Sibanye GOLD
We are One

Integrated Report 2013

reporting parameters

SCOPE OF REPORT

This report is Sibanye Gold Limited's (Sibanye or the Group) first Integrated Report following the Group's separation from Gold Fields Limited (Gold Fields) in February 2013. It provides shareholders with an overview of the context, performance and objectives of its business; the resources and capacity it has at its disposal and how these are used to deliver value for a broad range of stakeholders. In determining what to report, Sibanye has identified those financial and non-financial issues that are most important to the sustainability of the Group and its stakeholders. The report has been compiled with consideration for the International Integrated Reporting Framework (<IR>) published by the International Integrated Reporting Council (IIRC) in December 2013.

This report should be read in conjunction with the other reports in the Sibanye suite:

- The Sustainability Report 2013
- The Summarised Report 2013 and Notice of Annual General Meeting, which was posted to shareholders on 12 May 2014
- The Company Financial Statements 2013.

The Group has its ordinary shares listed on the Main Board of the JSE Limited (JSE) in terms of its stock exchange licence and its American Depositary Receipts (ADRs) on the New York Stock Exchange (NYSE). The Group reports in compliance with the JSE Listing Requirements, the International Financial Reporting Standards (IFRS), the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides, the South African Companies Act, 2008 (Act No 71 of 2008) (the Companies Act), the Code of and Report on Governance Principles for South Africa (King III) and in terms of the South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves (SAMREC) guidance on the reporting of mineral resources and reserves.

The Group's internal audit function is conducted in-house and is required to provide an independent evaluation of the Group's internal control processes and systems in order to mitigate any business risks.

KPMG Inc is the group's external auditor. KPMG Inc has audited the Group's consolidated financial statements, and its report and opinion may be found on page 38 of this report.

Sibanye's company financial statements are available at www.sibanyegold.co.za.

Sibanye has adopted the Global Reporting Initiative (GRI) G4 guidelines, and reports in line with the 'core' format. Certain non-financial key performance indicators (KPIs) have been assured by independent assurance provider KPMG Services Proprietary Limited (KPMG Services) in respect of Sibanye's approach to GRI G4 application and alignment with AA1000 Accountability Principles Standard 2008: inclusivity, materiality and responsiveness. The KPIs include the G4 guidelines, Sibanye's internally developed guidelines, World Business Council for Sustainable Development (WBCSD)/World Resources Institute (WRI) Greenhouse Gas (GHG) Protocol, and the Broad-based Socio-economic Empowerment Charter (BBSEEC) (2002) and related Scorecard (2004) and the Amendment to the BBSEEC (2010) and related Scorecard (2010). KPMG's statement of assurance may be found on page 90 of the Sustainability Report.

Sustainability Report 2013

Summarised Report 2013 and Notice of Annual General Meeting

FORWARD LOOKING STATEMENTS

Certain statements in this document constitute 'forward looking statements' within the meaning of Section 27A of the US Securities Act of 1933 and Section 21E of the US Securities Exchange Act of 1934.

Such forward looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Group to be materially different from the future results, performance or achievements expressed or implied by such forward looking statements. Such risks, uncertainties and other important factors include among others: economic, business and political conditions in South Africa and elsewhere; the ability to achieve anticipated efficiencies and other cost savings in connection with past and future acquisitions, exploration and development activities; decreases in the market price of gold and/or uranium; hazards associated with underground and surface gold and uranium mining; labour shortages and disruptions; availability, terms and deployment of capital or credit; changes in government regulations, particularly environmental regulations and new legislation affecting mining and mineral rights; the outcome and consequence of any potential or pending litigation or regulatory proceedings or other environmental, health and safety issues; power disruptions and cost increases; changes in exchange rates, currency devaluations, inflation and other macro-economic factors; industrial action; temporary stoppages of mines for safety and unplanned maintenance reasons; and the impact of the HIV/AIDS crisis in South Africa. These forward looking statements speak only as of the date of this document.

The Group undertakes no obligation to update publicly or release any revisions to these forward looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events.

contents

group overview

WHY SIBANYE?

The word 'Sibanye' means 'we are one' in the isiXhosa language.

Sibanye owns and operates high quality gold operations in South Africa – consolidated into one Group with one vision and strategy. People are its most important asset and its workforce is skilled and experienced. The long-term success of Sibanye as a business and as a responsible corporate citizen is dependent on all stakeholders working together as one.

OVERVIEW OF THE ORGANISATION

Sibanye is an independent, South African domiciled and focused mining group, which currently owns and operates three underground and surface gold operations, namely the Driefontein Operation (Driefontein) and the Kloof Operation (Kloof) in the West Witwatersrand region and the Beatrix Operation (Beatrix) in the southern Free State. In addition to its mining activities, the Group owns and manages significant extraction and processing facilities at its operations, which beneficiate the gold bearing ore mined.

Sibanye is the largest individual producer of gold from South Africa and is one of the world's 10 largest gold producers. In 2013, the Group produced 44,474kg or 1.43Moz of gold at an average all-in cost of R354,376/kg (US$1,148/oz) and invested R2.9 billion in capital at its operations. At 31 December 2013, Sibanye held gold resources of 65.0Moz and gold reserves of 19.7Moz, respectively 13% lower and 46% higher than in 2012. Uranium resources of 68.8 million pounds (Mlb) and reserves of 43.2Mlb were also declared.

In 2013, the Group entered into an agreement with Gold One International Limited (Gold One) to acquire its West Witwatersrand Cooke underground and surface operations (Cooke) and made an offer to acquire 100% of Witwatersrand Consolidated Resources Limited (Wits Gold), a JSE and Toronto Stock Exchange (TSX) listed gold and uranium exploration company with significant gold resources in South Africa. These acquisitions will increase Sibanye's annual gold production, enhance existing operational flexibility and provide Sibanye with the potential to significantly extend its operating life.

SHAREHOLDERS

Sibanye is headquartered close to Westonaria, in the Gauteng province, near its West Wits operations. The Group's primary listing is on the JSE, trading under the share code SGL, where it has been included as a member of the JSE's Socially Responsible Investment (SRI) index in 2013. The Group also has a secondary listing of American Depositary Receipts (ADRs) on the New York Stock Exchange (NYSE) , which trade under the ticker code SBGL. Each ADR is equivalent to four ordinary shares.

At 31 December 2013, Sibanye had an issued share capital of 735,079,031 shares (1,000,000,000 authorised) and a market capitalisation of approximately R9.0 billion (US$874 million). On 22 April 2014 Sibanye's market capitalisation had risen to R19.2 billion (US$1,877 million).

The Group has a diverse shareholder base, which at 31 December 2013 predominantly comprised institutional investors located in South Africa (45%), the United States of America (36%), Luxembourg (3%), United Kingdom (2%) and others (14%).

The Group has a 100% free float and its three largest institutional shareholders (holding 34.8% of the Group) at 31 December 2013 were Allan Gray Proprietary Limited (14.7%), Investec Asset Management Holdings Proprietary Limited (14.2%) and Van Eck Associates Corporation (5.9%). The successful acquisition of the Cooke operations from Gold One will result in Gold One holding a 17% interest in Sibanye after the conclusion of the transaction.

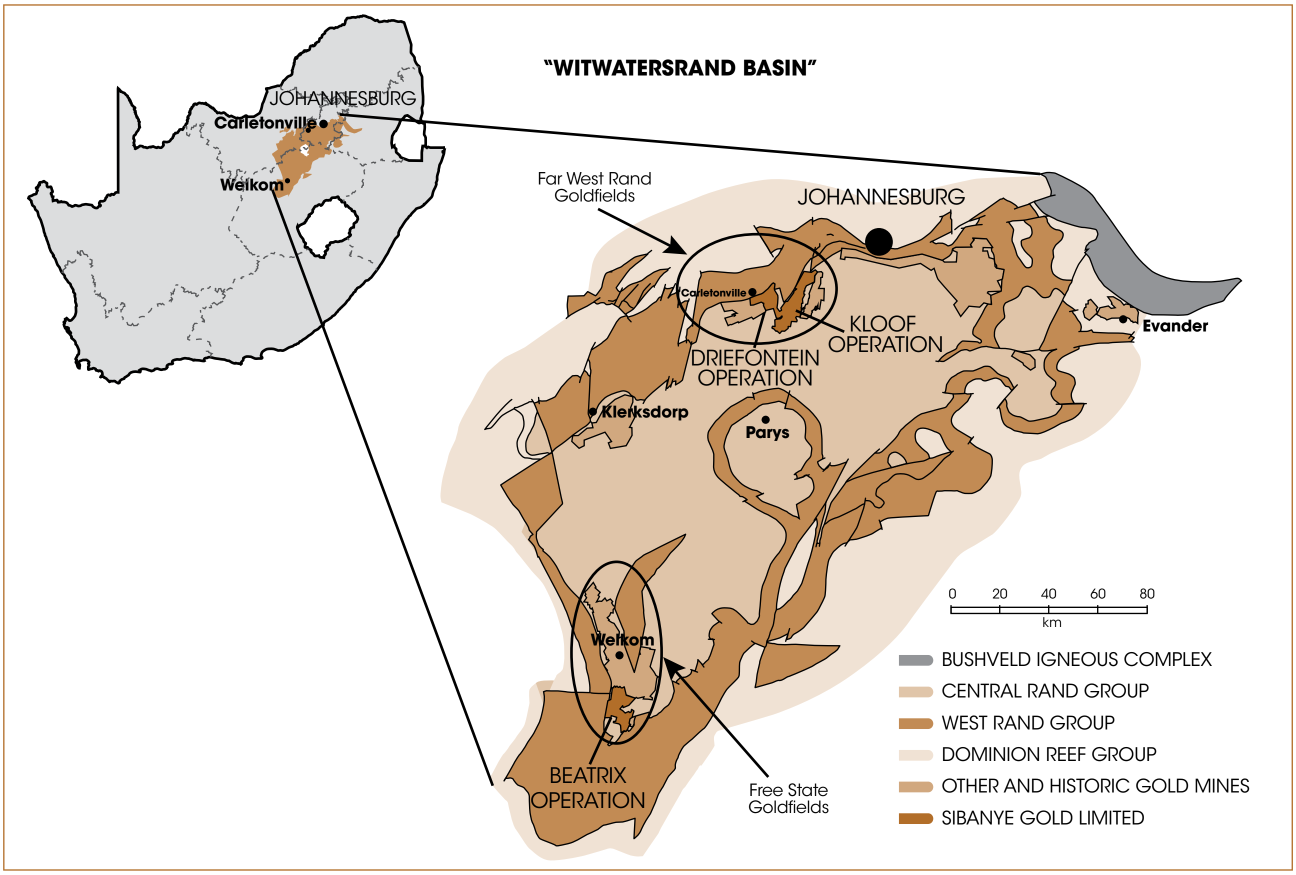
PRODUCTS AND MARKETS

Sibanye mines, extracts and processes gold ore to produce a beneficiated product, doré. The doré is then further refined at Rand Refinery Proprietary Limited (Rand Refinery) into gold bars with a purity of at least 99.5%, in accordance with the Good Delivery standards as determined by the London Bullion Market Association (LBMA). The refined gold is then sold on international markets. Sibanye holds a 33% interest in Rand Refinery, one of the largest global refiners of gold, and the largest in Africa. Rand Refinery markets gold to customers around the world.

Sibanye's primary direct customers are bullion banks acting as intermediaries in the gold market.

Sibanye's gold sales are predominantly in US dollars. Although this exposes the Group to transaction and translation exposure from fluctuations in foreign-

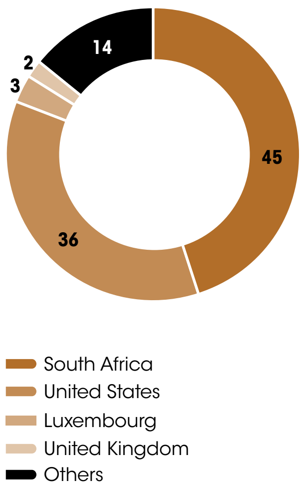
SIBANYE'S OPERATIONS



group overview continued

OWNERSHIP STRUCTURE

Geographic shareholder spread at 31 December 2013 (%)



currency exchange rates, Sibanye does not generally hedge this exposure. It may do so in specific circumstances, such as to protect cash flows at times of significant capital expenditure, for financing projects or to safeguard the viability of higher-cost operations.

PEOPLE

At the end of 2013, Sibanye employed 36,274 people; 33,773 of whom were permanent employees (93%) and 2,501 contractors (7%). Employees are drawn from local communities in the regions in which the Group operates (25.0%), from other regions in South Africa (44.4%) and from other southern African countries (30.6%).

