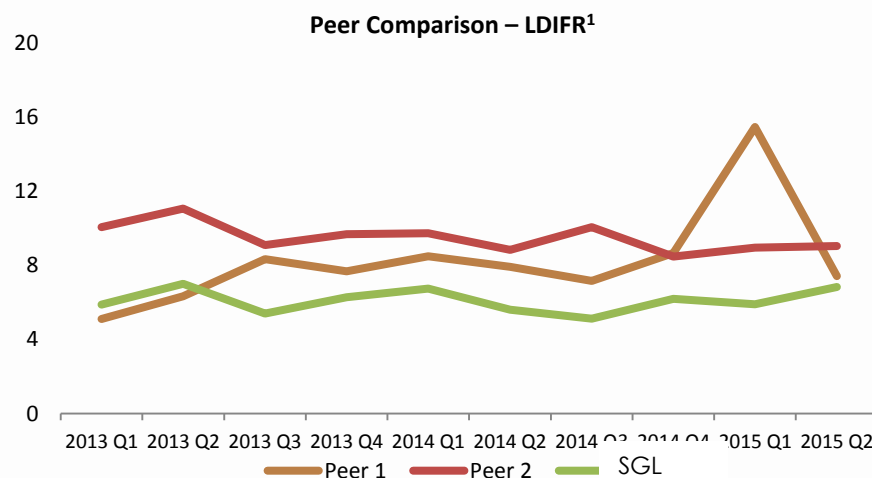
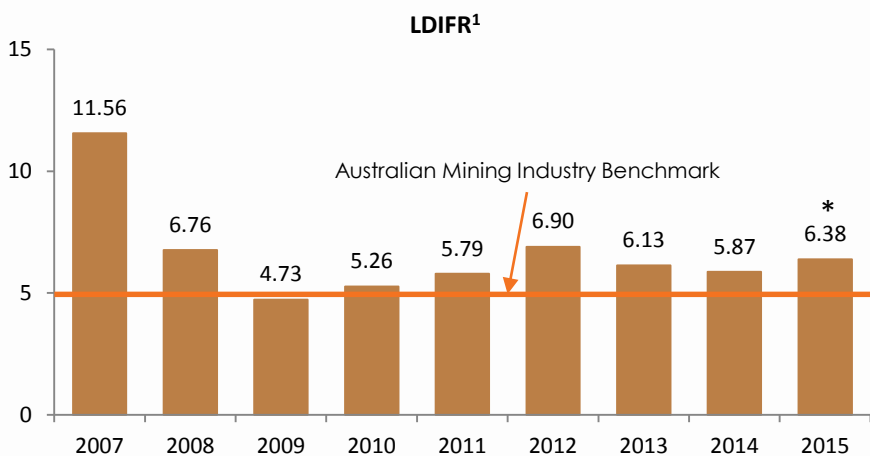
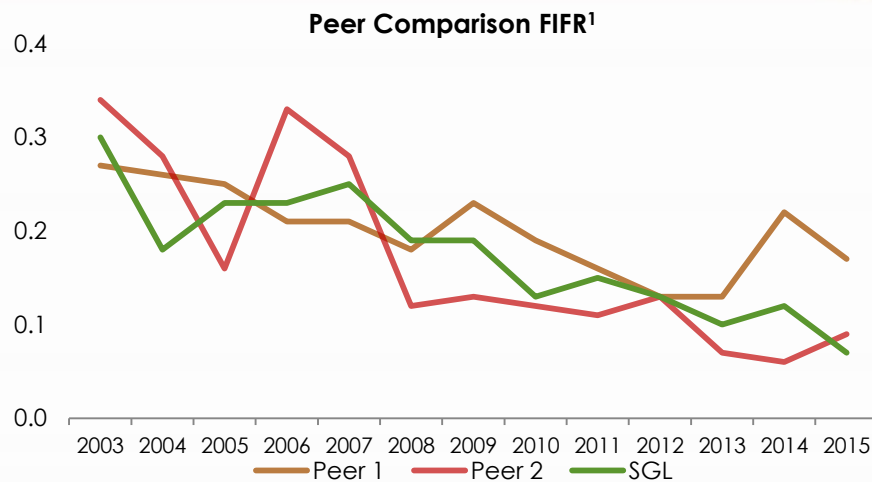
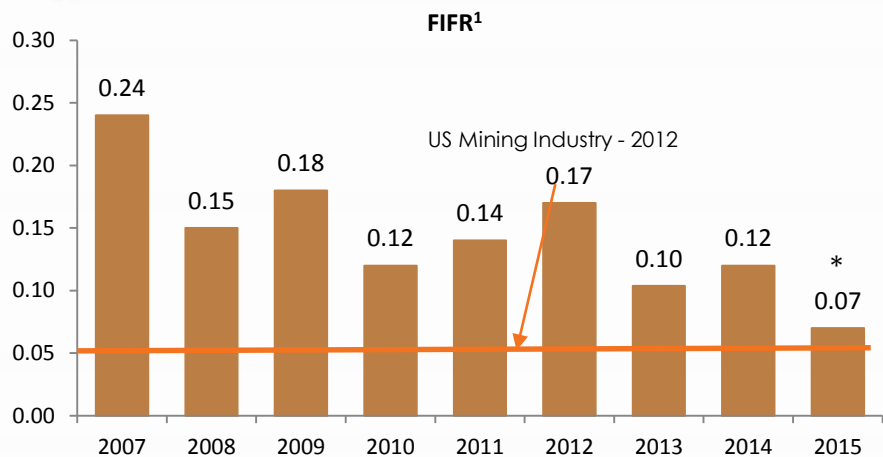
¹For further details relating to the Company's Mineral Resources and Mineral Reserves, refer to the SENS Announcement of 2 Feb 2015. Further detail is also available on the Company's Website <https://www.sibanyegold.co.za/investors/news/sens> or at https://trade.sharenet.co.za/feeds/share_performance/sens_display.php?user=sibanye&key=meeinr&year=2015&link=20150205145100@23

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Safety performance



Safety performance



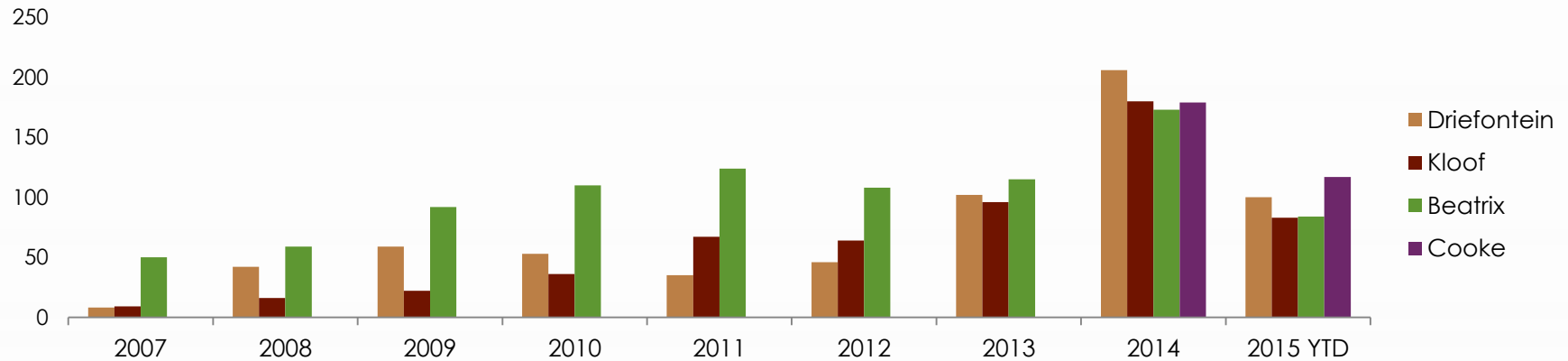
* Six months ended 30 June 2015 average

¹ per million man hours worked

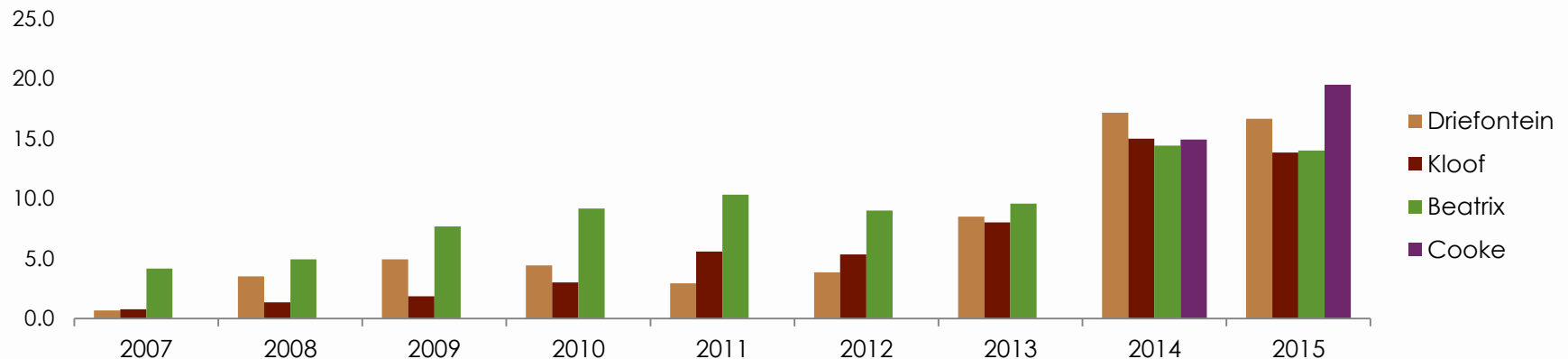
The emphasis on safety remains and is continually addressed

Injury free days

Total Injury Free Days (IFD)