Sibanye's experienced Board is largely comprised of independent non-executive directors, and is chaired by an independent non-executive Chairman. The highly experienced management team has more than 150 years' combined experience in the South African mining industry.

Sibanye is committed to becoming a fully transformed South African mining Group and its approach is guided by the Broad Based Socio-economic Empowerment Charter for the South African Mining and Minerals Industry (Mining Charter). In 2004, Gold Fields Limited (Gold Fields) undertook a black economic empowerment (BEE) transaction, transferring an amount equivalent to 15% of its equity from Sibanye, formerly GFI Mining South Africa Proprietary Limited, to Mvelaphanda Gold Proprietary Limited (Mvelaphanda Gold). In 2010, 10% of equity was allocated to an Employee Share Ownership Plan (ESOP) and another 1% in an empowerment deal. At the end of 2013, 32,219 employees were participants in the ESOP.

Sibanye recognises that it has a diverse workforce. It is committed to meeting the targets required by the Mineral and Petroleum Resources Development Act, 2002 (Act No 28 of 2002) (MPRDA) and its associated Mining Charter, including the appointment of historically disadvantaged South Africans (HDSAs) in management positions and employing women in core mining positions in the Group. Sibanye has invested significantly in empowering HDSAs and women at all levels, particularly in leadership roles.

SUSTAINABILITY LEADERSHIP

Pursuant to the separation of the Group from Gold Fields in February

2013, Sibanye is developing and finalising specific policies and procedures relating to its sustainability practices. These policies and practices will form an integral part of the management of the Group.

Sibanye is guided by the spirit of transformation as defined in the MPRDA and Mining Charter.

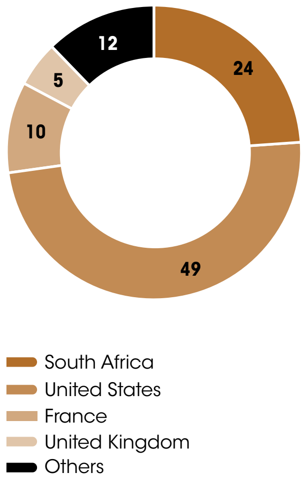
Strategic policy initiative guidance is also provided through the United Nations Global Compact (UNGC). This is a practical framework, which was launched in 2000 for companies committed to sustainability and responsible business practices. As a leadership initiative endorsed by chief executives, the UNGC seeks to align business operations and strategies everywhere with 10 universally accepted principles in the areas of human rights, labour, environment and anti-corruption.

All transactions relating to BEE, finalised under Gold Fields, are still applicable to Sibanye. In this regard, Sibanye transferred equity equivalent to 26% to BEE entities, constituting 15% Mvelaphanda Gold, 10% ESOP and 1% transformation shares.

The Board is responsible for sustainability but has delegated specific responsibility for oversight of various sustainability issues to the Audit Committee, the Safety, Health and Sustainable Development Committee, and the Social and Ethics Committee.

Apart from the Safety, Health and Sustainable Development Committee where the Chief Executive Officer (CEO) is also a member, all the Board committees are composed exclusively of independent non-executive directors.

Gold Fields (Sibanye) geographic shareholder spread at 31 December 2012 (%)



'Sibanye provides jobs for 36,274 people.'

business model

BUSINESS INPUTS

FINANCIAL CAPITAL

R2,902 million Capital expenditure
R9,145 million Procurement
44,474kg (1.43Moz) Gold produced
R434,663/kg (US$1,408/oz) Average gold price

HUMAN CAPITAL

36,274 Number of employees
R316 million Training and development

SOCIAL CAPITAL

Beatrix Social and Labour Plan approved
Kloof and Driefontein Social and Labour Plans submitted
Identification of and engagement with stakeholders
R1,050 million socio-economic development expenditure

NATURAL CAPITAL

76,636Ml Water used
14,298TJ Energy used
6,905,373t Rock mined

MANUFACTURED CAPITAL

19.7Moz Reserves
65.0Moz Resources
Improving operational productivity and efficiencies

ACTIVITIES

EXPLORATION AND NEW BUSINESS

Prospective targets are identified and exploration or due dilligence is undertaken. Worthwhile opportunities undergo intensive evaluation.

UNDERGROUND MINING

Vertical shafts are in place to transport people and equipment to and from orebodies (more than 1,000m below surface) and to bring the ore mined to surface. Gold-bearing ore is drilled, blasted and the ore is brought to surface.

TREATMENT AND PROCESSING

Once mined, gold ore is processed into doré (unrefined gold bars) at the operations and dispatched to Rand Refinery for further beneficiation.

REFINING

At Rand Refinery, the gold doré is refined and sold to bullion banks in South Africa and internationally, or to jewellery-fabrication industries. Gold is a significant component in a number of medical applications and lends itself to recycling.

RE-TREATMENT

The surface operations re-treat tailings, a product of processing, for residual gold and uranium. This re-mining serves as a form of rehabilitation as the tailings storage facilities are permanently removed.

REHABILITATION AND CLOSURE

Rehabilitation of the land disturbed by mining is an integral aspect of a mine plan from the beginning and throughout the life of an operation. Closure plans take the livelihoods of communities into account.

WHAT MAKES US DIFFERENT?

MATURE HIGH QUALITY OPERATIONS

- Proven operating methods, track record, well-understood geology
- Capital sunk into existing, quality infrastructure
- Excess capacity provides opportunity to increase throughput at minimum cost
- Opportunities to reduce unit costs and increase effectiveness

LARGE HIGH-GRADE RESOURCES PROVIDE OPPORTUNITY TO BRING TO ACCOUNT VAST RESOURCES AT AN APPROPRIATE COST STRUCTURE

LOW CAPITAL TO MAINTAIN PRODUCTION LEVELS

MATURE OPERATIONS OFFERING POSSIBILITIES FOR SIGNIFICANT CASH GENERATION

SUPERIOR LONG-TERM DIVIDEND YIELD AN AREA OF FOCUS

FIRST-MOVER ADVANTAGE AND STRATEGIC LOCATION

- Regional presence potentially offers value-accretive consolidation opportunities

OPERATING STRATEGY

REDUCE COSTS AND PAYMENTS

INCREASE FLEXIBILITY

INCREASE MARGINS

OPTIMISE ALL CAPITAL INCLUDING BALANCE SHEET

STRONG CASH FLOWS

ROBUST DIVIDENDS

performance against objectives

SCORECARD 2013: PERFORMANCE AGAINST OBJECTIVES

Objective	KPIs	Performance in 2013
Safe, profitable production	• FIFR • LTIFR • Productivity • Margin	Safety performance improved – fatal injury frequency rate (FIFR) reduced by 41% and lost-time injury frequency rate (LTIFR) by 11% Safety statistics approaching global benchmarks Sibanye won most South African industry safety awards in 2013 Initial productivity gains from organisational restructuring support sustainable production levels in long-term Total headcount reduced by 14%; contractors reduced by 37%; contractors comprised only 7% of workforce Increased operating margin from 35% to 38%
Arrest declining production profile	• Production • Tons (t) mined and milled • Gold produced	Turnaround successful; ore milled increased by 12% and gold production by 17% Increased focus on operational perfomance and quality of mining Gradual shift to shallower mining and extended life of mine (LoM) facilitated by acquisitions
Reverse increasing cost trends, reduce paylimits and increase margins	• Operating cost (R/t) • All-in cost • Total cash cost • Margin	Combined corporate and regional structures Removed layers of management at the operations Reduced spans of control by separating KDC into Kloof and Driefontein Introduced new operating model – multi-disciplinary, empowered teams Flattened organisational structures to ensure more experience and higher levels of skill closer to the face Rightsized the support services function Average underground operating cost decreased by 6% to R1,623/t (US$169/t) All-in cost reduced by 7% to R354,376/kg (US$1,148/oz)
Optimise capital and increase flexibility	• Debt • Capex • Reserves and Resources	Reduced gross debt by over 50% Restructured debt on more favourable terms and without restrictions Optimised allocation of capital – increased development rates Reinvesting in ore reserve development (ORD) Ongoing assessment of potential to safely mine secondary reef resources, remnant areas and pillars Gold reserves increased by 6Moz – maintain higher production levels for longer 4Moz gold and 43Mlb uranium unlocked in West Wits tailings storage facilities (TSFs) as a result of the proposed acquisition of the Cooke Operations Future of Beatrix secured by acquisition of Wits Gold
Improve and embed relationships, as well as management focus	• Employee turnover • Maintain mining licences	Implement service level contracts Win the hearts and minds of employees by re-establishing direct communication channels Invest in skills development and transformation Deliver on Mining Charter requirements
Deliver value-accretive consolidation opportunities	• Added value extends the life of operations	Enhancing acquisitions with cash flow and earnings Strategic acquisitions are consistent with strategy to extend operational life

financial and non-financial highlights

for the year ended 31 December 2013

		2013	2012	2011
Group operating statistics				
Gold produced	kg	**44,474**	38,059	45,005
	'000 oz	**1,430**	1,224	1,447
Ore milled	000t	**13,624**	12,185	14,648
Gold price	R/kg	**434,663**	434,943	369,139
	US$/oz	**1,408**	1,652	1,590
Operating cost	R/t	**879**	888	669
Operating profit	Rm	**7,358**	5,730	6,816
Operating margin	%	**38**	35	41
Total cash cost [1]	R/kg	**273,281**	285,851	220,224
	US$/oz	**885**	1,086	949
All-in cost [2]	R/kg	**354,376**	382,687	296,531
	US$/oz	**1,148**	1,453	1,277
All-in cost margin	%	**18**	12	20
Group sustainability statistics				
Taxation and royalties paid	Rm	**554**	1,394	486
Employee wages and benefits	Rm	**6,156**	5,791	5,591
Total employees	Number	**36,274**	42,084	38,033
Fatalities	Number	**9**	16	18
LTIFR [3]		**6.13**	6.90	5.79
Cyanide consumption	t	**3,759**	3,395	3,224
CO_2e emissions	'000t	**4,408**	4,423	4,094
Electricity consumption	MWh	**3,773,919**	3,835,194	4,070,499
Water withdrawal	Ml	**76,637**	64,788	49,197
Socio-economic development spend	Rm	**1,050**	853	670
Group financial statistics [4]				
Income statement				
Revenue	Rm	**19,331**	16,554	16,613
Net operating profit	Rm	**4,254**	3,367	4,559
Profit for the year	Rm	**1,698**	2,980	2,563
Profit for the year attributable to owners of Sibanye	Rm	**1,692**	2,980	2,564
Basic earnings per share	cents	**260**	297,960,000	256,410,000
Diluted earnings per share	cents	**255**	297,960,000	256,410,000
Headline earnings per share	cents	**355**	297,790,000	256,130,000
Dividend per share	cents	**37**	73,130,000	242,330,000
Weighted average number of shares	'000	**650,621**	1	1
Diluted weighted average number of shares	'000	**664,288**	1	1
Number of shares in issue at end of period	'000	**735,079**	1	1
Statement of financial position				
Property, plant and equipment	Rm	**15,151**	16,376	15,359
Cash and cash equivalents	Rm	**1,492**	292	363
Total assets	Rm	**19,995**	19,698	18,492
Net assets/(liabilities)	Rm	**9,423**	(9,673)	(11,976)
Stated share capital	Rm	**17,246**	–	–
Total borrowings [5]	Rm	**2,000**	4,220	–
Total liabilities	Rm	**10,572**	29,371	30,468

		2013	2012	2011
Statement of cash flows				
Cash from operating activities	Rm	**6,360**	2,621	3,861
Cash used in investing activities	Rm	**3,072**	3,126	3,005
Cash (used in)/flows from financing activities	Rm	**(2,088)**	434	(1,529)
Net increase/(decrease) in cash and cash equivalents	Rm	**1,201**	(71)	(673)
Other financial data				
EBITDA [6]	Rm	**7,358**	5,730	6,752
Net debt(cash) [7]	Rm	**499**	3,928	(363)
Net debt to EBITDA [8]	ratio	**0.07**	0.69	(0.05)
Net asset value per share	R	**12.80**	(9,672,700.00)	(11,975,600.00)
Average exchange rate [9]	R/US$	**9.60**	8.19	7.22
Closing exchange rate [10]	R/US$	**10.34**	8.57	8.13
Share data				
Ordinary share price – high	R	**16.30**	n/a [11]	n/a [11]
Ordinary share price – low	R	**6.73**	n/a [11]	n/a [11]
Ordinary share price at year end	R	**12.30**	n/a [11]	n/a [11]
Average daily volume of shares traded	'000	**4,754,958**	n/a [11]	n/a [11]
Market capitalisation at year end	Rbn	**9.04**	n/a [11]	n/a [11]

Note

[1] Sibanye has calculated total cash cost per ounce by dividing total cash costs, as determined using guidance provided by the Gold Institute, by gold ounces sold for all periods presented. Total cash costs are cost of sales cost as recorded in the income statement, less off-site (ie central) general and administrative expenses (including head office costs) and amortisation and depreciation. Total cash costs and total cash cost per ounce are not IFRS measures.