Avg IFD's per Month



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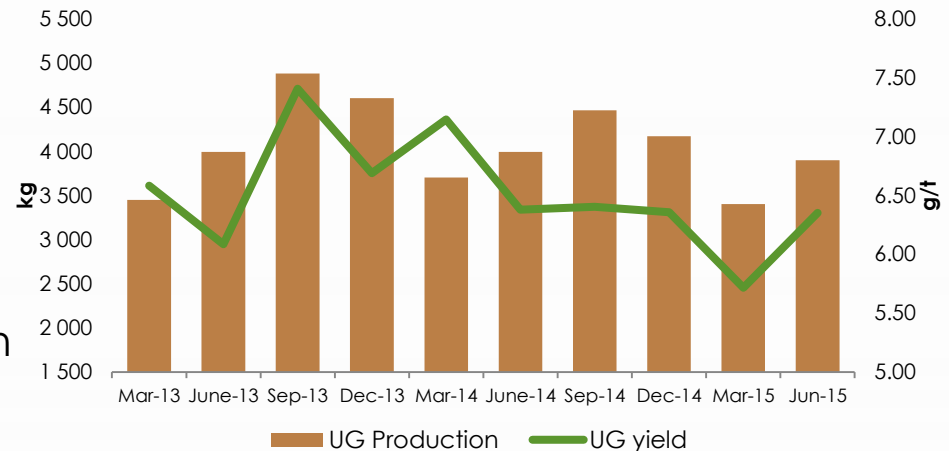
Operating review



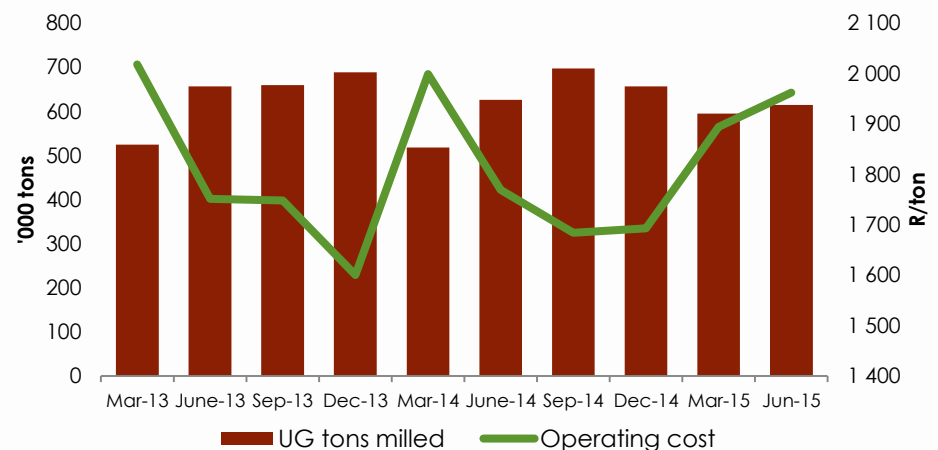
Driefontein Underground Operation

- UG gold production 5% lower to 7,302kg (234,800oz)
 - Ore milled 6% higher to 1,209k tons
 - UG yield 10% lower to 6.04g/t – decrease slightly greater than planned due to Q1
- Operating cost 3% higher to R1,929/ton
- **Operating profit of R1.0bn (US\$87m)**
- On-reef development 12% higher, Total development marginally lower as planned
- Underground and surface AISC of R377,837/kg (US\$988/oz)
 - Q2 AISC R376,011/kg (US\$969/oz)

Driefontein production and yield (quarterly)

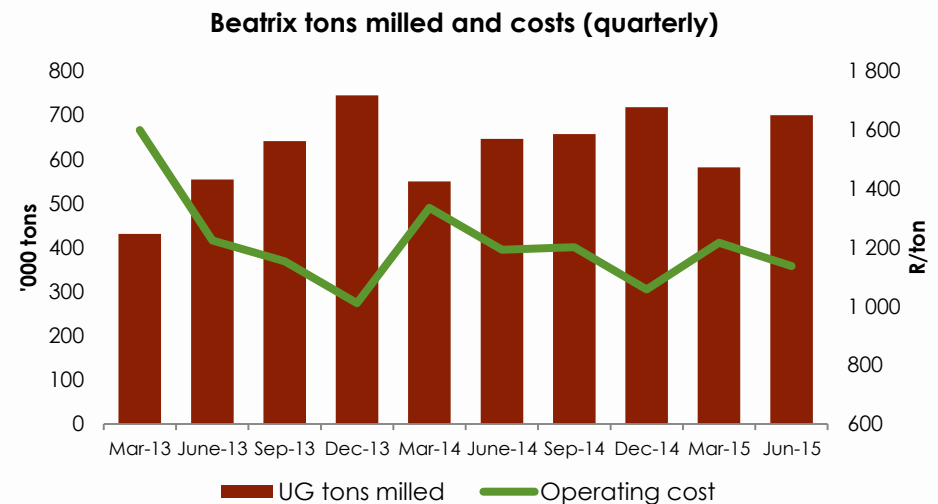
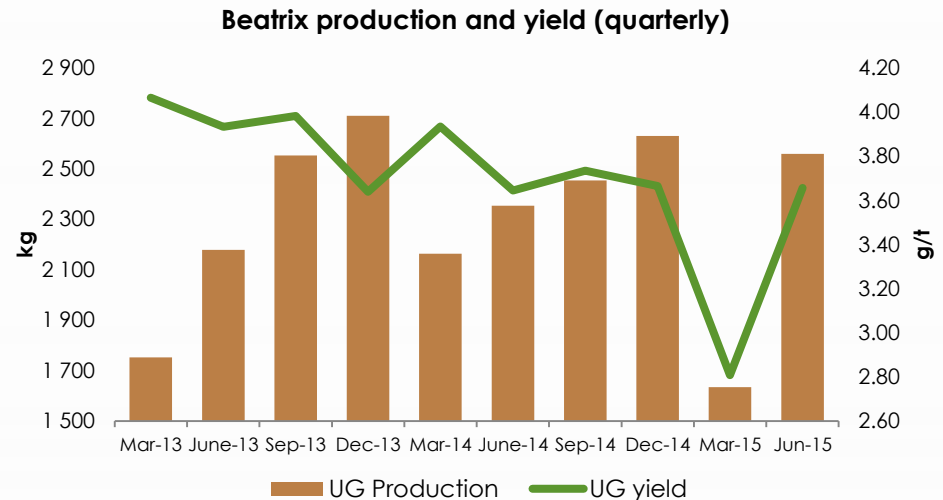


Driefontein tons milled and costs (quarterly)



Beatrix Underground Operation

- UG gold production 7% lower to 4,193kg (134,800oz)
 - Impact of Q1 lockup and union hostility
 - Ore milled 7% higher to 1,282k tons
 - Underground yield 13% lower to 3.27g/t
- **UG operating profit of R434m (US\$37m) severely impacted by Q1**
- Operating cost 7% lower to R1,173/ton
- On-reef development flat, development grades up 17%
- Underground and surface AISC of R432,482/kg (US\$1,131/oz) 13% higher due to Q1
 - Q2 AISC of R386,486/kg (US\$996/oz)

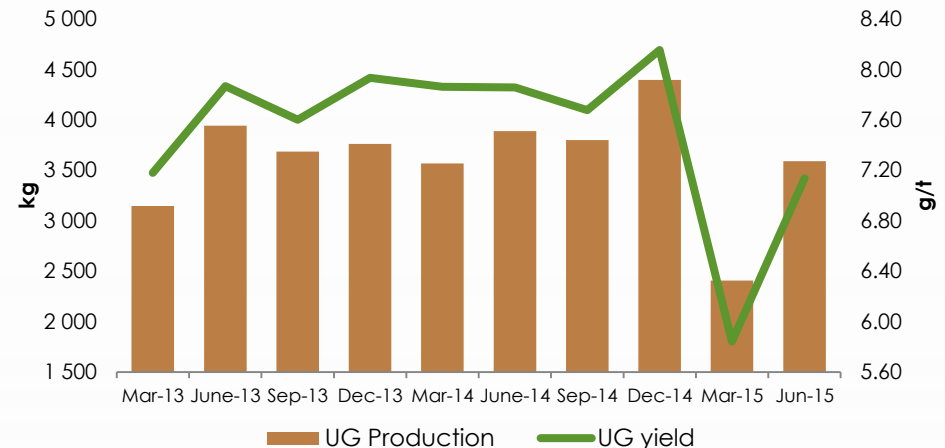


Good recovery from Q1 – H2 outlook positive

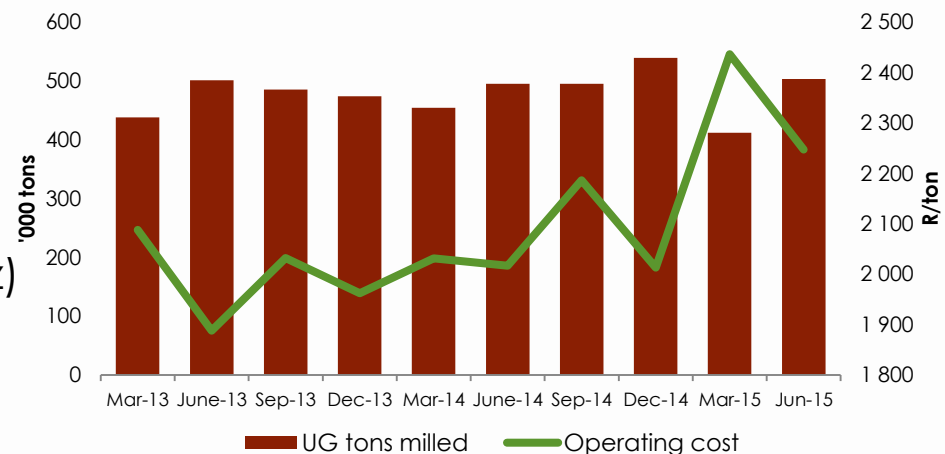
Kloof Underground Operation

- UG gold production 20% lower to 5,996kg (192,800oz)
 - Ore milled of 915k tons only 4% lower
 - UG yield 17% lower to 6.55g/t
Lower yield and production with similar throughput a factor of gold lockup in Q1 – Q2 much improved
- **Operating profit of R630m (US\$53m)**
- Operating cost of R2,332/ton 15% higher due to lower Q1 throughput
 - Significant scope for improvement
- Underground and surface AISC of R436,774/kg (US\$1,143/oz)
 - Q2 AISC: R391,309/kg (US\$1,008/oz)
 - Under R400,000/kg US\$1,000/oz) in H2 2015