[2] A new cost measure, All-in cost, was introduced in 2013 by the World Gold Council. Sibanye has adopted the principle prescribed by the World Gold Council. This new non-GAAP measure provides more transparency in the costs associated with gold mining. The All-in cost metric provides relevant information to investors, governments, local communities and other stakeholders in understanding the economics of gold mining. All-in cost is made up of All-in sustaining costs, being the cost to sustain current operations and is given as a sub-total in the All-in cost calculation, together with corporate and major capital expenditure aimed at growing the Group. During 2013 and 2012 the All-in sustaining cost and the All-in cost are the same.

[3] Rate per million man hours worked.

[4] The selected historical consolidated financial data set out above have been derived from Sibanye's audited consolidated financial statements for those periods and as of those dates and the related notes which have been prepared in accordance with IFRS. The other operating data presented has been calculated as described in the footnotes to the table.

[5] Excludes related-party loans.

[6] EBITDA is defined as net operating profit before depreciation and amortisation. EBITDA may not be comparable to similarly titled measures of other companies. Management believes that EBITDA is used by investors and analysts to evaluate companies in the mining industry. EBITDA is not a measure of performance under IFRS and should be considered in addition to, and not as a substitute for, other measures of financial performance and liquidity reported in accordance with IFRS.

[7] Net debt represents total borrowings and bank overdraft less cash and cash equivalent.

[8] Net debt to EBITDA ratio is defined as net debt as at the end of a reporting period divided by EBITDA of the last 12 months ending on the same reporting date.

[9] The daily average of the closing rate during the relevant period as reported by I-Net Bridge.

[10] Sourced from I-Net Bridge, being the closing rate at period end.

[11] Sibanye, previously a wholly owned subsidiary of Gold Fields Limited (Gold Fields). The Company separated from Gold Fields in February 2013 becoming an independent and publicly traded company.

a perspective from the chair

Sello Moloko Chairman

I am extremely proud to report back to our stakeholders on a very successful period since the listing of Sibanye in February 2013. In our maiden year of operation as an independent company, Sibanye has delivered an operating and financial performance which has exceeded the expectations of many market observers.

The company has undergone radical change and it is heartening to see how the Sibanye workforce has embraced the new strategy and outlook for the Group. The enthusiasm and commitment to this new future is apparent in the relatively seamless manner in which the new operating model and organisational structures have been implemented. This is reflected in the first-rate operating results the Group has produced. Sibanye has achieved and, in many instances, exceeded the targets it set at the beginning of the year and delivered on a number of its longer-term goals earlier than expected. The fact that this has been achieved in a year of considerable change, against a backdrop of global economic uncertainty and a volatile labour environment in South Africa, is remarkable.

Importantly, these results have not been achieved at the expense of safety, which is a key priority for Sibanye. All of the safety indicators Sibanye measures continued to improve in 2013 and Sibanye will continue to strive towards its goal of zero harm.

The gold-mining industry experienced one of the most challenging years in over a decade in 2013. Indications of economic recovery in developed markets, most notably in the US in the early part of the year, and suggestions that the US Fed would begin tapering its quantitative easing programme, sparked significant liquidation of professional gold holdings in exchange traded funds (ETFs) and other more speculative gold investment vehicles. The impact on the gold price of this sudden and unprecedented liquidation of professional holdings was exacerbated by weak demand for gold at the time. The Indian government (India is historically the largest global consumer of gold), imposed import tariffs on gold, which significantly reduced demand from that market. While a total free fall was avoided due to increasing demand for bullion and jewellery in China as the price declined, this was insufficient to absorb the level of sales from professional holdings. As a result, over the course of 2013, the dollar gold price declined by approximately 27% from US$1,655/oz at 31 December 2012 to US$1,205/oz at 31 December 2013.

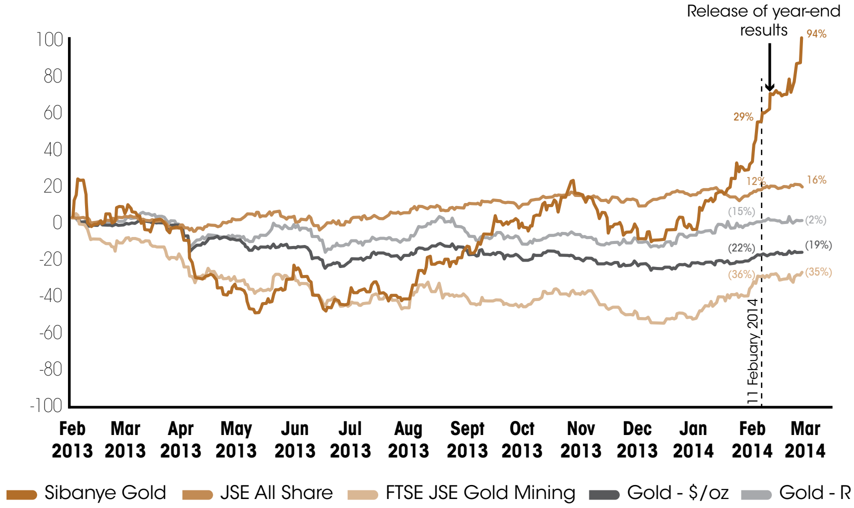
Sales of gold from professional holdings appear to have moderated in 2014 while the gold price has stabilised, supported by continued strength in bullion and jewellery demand, largely from China. The outlook, however, remains uncertain and the dollar price of gold will continue to be driven by a number of exogenous factors in 2014. The most probable scenario is one of continued price volatility within a defined trading range, most likely lower on average than that which prevailed in 2013.

In South Africa, the gold mining industry was shielded from the full impact of the lower dollar gold price by the weak rand, which depreciated by 20% relative to the US dollar during the year. As a result the average gold price received was flat year-on-year at approximately R435,000/kg. While this provided welcome relief for the South African gold producers, there remains a longer-term risk of increased inflationary cost pressures linked to the weaker currency.

The positive currency effect aside, the South African gold industry has, however, had to contend with a number of country-specific issues, most notably the uncertain and volatile labour environment, which continues to pose a significant risk to the future sustainability of the industry.

The tragic events at Marikana in August 2012 resulted in the rapid rise to prominence of the Association of Mineworkers and Construction Union (AMCU) and a fundamental change to the organised labour dynamic in the South African mining industry. With the emergence of AMCU came the inter-union rivalry with the historically dominant National Union of Mineworkers (NUM), which fuelled uncertainty and complicated the biennial wage negotiations between the gold industry and the representative unions in 2013. The rivalry prolonged the negotiations for close to a year before they drew to

Relative price performance: 11 February 2013 to 10 March 2014
(%)



an uneasy conclusion in March 2014. Fortunately operational disruptions during the wage-negotiation period were minimal and, while many issues remain unresolved, relative stability has returned to the sector.

It is clear that the South African mining sector has to adjust to working with multiple stakeholders going forward. The current hostile industrial-relations climate is not sustainable. This means that constructive dialogue between industry and labour must continue in the interests of the sustainability and growth of the sector.

It is also vital that all stakeholders, including government and affected communities, use the time between wage discussions to engage with industry – outside of and decoupled from emotive wage negotiations – to address other crucial issues of importance to the industry and all South Africans. These include, inter alia, issues such as the declining productivity and profitability of the industry and social issues related to the historic migrant-labour system, including employee indebtedness and living conditions in the communities close to our mines.

Sibanye is a proudly South African gold-mining company, and its future success is intimately associated with that of the broader South African economy. We are optimistic that, in

‘Constructive dialogue between industry and labour must continue in the interests of sustainability and growth of the sector.’

a perspective from the chair continued

an accommodative environment, this industry can prosper and continue to play an important role in the future of South Africa. The South African gold industry provides meaningful employment, is a critical consumer of goods and services that support a significant number of enterprises which supply the mining industry and, increasingly is being required to shoulder a greater socio-economic and developmental burden in the country.

In this regard, it has been pleasing to note the intervention of the Minister of Finance and the Department of Mineral Resources (DMR) in wage negotiations in 2013. It is also important to highlight the leadership role the Deputy President played in the establishment of the Peace Accord, which suggests that the South African government acknowledges the important role of the gold industry in our economy.

The industry and country require stability and certainty in order to attract capital investment necessary for development and long-term growth, which is essential if the industry is to sustain and create employment and assist government in addressing some of the broader socio-economic problems facing the country. A more cooperative and collaborative approach from all stakeholders will be crucial in achieving this.

The year 2014 marks the 10th anniversary of the promulgation of the South African Mineral and Petroleum Resources Development Act (MPRDA) – the legislation that defines and regulates the transformation of the South African mining industry. This anniversary brings with it a review of industry compliance with the transformational requirements of the Mining Charter. There is still significant uncertainty, which has not been adequately addressed by the recent amendments to the MPRDA, and Sibanye and the industry look forward to receiving further guidance from the DMR on how the sector should continue to grow and transform. From our side, we are optimistic that we have met all our obligations by ensuring that all our operations are properly empowered and our workforce and management sufficiently representative.

Other areas of concern include the continued inability of Eskom, the state power utility, to ensure consistent or sufficient power for the needs of the country. The gold-mining industry is an energy-intensive industry and sub-optimal power delivery is of grave concern to all operators of deep-level mines – not only because of the potential impact on the profitability and longer-term sustainability of the mines but also because of the significant risk that power outages pose to its employees. Sibanye is pro-actively exploring alternative sources of energy in order to mitigate the risk and reduce the demand load on Eskom.

As the Chief Executive Officer (CEO), Neal Froneman has stated publicly on many occasions, our employees are our most important asset, and Sibanye recognises the importance of its employees as key stakeholders in the business and their important role in ensuring its profitability and longevity. The Group embraced transformation as a business imperative. The Group has defined and adopted as its core values: commitment, accountability, respect and enabling (or a CARE) culture. Sibanye has begun to roll out the CARE model and will embed these values as part of a new, more holistic safety health and wellness strategy in 2014. We expect this strategy to deliver further safety improvements in future as the Group works towards its goal of zero harm in the workplace.

I would like to congratulate Neal, his management team and their colleagues at Sibanye on achieving such stellar operating results and managing to convincingly and sustainably turn around operations that many industry commentators had written off. I am confident that Neal and his team will continue to build on the solid base of 2013 for the benefit of all stakeholders and develop Sibanye into a globally competitive and admired, proudly South African mining company.

Lastly, I am fortunate to have the support of a diverse and vastly experienced Board. While this Board has only been incorporated relatively recently, it has been pleasing to see the level of commitment, genuine interest in the business and valuable contribution that my fellow directors have already made. Following the listing, we welcomed Zola Skweyiya, Barry Davison, Nkosemntu Nika, Tim Cumming and Sue van der Merwe as independent non-executive directors of Sibanye. We expect that Chris Chadwick and Robert Chan, representing Gold One, will also join the Board once the acquisition of Cooke has been concluded. The mix of operational, technical, financial and commercial knowledge and experience is a distinct advantage for a young and dynamic company like Sibanye.

In the year ahead, we will continue to develop Sibanye into a model mining company. We believe Sibanye's solid governance principles and operational expertise lay a solid foundation for this Group to deliver superior returns to shareholders, while holding significant attraction for a host of other stakeholders too.

Sibanye: We are one!

Sello Moloko
Chairman
25 April 2014

chief executive's report

Neal Froneman Chief Executive Officer

INTRODUCTION

The purpose of this Integrated Report is to provide stakeholders with relevant information about Sibanye, including a review of its operational and financial performance during the period; its governance and values; its prospects and the challenges it faces; and its business strategy, which is focused on maintaining strong operational performance and value-accretive growth in order to deliver and sustain long-term, superior value creation for our shareholders in the form of dividends and appreciation in the share price.

On listing in February 2013, the primary strategic objectives contemplated for Sibanye's first year as an independent company were:

- to restore operational credibility to its mature mines;
- to unlock the value contained in the West Wits Tailings Storage Facilities;
- to secure the longer-term future of Beatrix; and
- to deliver on our strategic intent to be the benchmark dividend yield vehicle in the gold sector globally.