Kloof production and yield (quarterly)



Kloof tons milled and costs (quarterly)



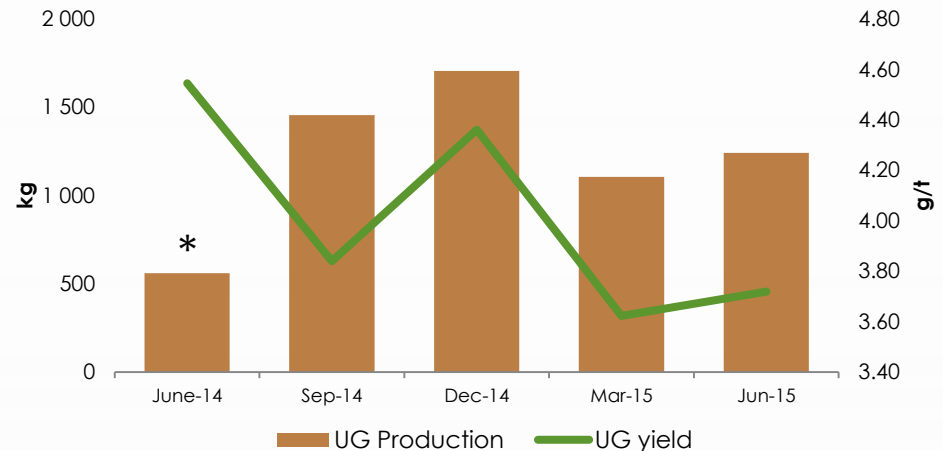
Recovery from Q1 still in progress – expect more normal performance in H2

Cooke Underground Operation

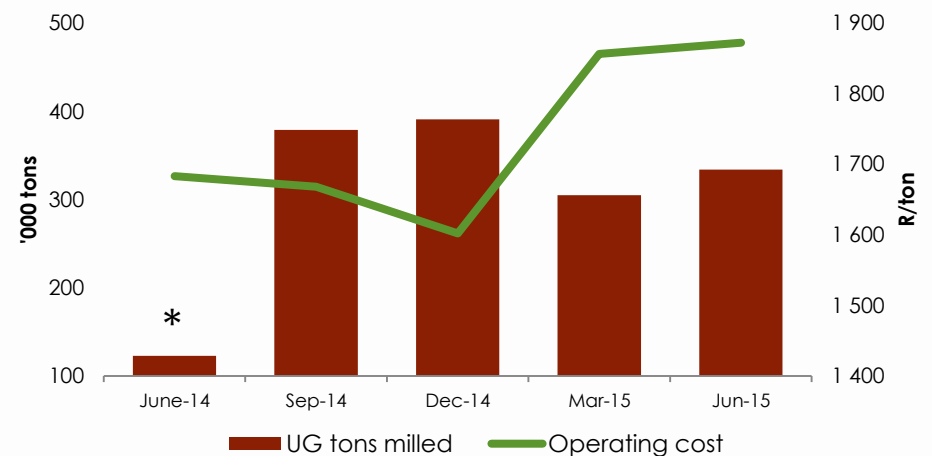
- UG gold produced – 2,347kg (75,400oz)
 - Ore milled – 639k tons
 - UG yield – 3.67g/t
- Cooke backfill project complete
 - grade forecast to increase by 0.5g/t in H2 2015
- Operating cost of R1,864/ton
- **Operating profit of R7m (US\$0.6m) at Cooke 1,2,3**
- **Operating loss of R109m (US\$10m) at Cooke 4**
- Underground and surface AISC of R564,058/kg (US\$1,476/oz) impacted by Cooke 4 and peak capex in 2015
- Discussions underway with utilities for uranium offtake

* One month only

Cooke production and yield (quarterly)



Cooke tons milled and costs (quarterly)

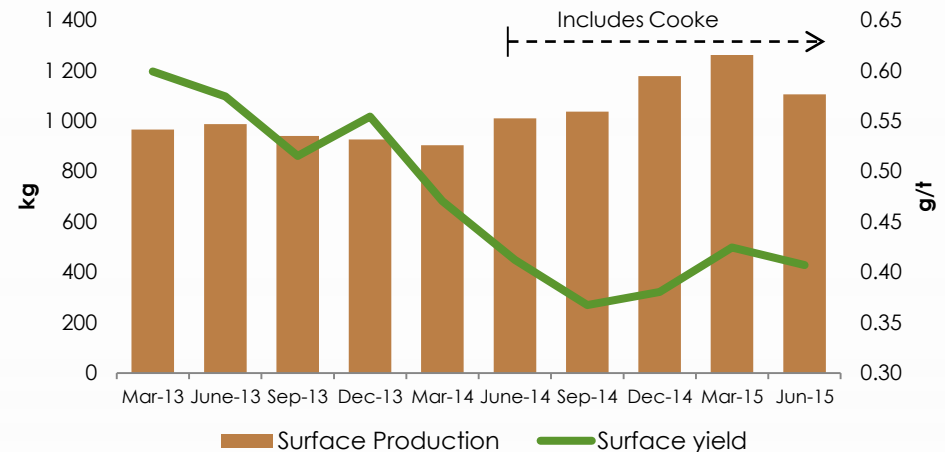


Cooke 4 Section production build-up behind plan

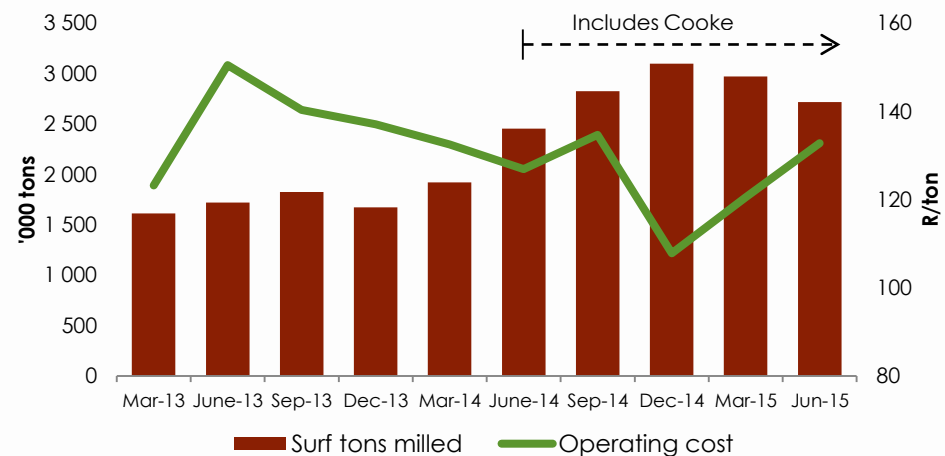
Surface Operations*

- Gold production 24% higher to 2,366kg (76,100oz) due to inclusion of Cooke
 - Ore milled 30% higher to 5,687ktons – inclusive of Cooke
 - Yield stable at 0.42g/t
- Operating cost 2% lower to R126/ton
- **Operating profit R370m (US\$31m)**
- CIL plant commissioned at Driefontein enabling higher volumes and improved recoveries
- Load shedding impact on surface operations severe

Surface production and yield (quarterly)



Surface tons milled and cost (quarterly)



* Includes Cooke from June 2014

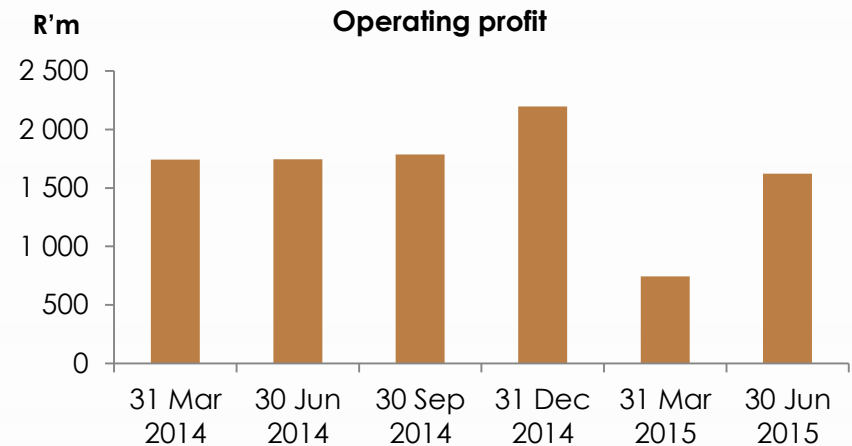
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Financial review
Charl Keyter

Financial review

- A difficult March 2015 quarter - operating profit of R744 million was R1 billion lower than for March 2014 quarter
- Operating profit for the June 2015 quarter of R1.6 billion was similar to the June 2014 quarter
- Operating cost for the six months increased by 24% due to inclusion of Cooke for full period and above inflation wage and electricity cost increases



	Quarter ended 31 March 2015	Quarter ended 30 June 2015	Six months ended 30 June 2015
Revenue (R'million)	4,507.4	5,738.1	10,245.5
Operating costs (R'million)	(3,763.0)	(4,116.5)	(7,879.5)
Operating profit (R'million)	744.4	1,621.6	2,366.0
Operating margin (%)	17%	28%	23%
All-in sustaining cost (R/kg)	467,302	409,027	434,769
All-in sustaining cost (US\$/oz)	1,242	1,054	1,137

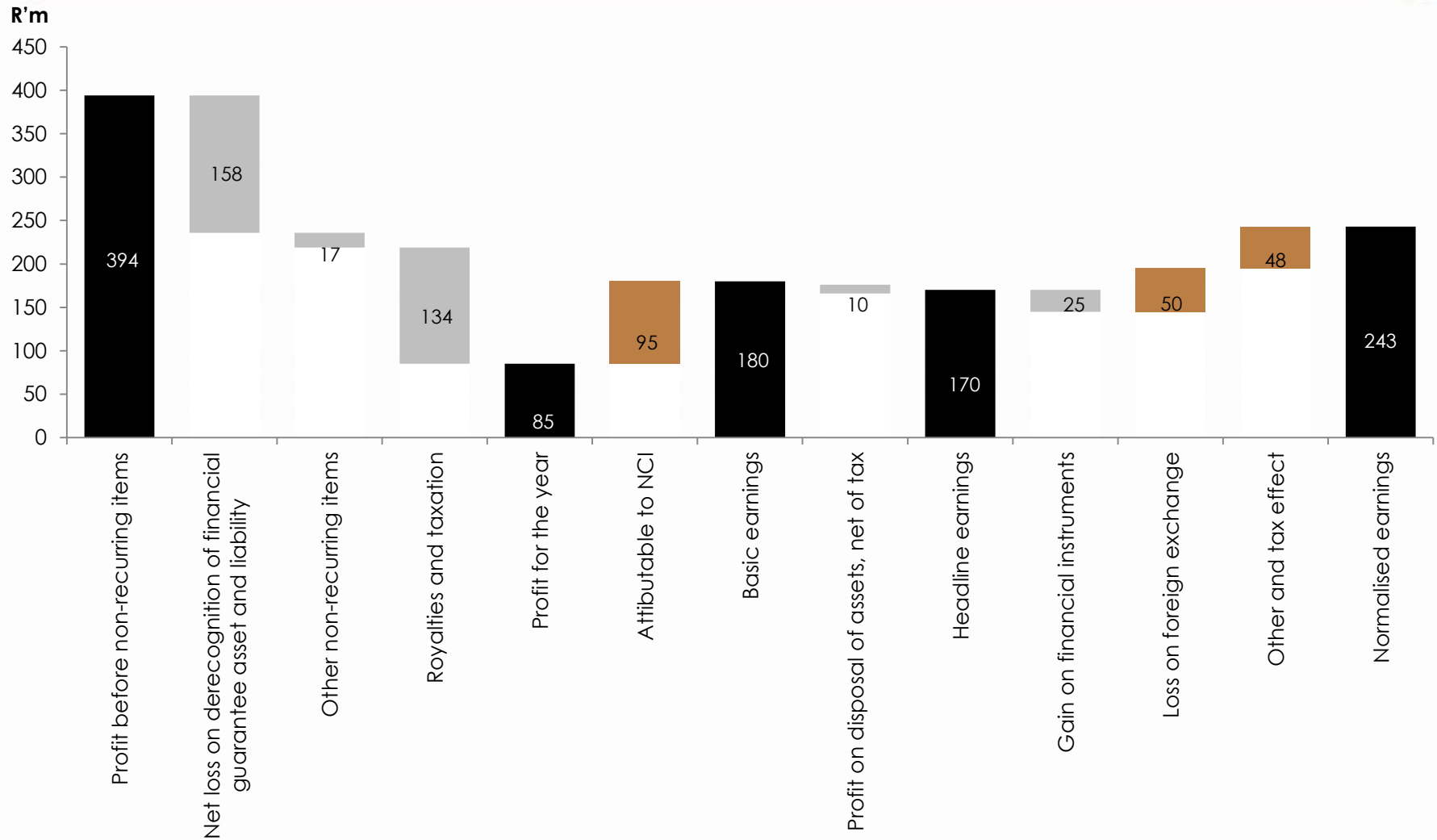
Income statement

	Six months ended 30 June 2015		Six months ended 30 June 2014	
	Rand million	US\$ million	Rand million	US\$ million
Revenue	10,245.5	861.7	9,828.5	920.3
Operating costs	(7,879.5)	(662.7)	(6,340.4)	(593.7)
Operating profit	2,366.0	199.0	3,488.1	326.6
Operating margin	23%		35%	
Amortisation	(1,608.6)	(135.3)	(1,488.2)	(139.3)
Net operating profit	757.4	63.7	1,999.9	187.3
Finance expenses	(262.9)	(22.1)	(159.9)	(15.0)
Share-based payments	(145.0)	(12.2)	(208.2)	(19.5)
Other	44.9	3.7	(262.8)	(24.5)
Profit before non-recurring items	394.4	33.1	1,369.0	128.3

Income statement (cont.)

	Six months ended 30 June 2015		Six months ended 30 June 2014	
	Rand million	US\$ million	Rand million	US\$ million
Profit before non-recurring items	394.4	33.1	1,369.0	128.3
Non-recurring and other items	(175.3)	(14.7)	(306.9)	28.8
Net loss on derecognition of financial guarantee asset and liability	(158.3)	(13.3)	-	-
Impairment	-	-	(119.6)	(11.3)
Other	(17.0)	(1.4)	(187.3)	(17.5)
Profit before royalties and taxation	219.1	18.4	1,062.1	99.5
Royalties	(139.4)	(11.7)	(195.2)	(18.3)
Current taxation	(161.7)	(13.6)	(434.0)	(40.6)
Deferred taxation	167.0	14.0	99.8	9.3
Profit for the period	85.0	7.1	532.7	49.9
Headline earnings	169.6	14.3	652.2	61.2
Normalised earnings	243.3	20.5	1,065.2	100.6

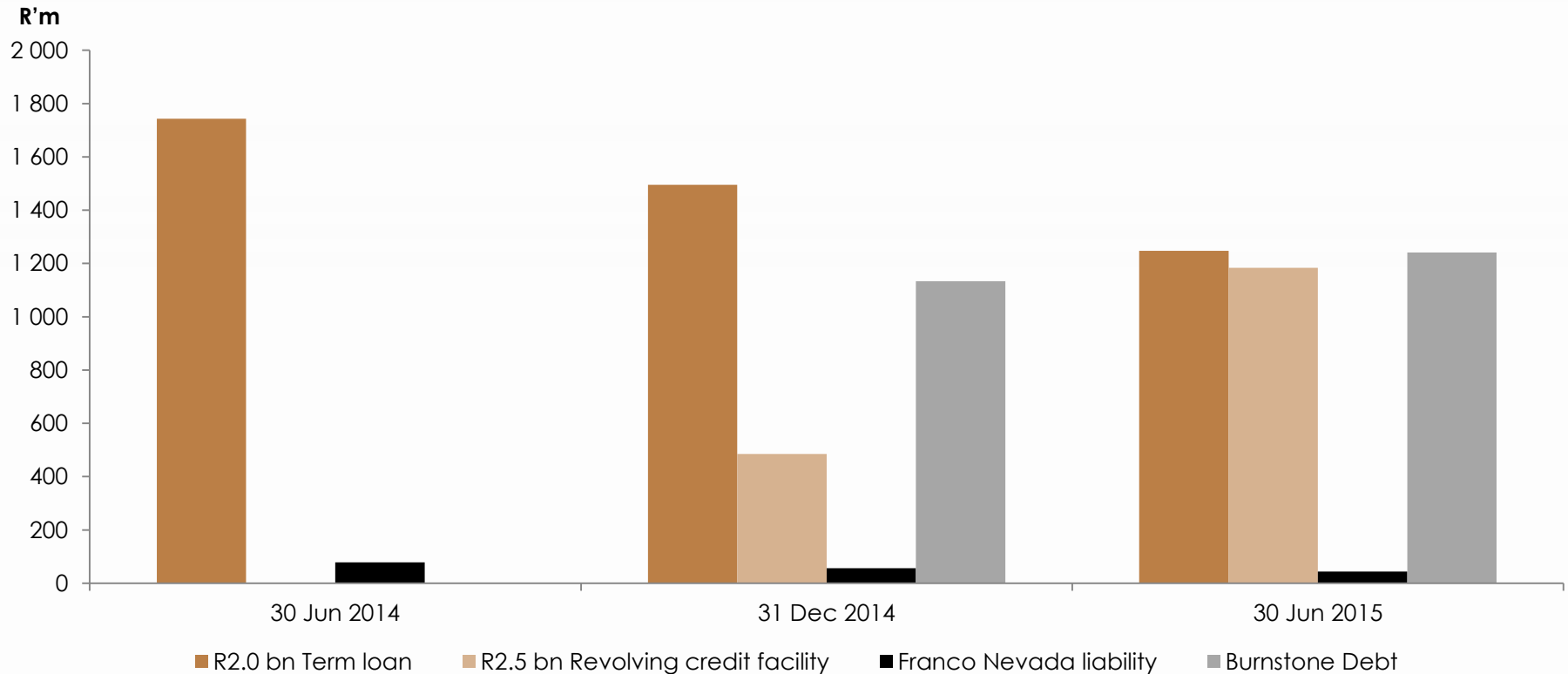
Reconciliation of earnings



Net debt

Net debt

- Borrowings: R2.5 billion, excluding Burnstone Debt
- Cash: R811 million, excluding Burnstone cash