These objectives have substantially been achieved in 2013 and a strong platform has been laid as the basis for continuing high performance and business growth in 2014.

The operational turnaround delivered in Sibanye's first 11 months as an independent company has proven the quality and potential of its operations and largely restored its operational credibility.

We are confident that the solid operational base delivered in 2013 is sustainable and that the Group is well positioned to deliver on its strategic goals, not only in the short-term, but over a significantly longer period than envisaged in the LoM that we inherited at the beginning of 2013.

Notable highlights during the period include:

- **successfully implementing a new operating model** and flatter, more efficient operating structures. This has already had a positive impact on costs and production at the operations. As we anticipated at the beginning of the year, I can confidently say that we have arrested the declining-production and increasing-cost trends that have plagued these assets for many years.
- **strong free cash flow generation**, despite a declining dollar gold price and rising costs, has enabled repayment of R2.2bn of debt, which was inherited on unbundling. This allowed Sibanye to pay a robust dividend to shareholders, positioning us as a benchmark dividend yield company in the sector.
- **successfully extending the lives of our assets** through quality and disciplined mining and cost control. This is evident in our new Reserve and Resource declaration and has been incorporated into our new, longer LoM operating plans. We expect to improve the LoM profile further as we continue with our assessment of the sizeable Resources still contained in secondary reefs and other remnant areas at the operations.
- **making strategic acquisitions**, which are consistent with Sibanye's strategy to extend the operating lives of its current mines and assets and maintain higher production levels for longer in order to sustain dividend payments to shareholders.

BECOMING THE 'GO TO' GOLD EQUITY INVESTMENT

Prior to Sibanye's unbundling and listing, a number of key strategic drivers and criteria were identified, which we believed would result in Sibanye becoming the investment of choice in the global gold sector. The strategic drivers that we identified and communicated at the outset remain valid. These are:

chief executive's report continued

- **ensuring leverage to the gold price** by remaining unhedged and implementing operating strategies which ensure that any increase in revenue flows through to the bottom line;
- **optimising free cash flow** (after all costs, capital expenditure and taxes) and using this as a key measure of performance;
- **maintaining capital expedience and discipline** by ensuring that capital invested generates appropriate returns and that the balance sheet is optimally geared;
- **not pursuing growth for the sake of size** but only if that growth enhances cash flow and returns per share; and, most importantly,
- **rewarding shareholders by means of regular, sustainable and meaningful dividends** and, when appropriate, returning excess cash to shareholders through the declaration of special dividends.

Sibanye's strategy considers the interests of all its stakeholders and we believe that all stakeholders will benefit from the successful delivery of our strategic goals. In this regard, we recognise that we have a meaningful presence in South Africa and its economy, and are confident that, in a supportive environment, the Group will continue to operate profitably and sustainably for the benefit of all of its stakeholders.

IMPLEMENTING OUR STRATEGY

Notwithstanding challenging market conditions in 2013, the vigorous implementation of Sibanye's operating strategy, comprising the six key elements (depicted in the diagram on this page) has already delivered results.

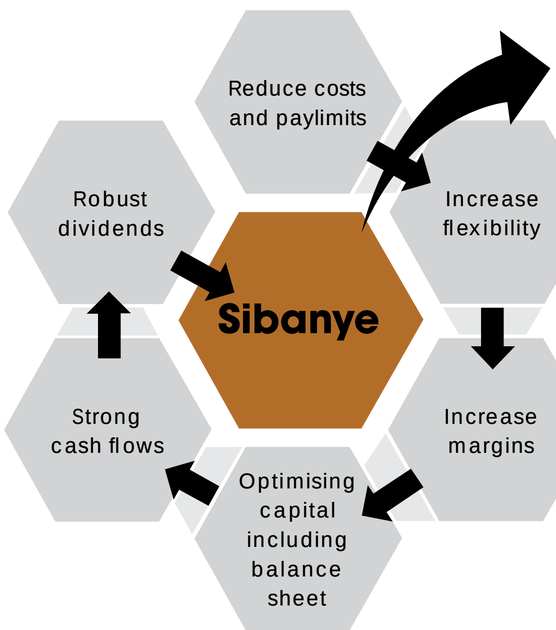
Some of the measures that have been implemented have already yielded returns while we expect further cost and productivity benefits from more recent interventions. Critical elements have included:

- **efforts to right size and restructure the company are ongoing**, although substantial progress has been made. Wages make up over 50% of operating costs and, while production had declined significantly in recent years, the labour complement had stayed relatively stable. Restructuring the business to align the labour complement with longer-term sustainable production levels resulted in a reduction in the total number of employees by 5,810 people (14% of employees), largely through voluntary separations and natural attrition. In doing this, we focused firstly on rationalising the higher levels of management, and removing two layers of operational management while introducing more effective structures and capacity, with strong operating experience.
- **the use of contractors has been significantly reduced** in order to minimise the impact of the restructuring on our own employees and contractors have been replaced by Sibanye employees where possible. Contractors now represent around 7% of the total workforce from around 9% a year ago. The corporate and regional functions, which were previously separate, have been combined and the corporate office has been established at Sibanye-owned premises at the old Libanon Mine, close to the key Driefontein and Kloof operations.

Operating margin of 38% (from 35%) and 18% based on All-in cost (from 12%)

Operating profit of R7.4 billion (US$767 million); R1.2 billion (US$132 million) of net cash generated

Avaiable cash increased to R1.5 billion (US$144 million); Net debt of R499 million (US$48 million)



Premium rating

Reduced our total cash cost by 4% to R273,281/kg (US$885/oz) and our All-in cost by 7% to R354,376kg (US$1,148/oz)

Gold production up by 17% to 44.5t (1.43Moz); tons milled up by 12%

Focused on what investors want

- **service level contracts** between the group services and our mines ensure that the functions and services provided by the Group are effective and address real needs at the operations.
- **the organisational structure has been flattened**, ensuring that there is more experience and a higher level of skill closer to the face where it is most needed. The separation of the KDC entity into Kloof and Driefontein has reduced the spans of control in order to ensure that our management was not too-thinly spread.
- **the operational focus has been intensified** by introducing multi-disciplined and empowered operating team structures. By improving the operating focus and flexibility, we increased gold production by about 17% year-on-year. A focus on quality of mining factors is reflected in lower R/t operating costs and increased grades. A detailed monthly, technical and financial operational review process has been introduced in order to measure progress on a regular and frequent basis, and immediately address any operational issues that may arise.
- **plant utilisation has been optimised** by filling excess capacity with low-grade surface rock and dump material.

OPERATING AND FINANCIAL OVERVIEW

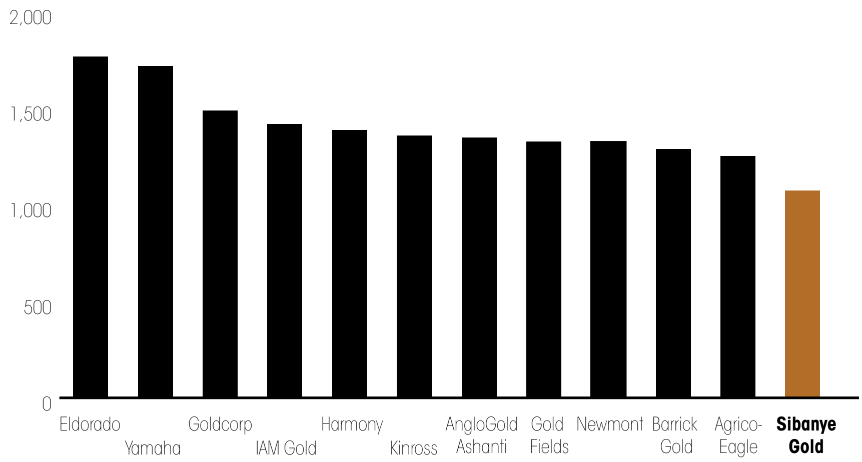
Our focus on improving productivity and reducing costs is coupled with a dedicated health, safety and wellbeing strategy. Continuous initiatives to engineer out risk, as we strive towards our goal of zero harm, delivered further safety improvements in 2013. The FIFR at the end of the year was 0.10 per million man hours worked, which is a 41% improvement over the previous year and the lowest ever rate achieved over a year at these deep level gold mines. The LTIFR was 6.13, which represents an 11% year-on-year improvement. Despite the depth and labour-intensive nature of our operations, our safety indicators are starting to approach global mining safety benchmarks, a remarkable statistic.

Following a thorough review of all aspects of the business in the first half of 2013, the new operating model was introduced and flatter, team-based management teams rolled out across the operations. Significant restructuring and an increased operational focus resulted in continuous delivery of productivity and cost improvements throughout the year with the second half of the year better reflecting the sustainable performance of the operations. The first half of 2013 was also disrupted by a fire at Beatrix West Section and a power outage when the main Eskom transformer supplying electricity to Driefontein was severely damaged by a fire resulting from a lightning strike. As a result, gold production of 24,061kg (773,600oz) for the six months ended 31 December 2013 was 18% higher than in the first six months. Total cash cost of R259,919/kg (US$804/oz) and All-in cost of R336,848/kg (US$1,043/oz) were both 10% lower than during the first six months, largely as a result of the cost-reduction initiatives and increase in gold production. Underground cost per ton milled declined by 12% to R1,527/t (US$152/t) from R1,737/t (US$190/t) in the first half of the year, driven by a 19% increase in underground volumes milled and strict controls on underground operating costs. Despite the increase in volumes, underground operating costs increased by less than 5% to R5,639 million (US$560 million). This was despite the annual wage increases and elevated winter electricity tariffs in the second half of the year.

Gold production for the year ended 31 December 2013 was 17% higher than that achieved in 2012 and All-in cost was 7% lower, both as a result of the severe strikes in 2012 and the re-focus on mining and cost-saving initiatives after unbundling early in 2013. Sibanye is now positioned in the lowest quartile of the global All-in cost curve and is capable of generating solid cash flow under lower gold prices than currently prevail.

Operating profit increased to R7.4 billion (US$767 million) in 2013 from R5.7 billion (US$700 million) in

All-in cash cost for 2013 (US$/oz)



Source: Barclays Capital, company data

Strategic accountable leadership

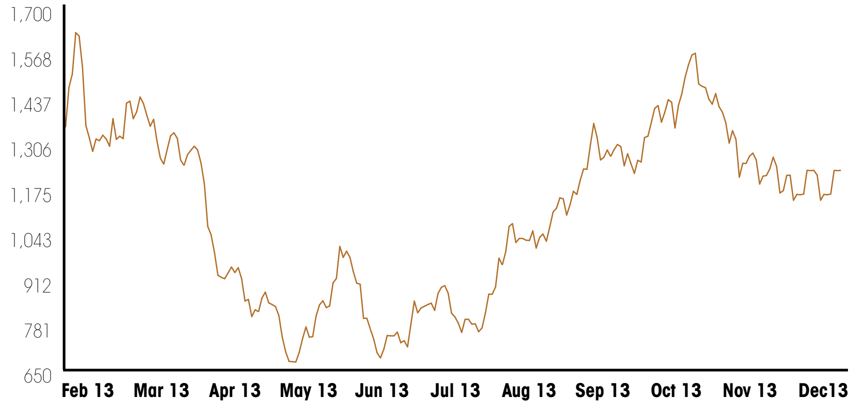
chief executive's report continued

2012 due to the increased revenue, partly offset by production and inflation-related cost increases. A 15% decline in the average US dollar gold price to US$1,408/oz in 2013 was offset by depreciation of the rand against the US dollar, resulting in an unchanged year-on-year rand gold price received, which averaged R434,663/kg during 2013.