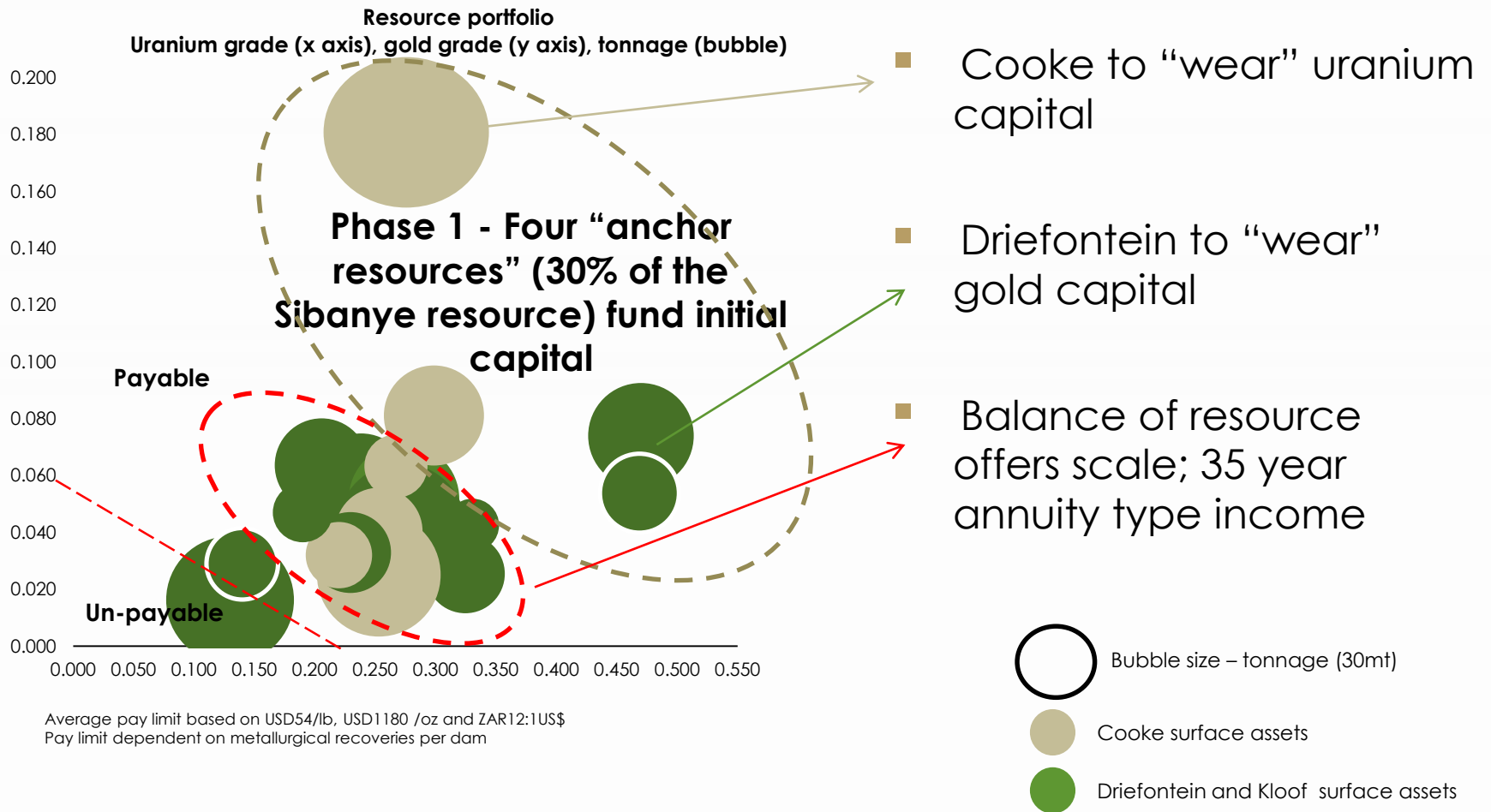
Net debt to EBITDA (ratio): 0.26

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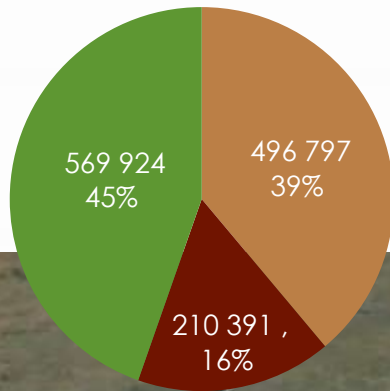
WRTRP – a sneak preview

Four anchor resources

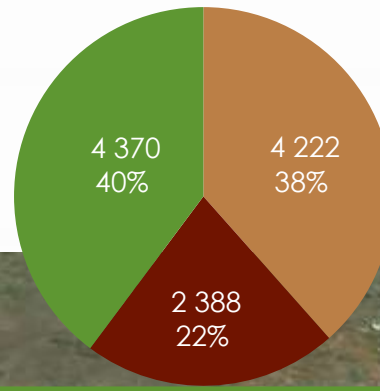


Anchor resources

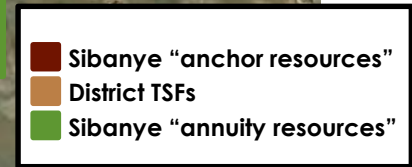
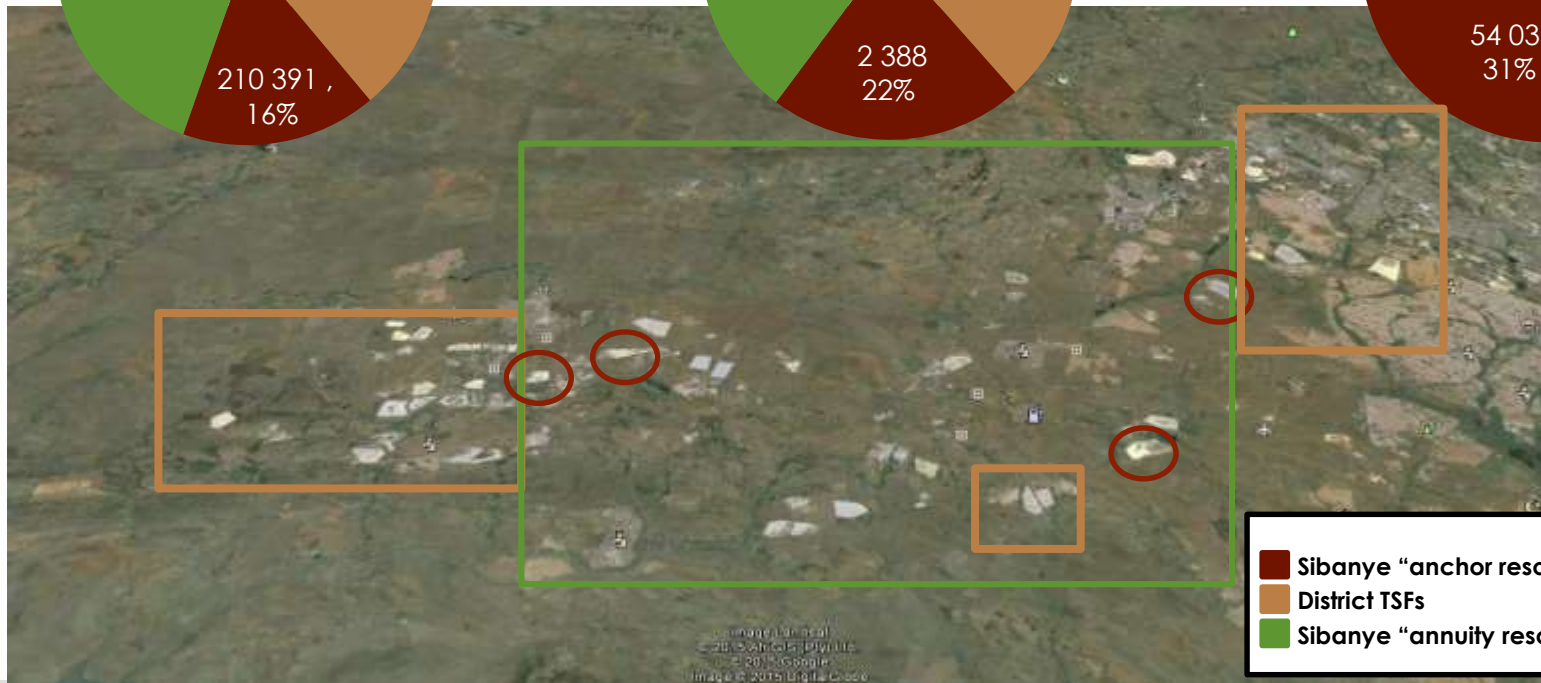
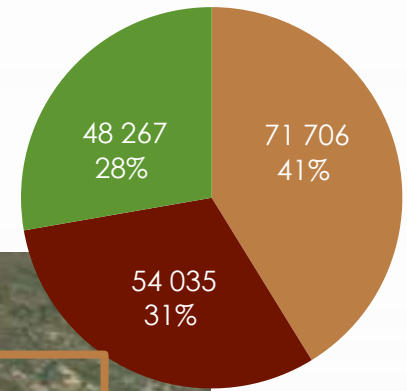
Tonnage (000 t)



Contained Gold (koz)



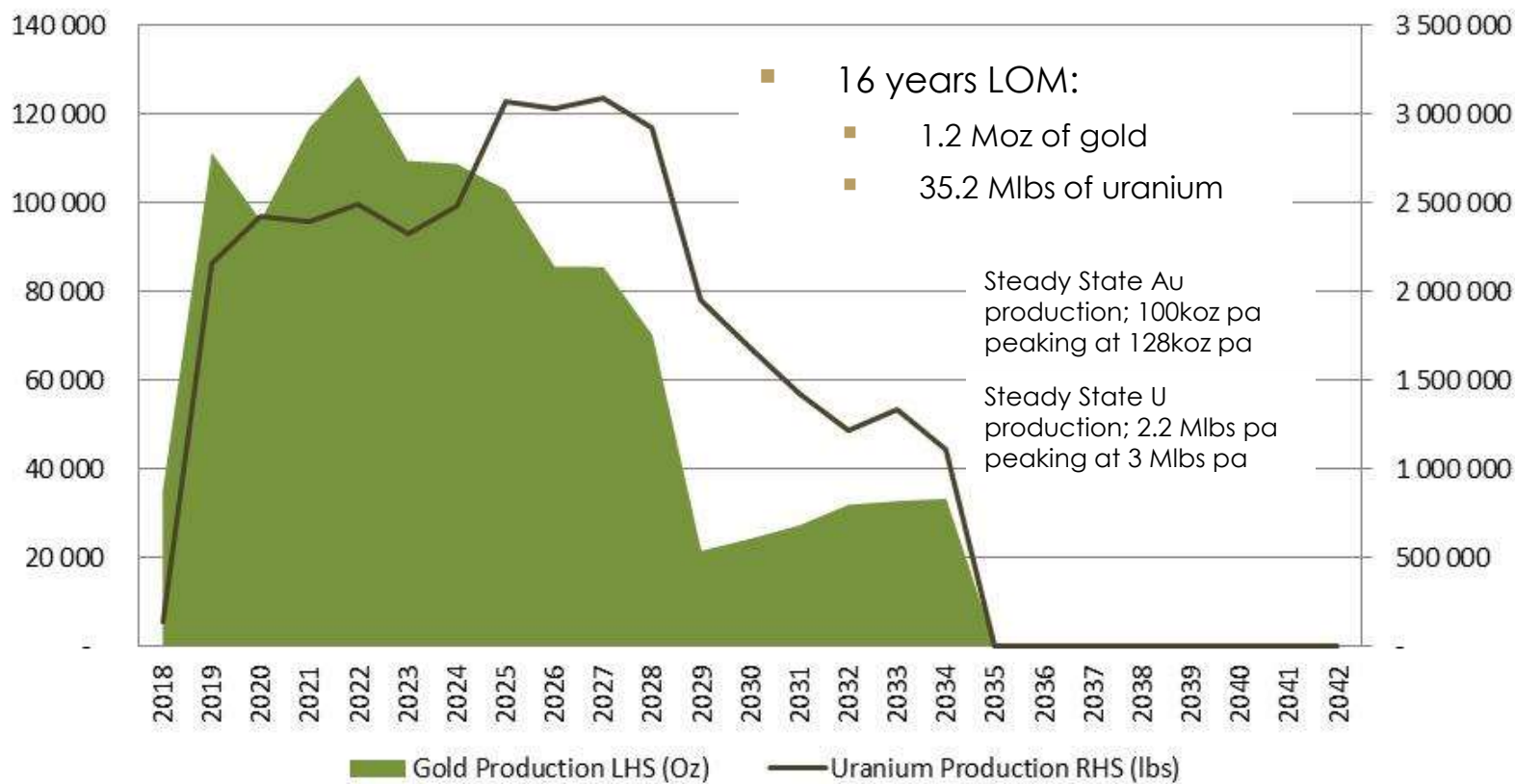
Contained Uranium (klbs)



Four "Anchor resources" present a commercially viable solution

Phase 1 production profile

Driefontein 3,5, Old 4 Dam and Cooke Dam (Anchor Resources)

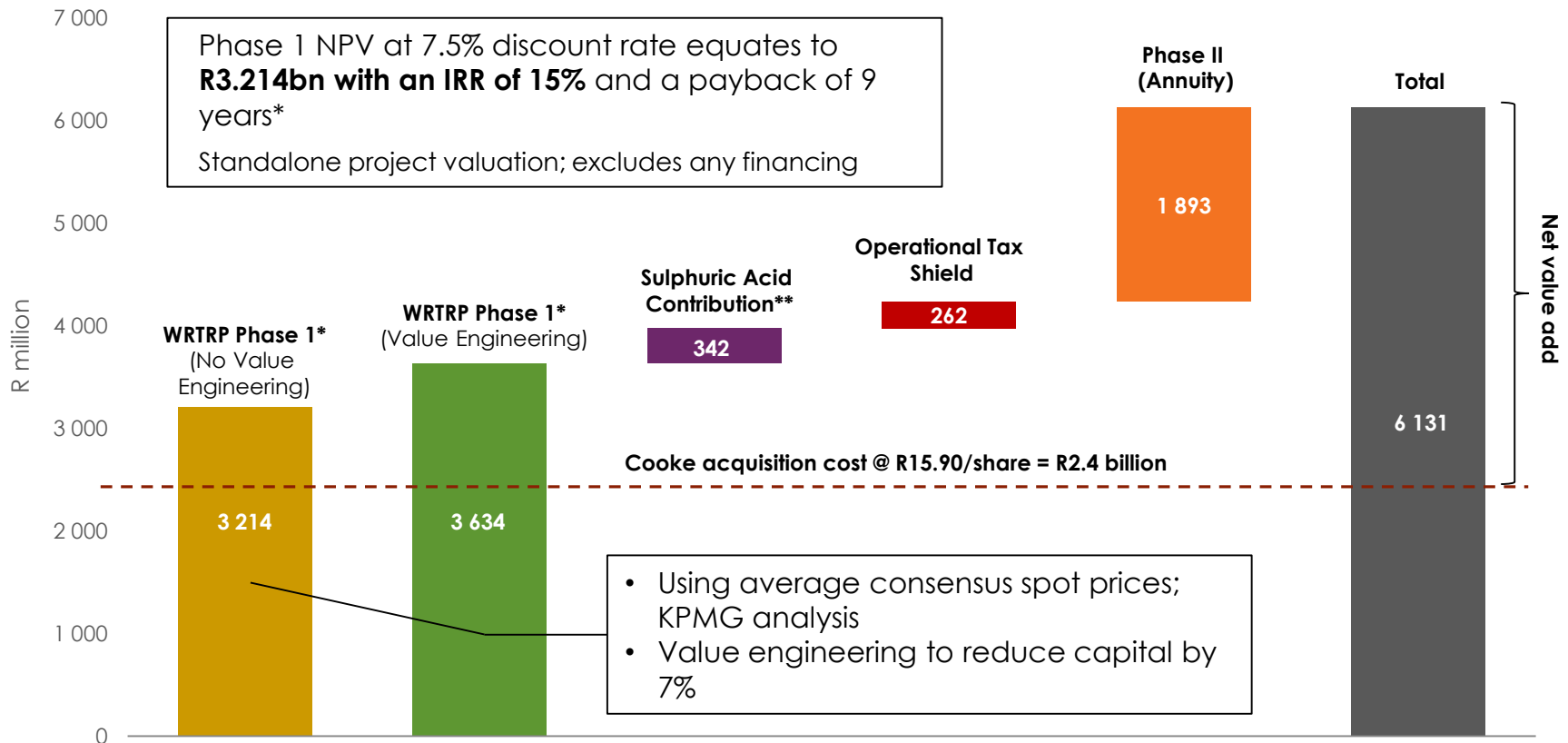


*Assumptions based on April 2015 DFS, updated Cooke Uranium FEED and WRTRP PFS evaluation,

** Driefontein 3/5, Old 4 Dam and Cooke Tailings Dams

WRTRP Valuation

WRTRP Value Buildup



*Considers stand alone project NPV; USD1180/oz, ZAR12:1US\$ (R455,000 /kg); Uranium consensus curve (KPMG).

**Sulphuric acid R200/t ex works

Capex assumes containment system for the RTSF

WRTRP conclusion

- Combining the Cooke and Sibanye surface resources and existing infrastructure presents a material, value accretive and **economically viable, long life** gold and uranium project
- Various financing options are being investigated which will:
 - potentially further enhance equity value
 - ensure no capital overhang
- During Q3 2015 we will present the project in greater detail including the optimal financing model