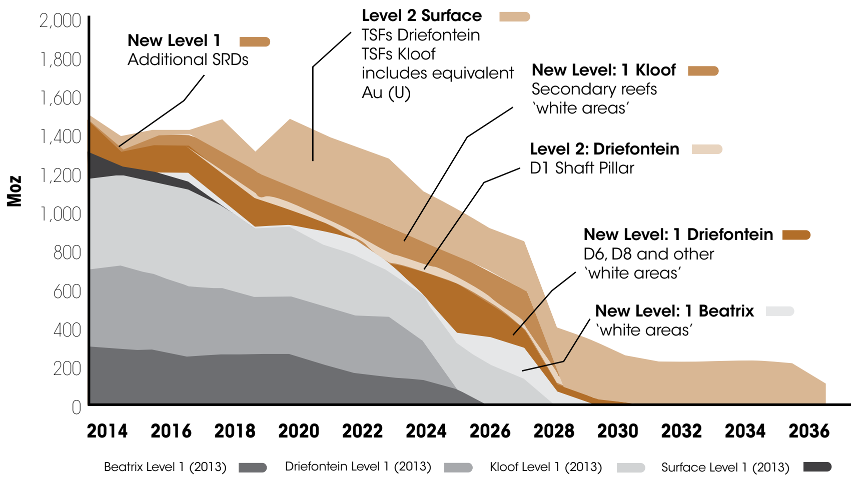
Net cash generated for the year ended 31 December 2013, before net financing activities and dividends, was R3.6 billion (US$375 million), which was equivalent to approximately 40% of Sibanye's market capitalisation as at 31 December 2013. Debt repayments during the year totalled R2.2 billion (US$231 million), reducing gross debt to R2.0 billion (US$193 million) and net debt to R499 million (US$48 million) at year end. Debt repayments were structured to accommodate the payment of the interim and final dividend, to allow funding to cover payments on acquisitions, and to provide cash flow coverage against the possibility of industrial action during the biennial gold-sector wage negotiations. The bridge loan facilities were also restructured to provide for a borrowing facility of R4.5 billion, R2 billion of which has been drawn.

Sibanye's dividend policy is to return 25% to 35% of normalised earnings to shareholders. The Group declared a total dividend of 112cps for 2013 at the upper end of the range defined in its dividend policy. This represented a 9% dividend yield at 31 December 2013.

Sibanye's share price: 11 February 2013 to 31 December 2013 (South African cents)



Sibanye LoM profile at 31 December 2013



Level 1 – Approved LoM plan with capital fully budgeted; Level 2 – Projects where provision has been made for capital and only minor technical work is required; Level 3 – Concept studies, pre-feasibility studies and feasibility studies, with no provision made for capital

SHARE PRICE PERFORMANCE

Sibanye listed at a price of R13.05 per share on 11 February 2013 and initially traded in a relatively tight price range until April 2013, when the sharp decline in the gold price led to a sell-off in gold equities globally. The FTSE/JSE Gold Mining Index declined by approximately 40% and Sibanye's share price fell to a low of R6.73 per share on 22 May 2013, about 50% below its listing price.

Evidence of improving operational performance, reported at the interim results in August 2013, a relatively short strike followed by agreement on wage increases with the unions representing the majority of the gold-industry workforce in September 2013 and the declaration of Sibanye's maiden interim dividend, resulted in Sibanye's share price recovering strongly through the second half of the year. By 31 December 2013, the share price had recovered to a closing price of R12.30 per share, 83% higher than the bottom reached in May 2013 but still 6% lower than the listing price. This is in contrast to a 54% decline in the FTSE/JSE Gold Mining Index and represented significant outperformance over the same period against the dollar gold price and rand gold price, which ended the year 27% and 14% lower respectively.

Sibanye's share price has continued to appreciate in 2014, increasing by approximately 100% to R24.73 per share on 10 March 2014, driven by strong results reported for the six months ended 31 December 2013, the declaration of a 75 cents per share final dividend for 2013, a more stable dollar gold price and a weak rand relative to the US dollar.

GROWTH

Sustaining and growing our operations

Lower overhead costs and an improvement in mining quality factors has resulted in lower paylimits being applied to LoM planning, and Reserve and Resource calculations at 31 December 2013, compared with those used in 2012. This, together with the ongoing assessment of the economic viability of mining, the large resources contained in secondary reefs and remnant areas, which had not previously been exploited, has resulted in Sibanye's gold Mineral Reserves at 31 December 2013 increasing by 46% to 19.7Moz (including 1.5Moz of Reserves depleted through mining during 2013), from 13.5Moz at 31 December 2012.

Underground gold Reserves increased by 2.4Moz (net of depletion) and surface gold Reserves, mainly in TSF, included following the completion of a pre-feasibility study, increased by 4.0Moz. Total gold Resources reduced by 9.2Moz to 65.0Moz, primarily due to re-evaluation of the pay limit.

SIBANYE LoM PROFILE AT 31 DECEMBER 2013

Inclusion of these additional Reserves in Sibanye's revised 2014 LoM plan has resulted in gold production from Beatrix, Driefontein and Kloof being forecast to be maintained at over 1.2Moz per annum until 2021, four years longer than in the 2013 LoM plan, which had gold production declining below 1.2Moz per annum by 2017. Importantly, in the 2014 LoM plan, gold production is forecast at approximately 1.4Moz until 2019 compared with the 2013 LoM plan, which had peak gold production of approximately 1.3Moz being maintained for only a single year. The total forecast LoM has also been extended by approximately two years to 2030 in the 2014 LoM plan. With most of the additional underground reserves being from remnant or white areas and secondary reefs, which require minimal ORD, capital expenditure to achieve this improved LoM profile is forecast to remain relatively constant in real terms at approximately R3.0 billion.

Inclusion of Sibanye's TSF reserves in the LoM plan at this stage extends production of over 1.2Moz per annum by a further three years until approximately 2024 and extends the LoM to 2035. This project will in future form part of the West Rand Tailings Treatment Project (WRTRP) once the acquisition of the Cooke assets from Gold One has been completed.

A maiden uranium Resource, comprising 419Mt and containing 68.8Mlb uranium has been declared based on 43.2Mlb uranium contained in the TSF Reserves at Driefontein and Kloof, and the maiden declaration of a 25.7Mlb uranium Resource at the underground Beisa Section at Beatrix West Section.

The strategy to extend the lives and secure the future of our existing operations and assets includes growth or life extension from value-accretive and strategic acquisitions. As a proudly South African, independent mining company, Sibanye's strong cash flows and regional presence position it competitively for growth, particularly in South Africa. With our

chief executive's report continued

benchmark yield strategy in mind, we will only pursue acquisitions that are ultimately value-enhancing on a per-share basis or provide sustainability to our yield profile.

In 2013, the following transactions were entered into:

- In August 2013, agreement was reached with Gold One to acquire its Cooke underground and surface assets for such number of shares as represent 17% of Sibanye's issued share capital, on a fully diluted basis on the closing of the transaction. This transaction is expected to be earnings and cash flow- accretive and will add average annual production of approximately 250,000oz of gold and over 500,000lb of uranium over the next five years, and unlock regional operational and infrastructural synergies. Importantly, the transaction secures the Cooke surface tailings Resources and the Cooke 4 gold and uranium plant, which are critical to unlocking the significant gold and uranium Resources contained in the surface TSF across our West Rand operations.
- The second transaction signals greater co-operation between the gold producers in South Africa in order to unlock value in the industry. In August 2013, Sibanye agreed to exchange two mining-right portions at its Beatrix Operation, which are not included in its current life of mine, for two mining-right portions at Harmony's Joel Operation. These acquired mining rights are more readily accessible from the Beatrix North and South sections. Two further mining-right portions have been exchanged with Harmony for a royalty of 3% of net revenue derived from mining these portions.
- Finally, in December 2013, Sibanye agreed to acquire the entire issued ordinary share capital of Wits Gold for a cash consideration of approximately R410 million, thereby securing substantial gold and uranium resources. The majority of these resources are adjacent to our Beatrix Operation and, through synergy with existing operations and infrastructure, will secure the long-term future of Beatrix. Wits Gold also held a binding offer to acquire Southgold Exploration Proprietary Limited (Southgold) – being the sole owner of the Burnstone gold mine. Following the successful conclusion of a detailed due diligence, a decision was taken to proceed with the option to acquire the Burnstone mine. The offer to acquire Southgold is still subject to certain conditions precedent, including amongst others, the approval of the Minister of Mineral Resources, and Wits Gold confirming that the acquisition of Southgold does not give rise to any adverse tax consequences for Wits Gold and/or Southgold. The decision to acquire South Gold was based on the already significant investment in mine development and infrastructure and the favorable terms on which this acquisition can be concluded. The acquisition of Burnstone will contribute positively to free cash flow and enhance the company's long term value, consistent with our strategy to extend the operating life of the Company in support of our dividend yield strategy.

Based on the solid progress towards restoring operational credibility in 2014 at our existing operations and the implementation of an effective operating strategy, we are well positioned to seamlessly integrate these acquisitions into Sibanye and deliver on synergies with our current operations.

A VOLATILE LABOUR RELATIONS ENVIRONMENT

The industry approached the biennial wage negotiations in 2013 with significant unease and uncertainty after the fractious and volatile labour environment of 2012. In anticipation of a disruptive negotiation process, we prepared ourselves for extended strikes: strike plans designed to limit production losses and minimise costs were developed, and we ensured that we had sufficient cash leading into the negotiations to sustain the Group through a prolonged strike.

We also worked very hard at winning the hearts and the minds of our employees through direct, forthright but honest communication and I believe we have much greater alignment than we have had in the past. We took a very conscious decision to communicate directly with our employees, something which has often been abdicated to the unions in our industry.

The wage settlement achieved is indicative of a greater understanding. Yes, it was possibly higher than we would have liked and we still believe that including a profit share in the increase would have better aligned the workforce with management and shareholders, but it was a reasonable settlement which – in comparison with other sectors – ensures that our employees remain among the best paid in South Africa. In the end, the process was conducted with a great deal of maturity and respect for the law, resulting in minimal disruption for the industry or the country.

The final two-year agreement was concluded with the NUM, the United Association of South Africa (UASA) and Solidarity, which collectively represented 72% of employees within this sectoral bargaining unit, and was extended to all employees, in line with past practice. It was disappointing that AMCU declined to accept the agreement and waited until 20 January 2014 before issuing strike notices at all the gold-mining operations where it is the recognised majority union (this covered our Driefontein operations, two Harmony mines and the majority of AngloGold Ashanti Limited operations).

An application for an interdict against the strike was lodged at the Labour Court by the Chamber of Mines on behalf of the gold companies, on the basis that the collective wage agreement signed by the other unions in the gold sector had legitimately been extended to AMCU members. Due to the complexity of the issues, the Court reserved judgment, and issued an interim order restraining AMCU from initiating strike action. An order was issued on 30 January 2014 declaring any potential strike action by AMCU unprotected. Unless AMCU can show cause why this order should not become final prior to 5 June 2014, the ruling will be made final.

2014 AND BEYOND

Based on the platform created in 2013 and a healthy balance sheet, Sibanye is well positioned to continue delivering strong operating and financial results in 2014.

Maintaining strong positive cash flows from current operations is the primary goal that is a pre-requisite for our business success. The most critical challenge facing the company in 2014 is to maintain its strong operational focus, while successfully integrating the new operations it is acquiring.

We anticipate further cost reductions to flow from restructuring completed late in 2013 and other initiatives which will be implemented in 2014, although these will be relatively modest in comparison to those achieved in 2013. From an operational perspective, the focus will be on improving productivity particularly looking at the potential of revising working arrangements to ensure that more time can be spent at the face. We are supportive of the Sindisa agreement, a collaborative productivity enhancement initiative between the Chamber of Mines and the NUM, UASA and Solidarity. The initiative arose out of the 2011 wage agreement and we will be seeking to involve AMCU going forward. Not only does the Sindisa initiative seek to increase the number of shifts in the yearly production calendar and enhance face time through better working arrangements but it is also likely to involve shift arrangements, which will enable employees – especially migrant employees – greater flexibility to spend more time with their families.

With continuing management focus, increases in pay mineable face length and productivity improvement initiatives, the goal is to maintain the December 2013 quarter run rate as a sustainable base level subject to potential production interruptions that may be experienced.

As such, for the year ending 31 December 2014, gold production in the normal course of business from the Beatrix, Driefontein and Kloof Operations is forecast at 44,000kg (1.4Moz). Total cash cost is forecast to be approximately R270,000/kg (US$800/oz) and All-in-cost approximately R360,000/kg (US$1,070/oz), assuming an average exchange rate of R10.50 to the US dollar during the year. Capital expenditure for the year is forecast at approximately R3.1 billion (US$295 million). Should the rand gold price remain at around current levels, cash generation will be meaningful, enabling Sibanye to reduce debt further and invest in its future, while remaining true to its dividend policy, maintaining a strong dividend yield and continuing with its strategy to deliver superior value for all stakeholders.

MY THANKS

The successes we have already achieved at Sibanye in a limited period of time have been remarkable. I must thank my executive colleagues, my fellow Board members and our operational teams at the workface. You all have a lot to be proud of as we conclude the first financial reporting period for Sibanye and have already made strides in realising a number of the strategic objectives we have set for ourselves.

Neal Froneman
Chief Executive Officer
25 April 2014

financial review

Charl Keyter Chief Financial Officer

INTRODUCTION

During 2013, following the unbundling by Gold Fields to its shareholders of its entire shareholding in Sibanye – previously GFI Mining South Africa Proprietary Limited (GFIMSA) – a wholly owned subsidiary of Gold Fields, Sibanye began operating as a fully independent, publicly traded company with a new Board of Directors, management and strategy.