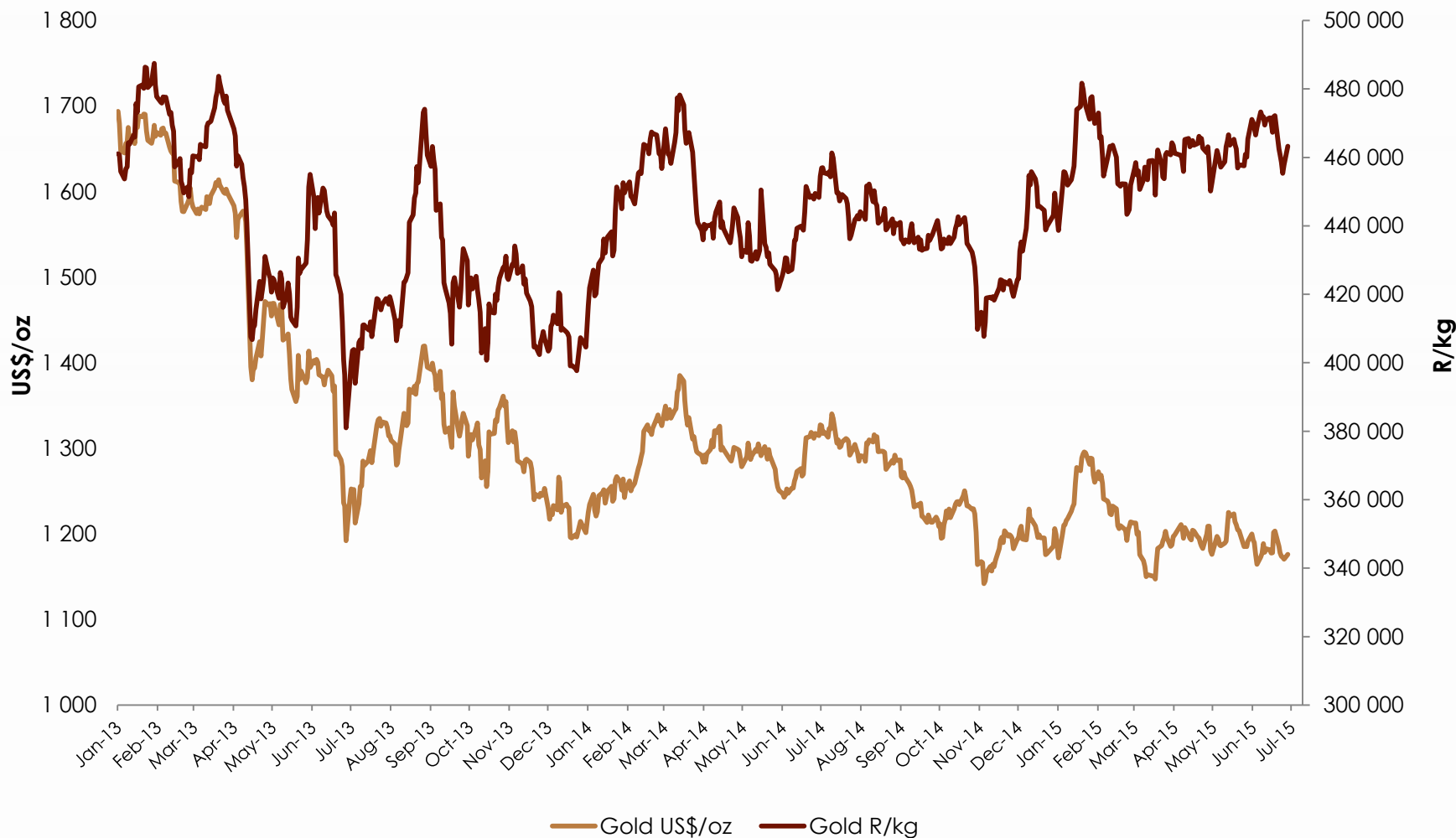




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Contextualising the
current operating
environment

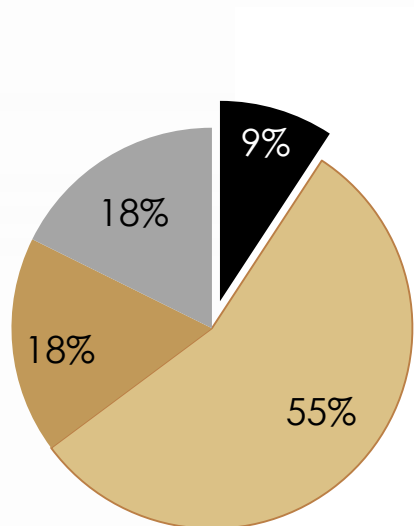
Gold price under pressure



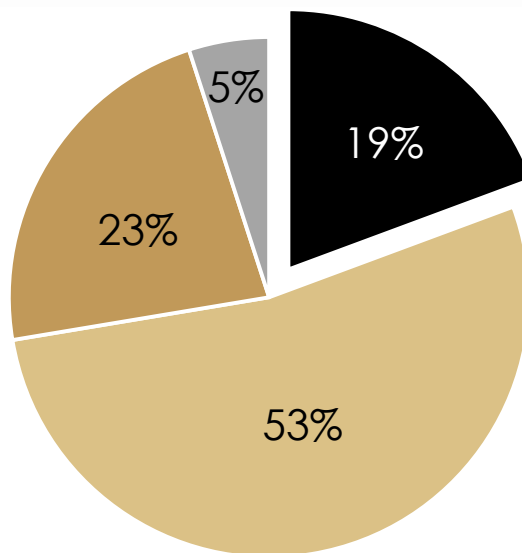
South African producers protected by Rand