On 11 February 2013 Sibanye listed on the JSE at a listing price of R13.05 per share, giving it an initial market capitalisation of approximately R9.5 billion (US$1.1 billion). Sibanye's secondary listing on the NYSE also commenced on 11 February 2013. The entire ordinary share capital of Sibanye was unbundled by Gold Fields to its existing shareholders on 18 February 2013 in a ratio of 1:1 with the listed Gold Fields shares and resulted in Gold Fields' shareholders holding two separate shares; a Sibanye share as well as their original Gold Fields share.

The operating and financial results for the 2013 financial year are pleasing. They support management's belief that Sibanye's principal operations – Driefontein, Kloof and Beatrix – despite having been in operation for many decades, are still some of the best gold mines in the world and should continue to be so for many years to come.

Sibanye has delivered strong operating results, underpinned by the continued focus on the new operating strategy and organisational structures, which have delivered significant production and cost benefits. Cost containment and margin improvement will remain challenging, and an increased focus will be necessary to limit cost increases, especially in light of the pressures in the South African labour and electricity environment and the continued volatile macro-economic environment.

The solid operational performance and robust cash generation during the year and the positive outlook for 2014, underpins the declared full-year dividend of 112 cents per share (R825 million), or 35% of 2013 normalised earnings, which is at the upper end of the range defined by Sibanye's dividend policy.

The following financial review provides stakeholders with greater insight into the financial performance and position of the Group. Our primary financial focuses are to reduce costs, increase cash generation to provide a return on equity and to reward shareholders with sustainable dividends. Stakeholders are advised to read this review in conjunction with the consolidated financial statements presented on pages 92 to 149.

FACTORS AFFECTING OUR PERFORMANCE

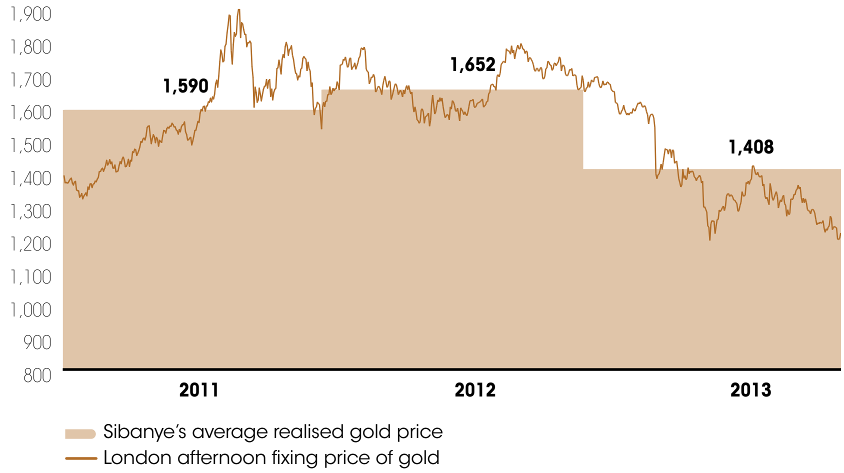
Gold price

Sibanye's revenues are primarily derived from the sale of the gold that it produces. Sibanye does not generally enter into forward sales, commodity derivatives or other hedging arrangements in order to establish a price in advance of the sale of its gold production. As a result it is fully exposed to changes in the gold price. Gold hedging could however be considered in the future under one or more of the following circumstances: to protect cash flows at times of significant capital expenditures; financing projects; or to safeguard the viability of higher cost operations.

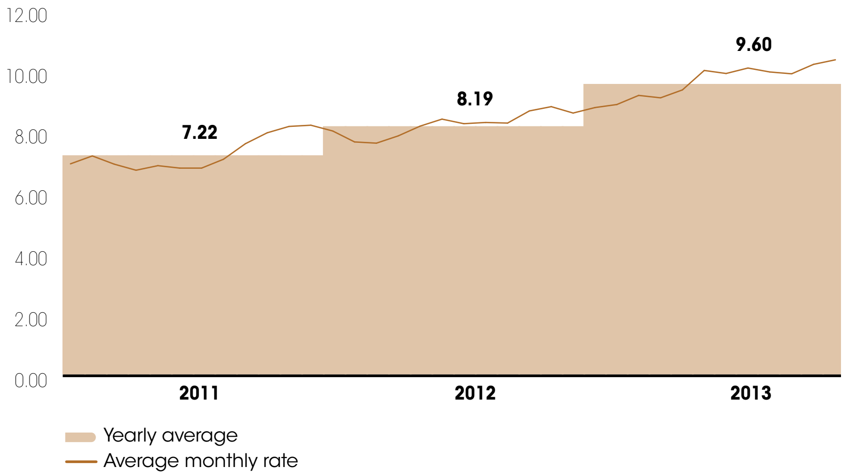
The market price of gold has historically been volatile and is affected by numerous factors over which Sibanye has no control, such as general supply and demand, speculative trading activity and global economic drivers. Should the gold price decline below Sibanye's production costs the Group may experience losses and, should this situation remain for an extended period, Sibanye may be forced to curtail or suspend some or all of its projects, operations and/or reduce operational capital expenditure. Sibanye might not be able to recover any losses incurred during, or after, such events. A sustained period of significant gold price volatility may also adversely affect Sibanye's ability to evaluate the feasibility of undertaking new capital projects or continuing existing operations or to make other long-term strategic decisions.

The volatility of the price of gold is illustrated in the gold price graph on this page.

Gold price (US$/oz)



Rand/dollar exchange rate (R/US$1)



Exchange rates

Sibanye's operations are all located in South Africa and its revenues are equally sensitive to changes in the dollar gold price and the rand/US dollar exchange rate (the exchange rate). Depreciation of the rand against the US dollar results in Sibanye's revenues and operating margins increasing. Conversely, should the rand appreciate against the US dollar, revenues and operating margins would decrease. The impact on profitability of any change in the exchange rate can be substantial. Furthermore, the exchange rates obtained when converting US dollars to rand are set by foreign exchange markets, over which Sibanye has no control. The relationship between currencies and commodities, which includes the gold price, is complex and changes in exchange rates can influence commodity prices and vice versa.

As a general rule, Sibanye does not enter into long-term currency hedging arrangements and is exposed to the spot market exchange rate. Sibanye's operating costs are primarily denominated in rands and forward cover could be considered for significant expenditures based in foreign currency or those items which have long lead times to production or delivery. No foreign exchange hedging contracts were entered into during 2013.

Costs

Sibanye's operating costs (being cost of sales less amortisation and depreciation) comprise mainly labour and contractor costs, power, water and consumable stores which include, inter alia, explosives, timber, cyanide and other consumables. Sibanye expects that its operating costs, particularly the input costs noted above, are likely to continue to increase in the near future and will be driven by inflation, general economic trends, market dynamics and other regulatory changes.

The South African inflation rate or Consumer Price Index (CPI) was unchanged year-on-year, averaging 5.7% in 2013 (2012: 5.7%). Mining inflation has historically been significantly higher than CPI, with key operating costs, in particular wages and electricity costs, increasing considerably more than CPI.

financial review continued

Sibanye reviewed all of its costs during the first half of 2013, identifying a number of areas in which costs could be significantly reduced. The subsequent implementation of Sibanye's new operating strategy and revised organisational structures delivered significant production and cost benefits during the year. The implementation of the new operating model included:

- re-organising and rolling out flatter, team-based management structures. These place people with experience in mining management closer to the face. The focus on core mining at the operations was also tightened;
- implementing needs-focused management information systems supported by detailed monthly business unit performance reviews;
- revising the ore reserve management principles and practices and reassessing and introducing new operating plans applicable to individual business units;
- focusing on the quality of mining – improving the mine call factor by focusing on the areas that result in gold losses, and greater attention to stoping width control; and
- eliminating scattered regional support functions by centralising and rightsizing Group support services into customer focused, cost driven centralised service departments.

Sibanye's operations are labour intensive. Labour represented 51% and 54% of operating costs during 2013 and 2012 respectively.

During 2013 Sibanye negotiated a two-year wage agreement with the South African mining unions, that represented the majority of its workforce, at above-inflation wage increases effective from 1 July 2013 of between 7.5% to 8.0%, depending upon the category of employee. Increases from 1 July 2014 will be based on the CPI plus 0.5% or 1.0%, with a minimum of 6.5% and 7.0%, again depending upon the category of employee. The next round of wage negotiations is scheduled to begin in mid-2015.

Power and water comprised 19% and 20% of operating costs in 2013 and 2012 respectively. During 2013 Eskom applied to NERSA for an average annual tariff increase of 16.0% for a five-year period as of 1 April 2013, of which an increase of 8% was approved.

The effect of the abovementioned increases, especially being above the average inflation rate, has adversely affected, and may continue to adversely affect, the profitability of Sibanye's operations. Further, all of Sibanye's costs at its operations are in rands, while revenues from gold sales are in US dollars. Generally when inflation is high the rand tends to devalue, thereby increasing rand revenues, and potentially offsetting any increase in costs. However, there can be no guarantee that any cost-saving measures or the effects of any potential devaluation will offset the effects of increased inflation and production costs.

Production

Sibanye's revenues are driven by its production levels and the price it realises from the sale of gold, as discussed above. Production can be affected by a number of factors including industrial action, safety-related work stoppages and mining grades. These factors could have an impact on production levels in the future.

In recent years, the South African mining industry has experienced greater union unrest including the entry of new unions such as the Association of Mineworkers and Construction Union (AMCU), which has become a significant rival to the traditionally dominant National Union of Mineworkers (NUM). This has resulted in more frequent industrial disputes, including violent protests, intra-union violence and clashes with police authorities. During the second half of 2012 Sibanye's operations were affected by extended strikes which caused significant production losses. During 2013 Sibanye experienced very little disruption to production as a result of industrial action. Sibanye is continually working to improve relations with its employees and unions to hopefully prevent any future production losses.

Sibanye's operations are also subject to South African health and safety laws and regulations that impose various duties on Sibanye's mines while granting the authorities powers to, among other things, close or suspend operations at unsafe mines and order corrective action relating to health and safety matters. During 2013, Sibanye's operations experienced 45 safety stoppages (2012: 49).

Driefontein, Kloof and Beatrix are in their mature life stages and have encountered lower mining grades and yields.

Sibanye's key focus is to maintain profitable operations and sustain current production levels for a longer period than had previously been envisaged through an increased focus on productivity. Furthermore, it will focus on realising the potential that still exists in its extensive Reserves and Resources.

Royalties and mining tax

South African mining operations pay a royalty tax. The formula revenue for calculating royalties takes into account the profitability of individual operations. The royalty formula is detailed in the notes to the consolidated financial statements.

Under South African tax legislation, gold mining companies and non-gold mining companies are taxed at different rates. Driefontein, Kloof and Beatrix are subject to the gold tax formula on their respective mining income. The formula calculating tax payable, which is detailed in the notes to the consolidated financial statements, is impacted by the profitability of the applicable mining operation. In addition, these operations are ring fenced, so each operation is taxed separately and, as a result, taxable losses and capital expenditure at one of the operations cannot be used to reduce taxable income from another operation. Depending on the profitability of the operations, the tax rate can vary significantly from year to year.

Capital expenditure

Sibanye will continue to invest capital in new and existing infrastructure and possible growth opportunities. Therefore, management will be required to consider, on an ongoing basis, the capital expenditure necessary to achieve its sustainable production objectives against other demands on cash.

As part of its strategy, Sibanye may investigate the potential exploitation of mineralisation below its current infrastructure limits as well as other capital-intensive projects. Sibanye's dividend policy will not, however, be affected by its capital expenditure.

During 2013 Sibanye's total capital expenditure was R2.9 billion (2012: R3.1 billion). Sibanye expects to spend approximately R3.1 billion on capital in 2014, excluding any acqusitions.