Primary operating cost components

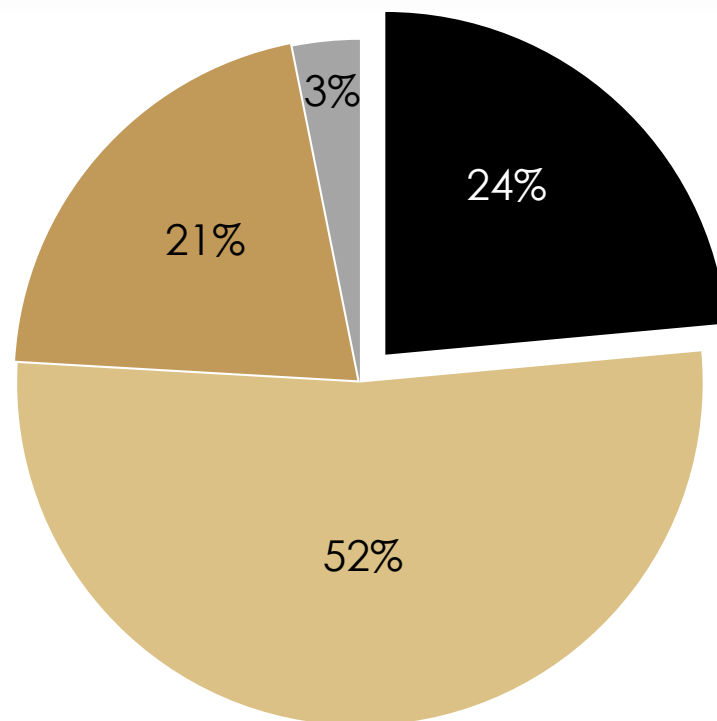
2007



2015



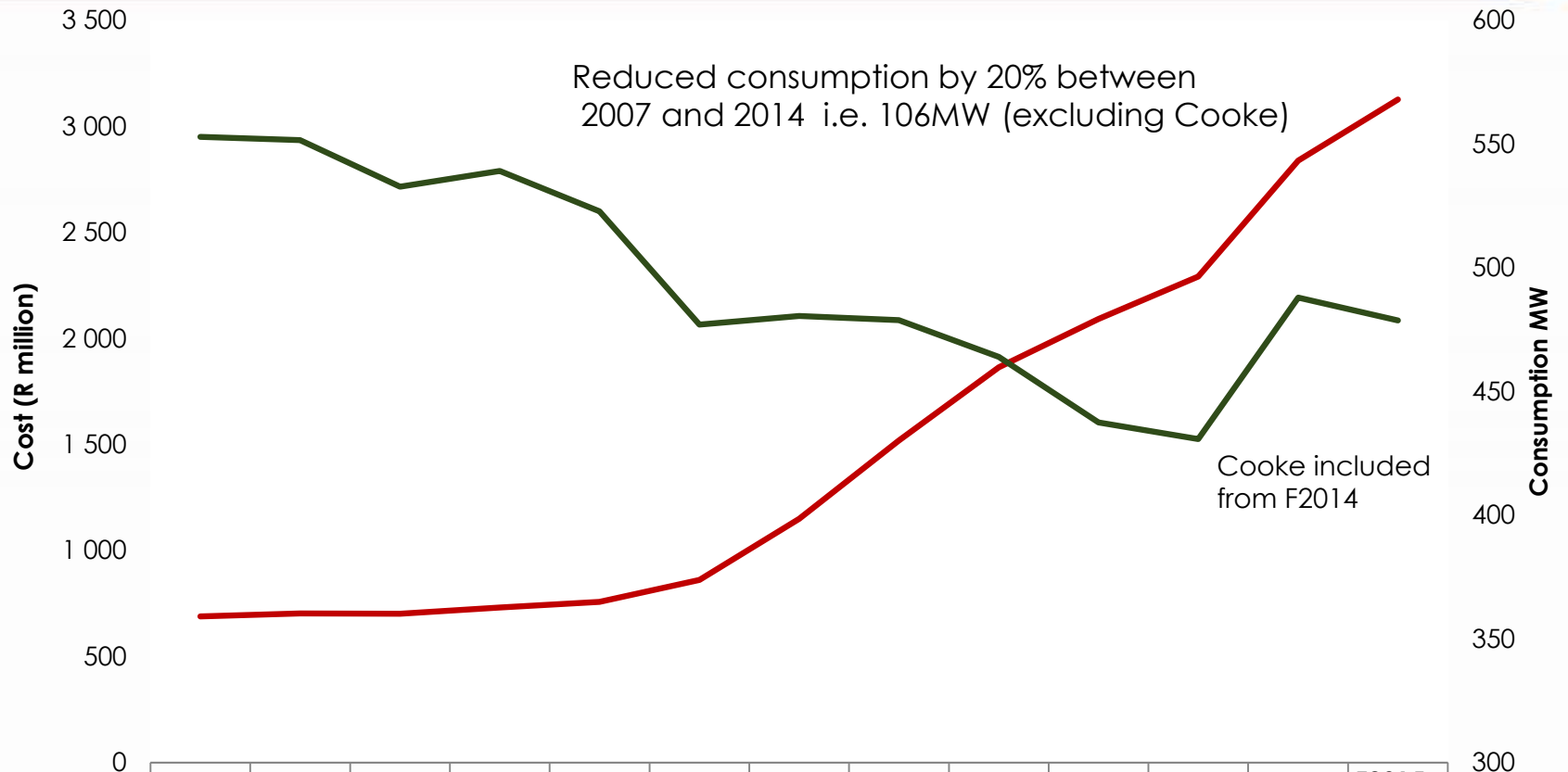
2017



■ Electricity ■ Labour ■ Stores ■ Other

Eskom tariffs are significantly impacting the cost base

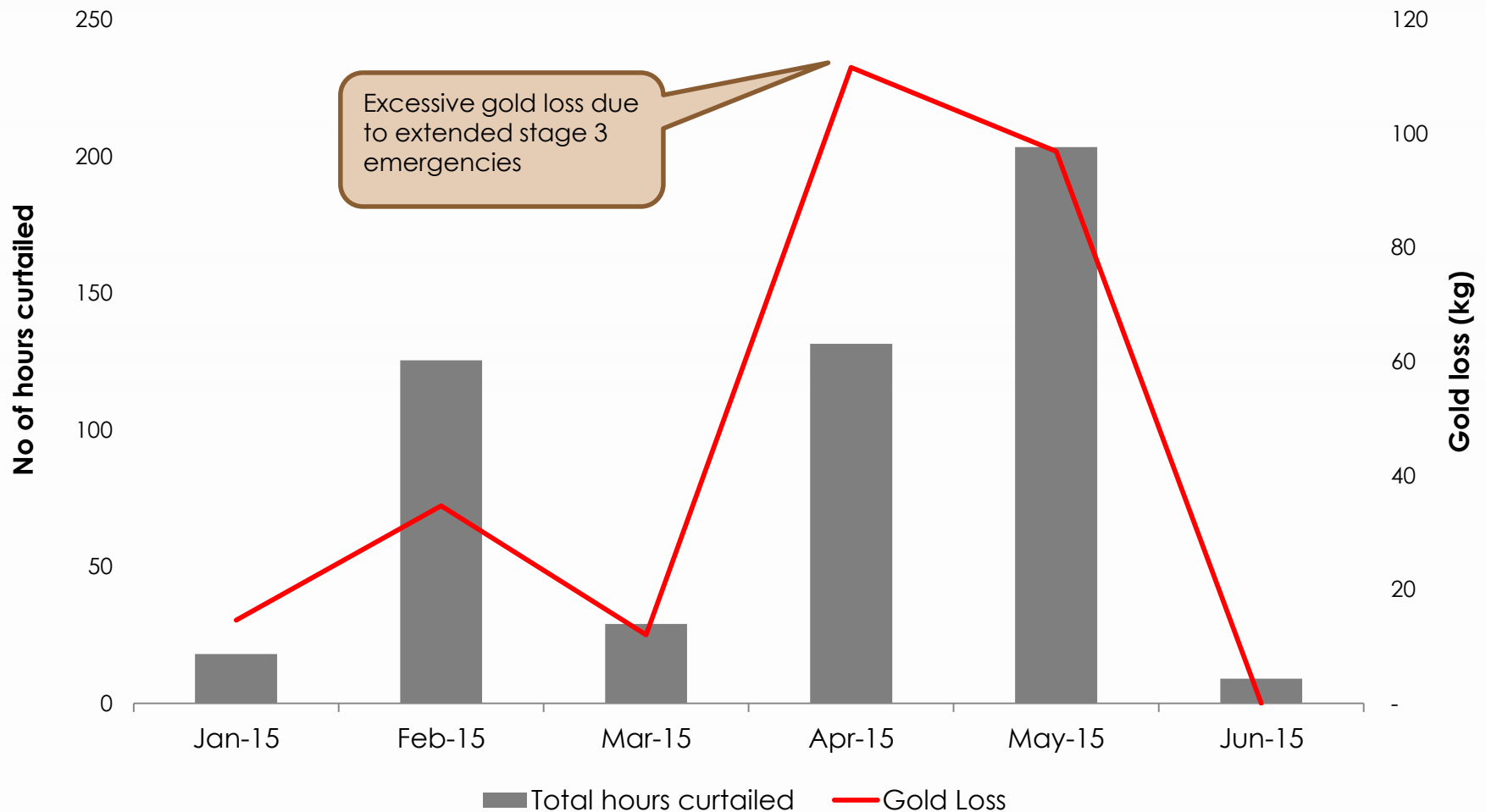
Electricity costs – severely impacting sustainability



	F2003	F2004	F2005	F2006	F2007	F2008	F2009	F2010	F2011	F2012	F2013	F2014	F2015 - Forecast
Cost - Rm	R 688.5	R 703.2	R 701.7	R 730.5	R 757.0	R 861.2	R 1 149	R 1 518	R 1 864	R 2 092	R 2 292	R 2 839	R 3 128
Demand (MW)	553.00	551.62	532.85	539.22	522.86	477.08	480.58	478.91	463.99	437.53	430.82	487.93	478.69

Despite reducing consumption, costs continue to spiral

Load shedding – hurting production



Load shedding has resulted in 270kg of lost production (R125m) in H1 2015

The electricity supply challenge: our response

- Sibanye recognised the extent of the risk in 2013 and the need to find alternatives to Eskom supply - proactively took the lead to explore alternative options
- Deterioration in security of electricity supply and probable steeper price trajectory has reinforced the case for the 150MW photovoltaic project
- A phased R3bn capital project with first generation towards the end of 2017, with involvement of financial partners is likely
- Environmental impact assessment launched Q2. Arrangements for high level engineering design work being put in place
- We continue to explore other alternatives including coal fired power stations between 200 and 600MW in size



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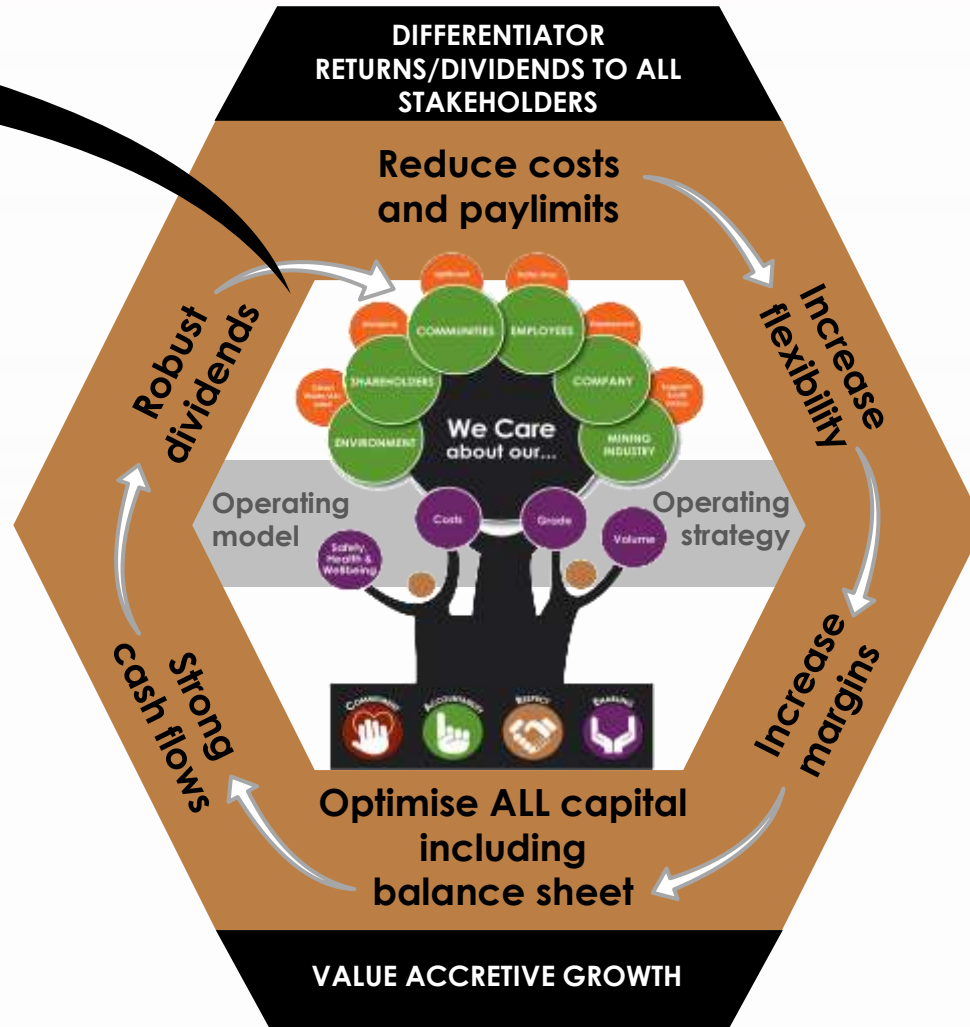
Update on wage
negotiations

Sibanye vision statement

SUPERIOR VALUE CREATION
FOR ALL OUR STAKEHOLDERS
through a culture of caring

How do we achieve our vision?

Superior value creation



A holistic, integrated strategy and operating model

2015 wage negotiations

- Wages: the largest component of operating cost – historical increases unsustainable
- Producers proposed a different approach to conventional positional bargaining
- Tabled an economic and social agreement, designed to ensure the sustainability of industry and preserve jobs
- Unions chose to focus on wages, suggesting that the economic and social agreement could be considered after wage negotiations had concluded
- Final 3 year offer made to organised labour

Category	Increase Offered
Category 4 – 8 and B lower	<ul style="list-style-type: none"> • R1,000 cash payment per month (not attracting benefits) each year • LOA Increased by R100 to R2,100 in year 1
Miners, Artisans and Officials	<ul style="list-style-type: none"> • 6% increase on basic pay in year 1 • 6% or CPI, whichever is higher for year 2 and 3

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H2 2015 outlook

H2 2015 outlook

- Significantly improved H2 operating performance based on operational recovery in Q2
- Less load shedding expected as we move into summer
- Agreement with DMR to seek declaratory order on principle of continuing consequences or “once empowered always empowered” – should create more certainty
- Conclusion of wage negotiations – greater certainty



H2 2015 operational forecast

- Gold production: approximately 28,000 kg (900koz) assuming no significant disruptions
- Total cash cost: approximately R315,000/kg (US\$805oz)
- All-in sustaining cost: approximately R395,000/kg (US\$1,055oz)
- Capital expenditure: approximately R2.1 billion (US\$173 million)



More consistent operational performance expected

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QUESTIONS