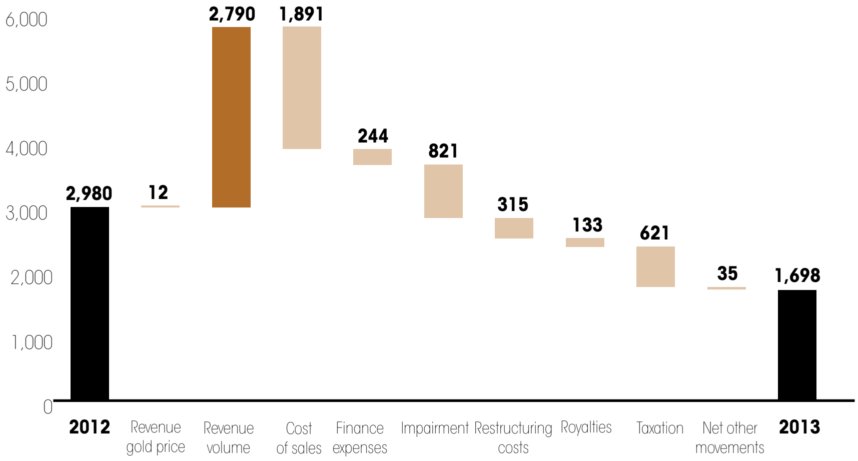
The actual amount of capital expenditure will depend on a number of factors, such as production volumes, the price of gold and general economic conditions and may differ from the amounts forecast above. Some of these factors are outside of the control of Sibanye.

2013 FINANCIAL PERFORMANCE COMPARED WITH 2012

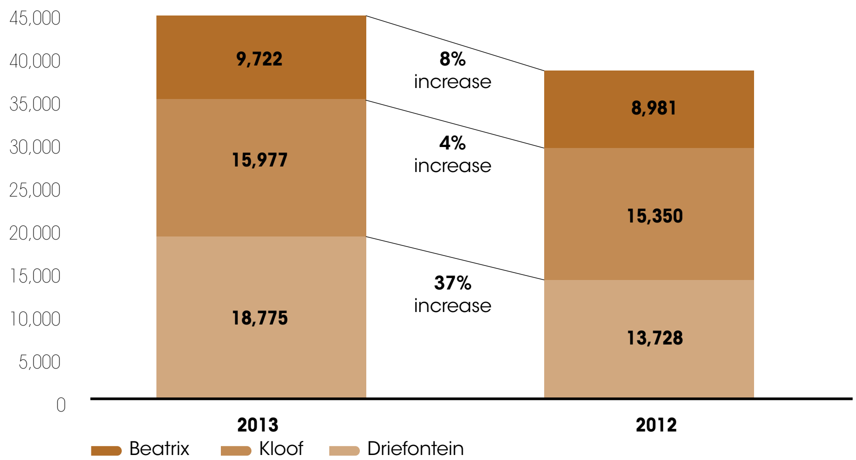
Group profit decreased from R2,980 million for 2012 to R1,698 million for 2013. The reasons for this decrease are discussed below.

The principal factors explaining the movements are set out in the table below:

Net profit movements (Rm)



Gold produced (kg)



Strategic accountable leadership

financial review continued

Revenue

Revenue increased by 17% from R16.6 billion for 2012 to R19.3 billion for 2013. The gold price decreased by 15% in US dollar terms from an average of US$1,652/oz in 2012 to US$1,408/oz in 2013. However, the weaker rand against the US dollar offset this decline, resulting in an unchanged year-on-year average rand gold price of R434,663/kg (2012: R434,943/kg). The rand weakened by 17% year-on-year from an average of R8.19/US$ to R9.60/US$.

Gold produced for the year increased by 17% to 44,474kg (1.43Moz) from 38,059 kg (1.22Moz) in 2012. Gold production from the operations is shown in the graph on page 25.

The increase in production was largely due to two factors: Firstly, towards the end of 2012 the industry went through a period of prolonged, disruptive illegal strike action, which resulted in production losses of approximately 4,500kg (145,000oz) at Sibanye: Driefontein lost approximately 2,000kg (64,000oz), Kloof lost approximately 1,600kg (52,000oz) and Beatrix lost approximately 900kg (29,000oz). Strike action during 2013 was limited to a few days and had little, if any, effect on production levels resulting in higher production levels in 2013. Secondly, the implementation of the new operating strategy resulted in an increase in volumes milled and an improvement in the quality of mining. This production increase was partially offset at Beatrix by a fire which started on 19 February 2013 at the Beatrix West Section resulting in approximately 366kg (12,000oz) of gold being lost.

Cost of sales

Cost of sales, which consists of operating costs and amortisation and depreciation, increased by 14% from R13,187 million in 2012 to R15,077 million in 2013.

The primary drivers of cost of sales were as follows:

	2013 R million	2012 R million	% change
Salaries and wages	**6,156**	5,791	6
Consumable stores	**2,721**	2,576	6
Utilities	**2,315**	2,115	9
Mine contracts	**928**	937	(1)
Other	**1,736**	1,533	13
ORD costs capitalised	**(1,883)**	(2,128)	(12)
Operating costs	**11,973**	10,824	11
Amortisation and depreciation	**3,104**	2,363	31
Total cost of sales	**15,077**	**13,187**	**14**

The analysis that follows provides a more detailed discussion of cost of sales, together with total cash cost and All-in cost.

Operating costs – cost of sales less amortisation and depreciation

Operating costs increased by 11% from R10,824 million in 2012 to R11,973 million in 2013. This increase was due to above-inflation wage increases of between 7.5% and 8.0% depending upon the category of employee, increased electricity tariffs and costs associated with the increased production, such as stores and bonuses. Other costs increased by 13% from R1,533 million in 2012 to R1,736 million in 2013, but only by 7% if one excludes the increase of approximately R100 million in additional property taxes paid by Driefontein to the local municipality. These increases were partly offset by cost-saving initiatives implemented during the year, which resulted in improved efficiencies, together with a reduction in contractor costs, and a reduction of 5,810 employees in service.

The table on page 27 presents a reconciliation from cost of sales to total cash cost.

Total cash cost reconciliation

		2013					2012				
		Group	Driefontein	Kloof	Beatrix	Corporate	Group	Driefontein	Kloof	Beatrix	Corporate
Cost of sales per income statement	Rm	**15,077**	**6,339**	**5,198**	**3,519**	**21**	13,187	5,290	4,625	3,254	18
Deduct: amortisation and depreciation		**(3,104)**	**(1,458)**	**(1,097)**	**(528)**	**(21)**	(2,363)	(987)	(726)	(632)	(18)
Operating costs	Rm	**11,973**	**4,881**	**4,101**	**2,991**	**–**	10,824	4,303	3,899	2,622	–
Adjusted for:											
General and admin costs		**(234)**	**(85)**	**(69)**	**(80)**	**–**	(227)	(97)	(80)	(50)	–
Royalties*		**415**	**198**	**147**	**70**	**–**	282	66	145	71	–
Total cash cost	Rm	**12,154**	**4,994**	**4,179**	**2,981**	**–**	10,879	4,272	3,964	2,643	–
Gold sold	kg	**44,474**	**18,775**	**15,977**	**9,722**		38,059	13,728	15,350	8,981	
	'000oz	**1,430**	**604**	**514**	**313**		1,224	441	494	289	
Total cash cost	R/kg	**273,281**	**265,997**	**261,570**	**306,593**		285,851	311,211	258,241	294,277	
	US$/oz	**885**	**862**	**847**	**993**		1,086	1,182	981	1,118	

The average exchange rate for the year ended 31 December 2013 was R9.60/US$ (2013: R8.19/US$).
* Royalties are included as part of total cash costs but are reflected below operating profit in the income statement.

Total cash cost per kilogram decreased by 4% from R285,851/kg (US$1,086/oz) in 2012 to R273,281/kg (US$885/oz) in 2013. This decrease was as a result of the 17% increase in gold produced and sold, partly offset by the increase in royalties and operating costs described earlier.

Amortisation and depreciation

Amortisation and depreciation increased by 31%, from R2.4 billion in 2012 to R3.1 billion in 2013. Amortisation and depreciation at Driefontein increased from R987 million to R1.5 billion in line with the 37% increase in production and applying the updated Reserves declared early in 2013. Similarly, Kloof's amortisation and depreciation increased from R726 million to R1.1 billion, while amortisation and depreciation at Beatrix declined from R632 million to R528 million due to the West Section being impaired in mid-2013, and no longer being amortised.

All-in cost

A new cost measure, All-in cost, was introduced mid-year by the World Gold Council. Sibanye has adopted the principle prescribed by the Council. This new non-GAAP measure provides more transparency in the total costs associated with gold mining.

The All-in cost metric provides relevant information to investors, governments, local communities and other stakeholders in understanding the economics of gold mining. This is especially true with reference to capital expenditure associated with developing and maintaining gold mines, which has increased significantly in recent years and is reflected in this new metric.

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. At this stage, with the focus on our current operations, Sibanye's All-in sustaining cost and the All-in cost are the same.

The table on page 28 presents a reconciliation from operating costs to total All-in cost.

financial review continued

		2013					2012				
		Group	Driefontein	Kloof	Beatrix	Corporate	Group	Driefontein	Kloof	Beatrix	Corporate
Operating costs	Rm	11,973	4,881	4,101	2,991	–	10,824	4,303	3,899	2,622	–
Plus:											
Community costs		24	9	8	7	–	20	4	10	6	–
Share-based payments[1]		306	61	47	42	156	264	72	44	42	106
Royalties		415	199	147	69	–	282	66	145	71	–
Rehabilitation		165	84	54	27	–	91	31	37	23	–
Ore Reserve deposits		1,883	703	844	336	–	2 128	849	831	448	–
Sustaining capital expenditure		1,018	319	460	201	38	979	241	505	211	22
Less:											
By-product credit		(23)	(10)	(7)	(6)	–	(23)	(8)	(7)	(8)	–
Total All-in sustaining costs	Rm	15,761	6,246	5,654	3,667	194	14,565	5,558	5,464	3,415	128
Plus:											
Other corporate costs		–	–	–	–	–	–	–	–	–	–
Major growth projects		–	–	–	–	–	–	–	–	–	–
Total All-in cost	Rm	15,761	6,246	5,654	3,667	194	14,565	5,558	5,464	3,415	128
Gold sold	kg	44,474	18,775	15,977	9,722		38,059	13,728	15,350	8,981	
	`000oz	1,430	604	514	313		1,224	441	494	289	
Total All-in cost	R/kg	354,376	332,660	353,884	377,206		382,687	404,881	355,915	380,258	
	US$/oz	1,148	1,078	1,147	1,222		1,453	1,538	1,352	1,444	

The average exchange rate for the year ended 31 December 2013 was R9.60/US$ (2013: R8.19/US$).

[1] Share-based payments are calculated based on the fair value at initial recognition and do not include the fair-value adjustment of the cash-settled share-based payment liability to the reporting fair value.

All-in cost decreased by 7% from R382,687/kg (US$1,453/oz) in 2012 to R354,376/kg (US$1,148/oz) in 2013 as a result of the increased production and slightly lower capital expenditure, partly offset by the higher operating costs, royalties and share based payments expensed in 2013.

Net operating profit

As a result of the factors discussed above, net operating profit increased by 26% from R3,367 million in 2012 to R4,254 million in 2013.

Investment income

Income from investments increased by 52% from R106 million in 2012 to R160 million in 2013.

Interest on cash balances increased from R35 million in 2012 to R63 million in 2013, due to higher cash balances in 2013 particular, during the wage negotiation period, where cash was retained until the wage negotiations were finalised. In 2012 Sibanye was part of the Gold Fields group and as a result Sibanye's excess cash was applied to other projects within the Gold Fields group.

Interest on funds invested in various interest bearing investments for the environmental rehabilitation obligations of the group increased from R70 million in 2012 to R85 million in 2013, due to higher balance of the fund when compared to 2012.

The 2013 total investment income includes R12 million, relating to the unwinding of the financial guarantee asset (2012: Rnil).

Finance expenses

Finance expenses increased from R177 million in 2012 to R420 million in 2013.

Interest on borrowings increased from R114 million in 2012 to R319 million in 2013, mainly due to the increase in the average indebtedness year-on-year. During the first half of 2012 Sibanye had debt of R975 million, which increased during the second half of the year to R4,220 million mainly due to the Ya Rona fire and the illegal industrial actions. Sibanye's debt outstanding during the first half of 2013 was approximately R4,000 million. It was only during the second half of the year that Sibanye was able to reduce its debt levels to R2,500 million. The interest margin under the Bridge Loan Facilities was also higher than that of the Gold Fields group facilities.

The environmental rehabilitation liability accretion expense increased from R58 million in 2012 to R93 million in 2013 mainly due to an increase in the estimates accounted for in 2012.

Share-based payments

In terms of the previously existing Gold Fields Share Plans, all Gold Fields shares vested pro rata (no-fault termination rules applied) to Gold Fields employees who remained with Sibanye following the unbundling of Sibanye. The proportionate values of unvested options under the Gold Fields Share Plans on date of unbundling were replaced with Sibanye share instruments to the equivalent value, under the Sibanye 2013 Share Plan (SGL Share Plan).

Sibanye's Remuneration Committee has limited the issuance of share options for the 2013 allocation under the SGL 2013 Share Plan to certain senior management only. The balance of senior management and middle management, who previously participated in the equity-settled share option scheme, now participate in a cash-settled share scheme, the Sibanye 2013 Phantom Share Scheme (SGL Phantom Scheme). The same rules will apply to the cash-settled share scheme as would have applied to the equity-settled share options under the SGL Share Plan, other than the issue of new shares to participants.

The share-based payment expense of R306 million in 2013 (2012: R264 million) consists of R213 million (2012: R264 million) relating to equity-settled share options granted under the SGL Share Plan, Gold Fields Limited 2012 Share Plan and Gold Fields Limited 2005 Share Plan, and R92 million (2012: Rnil) relating to instruments granted under the SGL Phantom Scheme. Share-based payments expensed for 2012 related to the share options issued under the various Gold Fields Share Plans.

The cash-settled share instruments are valued at each reporting period based on the fair value of the instrument at that reporting date. The difference between the reporting date fair value and the initial recognition fair value of these cash-settled share options is included in (loss)/gain on financial instruments in the income statement.

Impairment

An underground fire during February 2013 at Beatrix West Section affected approximately 38% of the planned production area, impacting on the commercial viability of the Beatrix West Section. As a result a decision was taken during the year to impair Beatrix West's mining assets by R821 million.

Loss on loss of control of subsidiary

Living Gold Proprietary Limited's (Living Gold) management acquired a 30% interest in Living Gold from Sibanye in 2013 (2012: 10%) and had an option to acquire a further 10% in 2014, which it exercised subsequent to year end. Sibanye has assessed and concluded that the management of Living Gold substantively controls the entity in terms of IFRS 10. As a result of the loss of control, Living Gold was de-recognised as a subsidiary, and accounted for as an equity-accounted investment.

Restructuring costs

Restructuring costs increased from R124 million in 2012 to R439 million in 2013. The cost in 2013 included R403 million on voluntary separation packages and retrenchment costs, and R36 million on business process re-engineering costs, while costs in 2012 included R25 million on voluntary separation packages and R99 million on business process re-engineering costs.

Royalties

Royalties increased from R282 million in 2012 to R415 million in 2013. The increased royalty in 2013 is mainly due to the increase in gold sold.

The rate of royalty tax payable as a percentage of revenue was:

(%)	**2013**	2012
Driefontein	**2.4**	1.1
Kloof	**2.1**	2.2
Beatrix	**1.6**	1.8
Average for Group	**2.1**	1.7

Mining and income taxation

Mining and income taxation increased from a net credit of R365 million in 2012 to an expense of R256 million in 2013. The table below indicates Sibanye's effective tax expense rate in 2013 and 2012.

	2013	2012
Mining and income tax (Rm)	**256**	(365)
Effective taxation rate (%)	**13.1**	(14.0)

Strategic accountable leadership

financial review continued

In 2013, the tax expense rate of 13% was lower than the maximum South African mining statutory tax rate of 34% mainly due to the tax effect of the following:

- R330 million reduction related to the mining tax formula rate adjustment;
- R214 million deferred tax released on reduction of the long-term expected tax rate at the operations; and
- R1 million of net non-deductible expenditure and non-taxable income.

The above were offset by the following tax-affected charges:

- R64 million adjustment reflected the actual realised company tax rates; and
- R73 million non-deductible charges related to share-based payments.

In 2012 the effective tax expense rate of negative 14% was lower than the maximum South African mining statutory tax rate of 34% mainly due to the tax effect of the following:

- R17 million adjustment reflected the actual realised tax rates;
- R282 million reduction related to the mining tax formula rate adjustment;
- R1,004 million deferred tax released on reduction of the long-term expected tax rate at the operations as a result of the change in the statutory tax rate; and
- R41 million of net non-deductible expenditure and non-taxable income.

The above were offset by the following tax-affected charges:

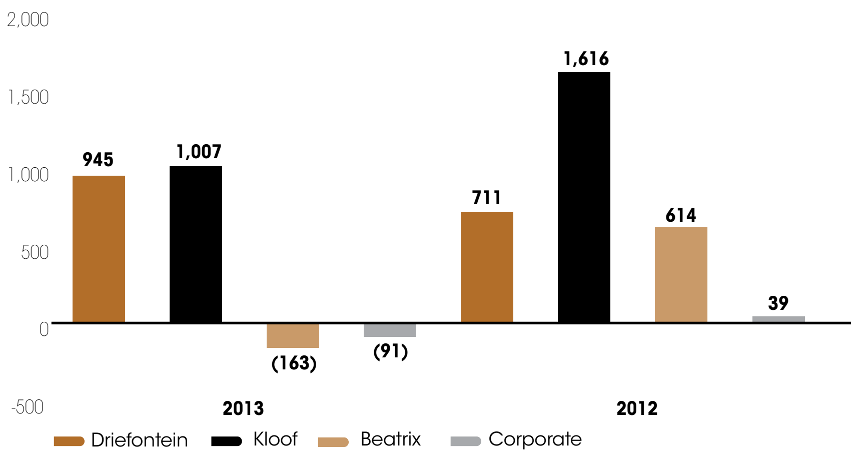
- R90 million non-deductible charges related to share-based payments.

Profit for the year

As a result of the factors discussed above, the Group posted a profit for the year of R1,698 million in 2013, compared with R2,980 million in 2012. Of this, R1,692 million (2012: R2,980 million) is attributable to the owners of Sibanye.

The following graph depicts contributions from the various segments to the profit attributable to the owners of Sibanye:

Contributions (Rm)



LIQUIDITY AND CAPITAL RESOURCES

Cash flow analysis

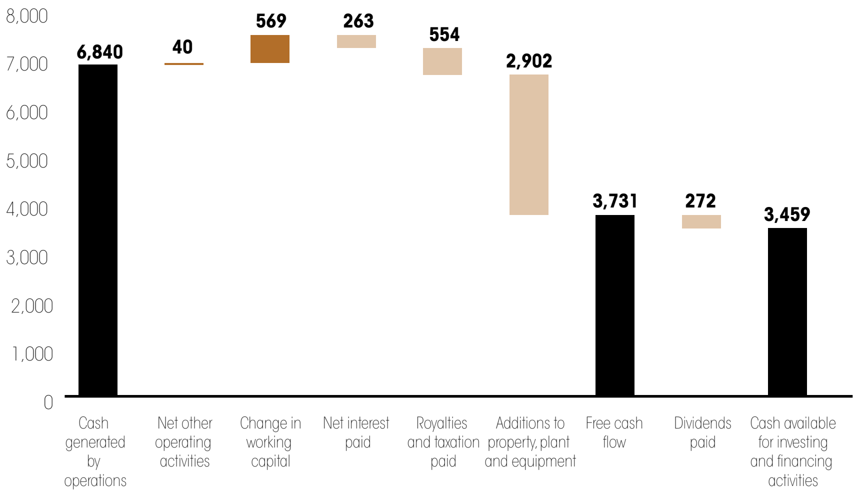
One of the most important drivers to sustain and increase shareholder value is free cash flow generation as that determines the cash available for dividends and other investing activities. Sibanye defines free cash flow as cash from operating activities before dividends, less additions to property, plant and equipment.

Net cash generated in 2013 amounted to R1,201 million compared with R71 million utilised in 2012.

The principal factors explaining the changes in net cash flow for the year are set out in the table below:

	2013 R million	2012 R million	% change
Cash flows from operating activities	**6,360**	2,621	143
Additions to property, plant and equipment	**(2,902)**	(3,107)	(7)
Increase/(decrease) in borrowings	**(2,220)**	4,220	(153)
Free cash flow	**3,731**	246	1,417

Free cash flow analysis (Rm)

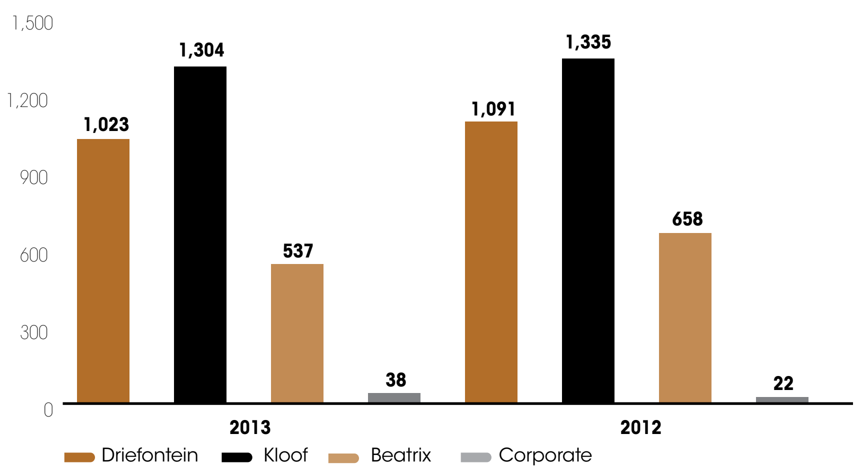


Cash flows from operating activities

Cash inflows from operating activities increased from R2,621 million in 2012 to R6,360 million in 2013. The items contributing to the year-on-year increase of R3,739 million were due to the factors in the table below:

	R million
Increase in cash generated by operations mainly due to increase in gold production	1,363
Increase in release from working capital	1,217
Increase in interest paid	(209)
Decrease in royalties paid	165
Decrease in taxes paid	676
Decrease in dividends paid	459
Other	68
Increase in cash flows from operating activities	**3,739**

Capital expenditure (Rm)



Cash flows from investing activities

Cash outflows from investing activities decreased from R3,126 million in 2012 to R3,072 million in 2013 due to the reduction in capital expenditure.

Capital expenditure decreased by 7% from R3,107 million in 2012 to R2,902 million in 2013. Capital expenditure at the individual mines is shown in the graph below:

Cash flows from financing activities

Cash flows from financing activities resulted in an outflow of R2,088 million in 2013 as discussed below.

On 1 February 2013, Gold Fields subscribed for a further 731,647,614 shares in Sibanye (in addition to the 1,000 shares it held) at a subscription price of R17,246 million. Sibanye used R17,108 million of the proceeds to repay the GFL Mining Services Limited (GFLMS, a subsidiary of Gold Fields) loan.

On 18 February 2013, the date of unbundling from Gold Fields, Sibanye refinanced its R3,500 million (2012: R3,000 million) long-term credit facilities and R900 million (2012: R1,220 million) short-term credit facilities, which were Gold Fields group debt facilities, by drawing down R4,570 million under the Bridge Loan Facilities.

Sibanye repaid R2,570 million of the Bridge Loan Facilities during the year and on 13 December 2013, Sibanye repaid the balance of the Bridge Loan Facilities by drawing down R2,000 million under the new R4.5 billion Facilities.

Cash flows from financing activities in 2012 resulted in an inflow of R434 million. Debt increased by R4,220 million during the year to fund working capital mainly as a result of the Ya Rona fire and the illegal industrial actions. The net decrease in related-party loans with Gold Fields group entities was R3,786 million.

financial review continued

Net increase/(decrease) in cash and cash equivalents

As a result of the above, net cash generated in 2013 amounted to R1,201 million compared with R71 million utilised in 2012.

Total Group cash and cash equivalents amounted to R1,492 million at 31 December 2013, compared with R292 million at 31 December 2012.

STATEMENT OF FINANCIAL POSITION

Property, plant and equipment

The balance of property, plant and equipment reduced from R16,376 million at 31 December 2012 to R15,151 million at 31 December 2013. The primary contributors to this reduction are the depreciation charge being R202 million more than additions during the year, the Beatrix West Section impairment of R821 million and the negative adjustment of R161 million to the rehabilitation assets.

Financial Guarantee

As of 18 February 2013, the Gold Fields group is no longer guaranteeing any debt of Sibanye, similarly Sibanye has been released from all of its obligations as guarantor under Gold Fields group debt, except, Sibanye remains a guarantor of the US$1 billion 4.875% guaranteed notes (the Notes) issued by Gold Fields Orogen Holding (BVI) Limited (Orogen, a subsidiary of Gold Fields) on 30 September 2010, due to mature on 7 October 2020. Interest on these notes is due and payable semi-annually on 7 April and 7 October in arrears. The payment of all amounts due in respect of the Notes is unconditionally and irrevocably guaranteed by Gold Fields, Sibanye, Gold Fields Operations Limited and Gold Fields Holdings Company (BVI) Limited (collectively the Guarantors), on a joint and several basis. The Notes and guarantees constitute direct, unsubordinated and unsecured obligations of Orogen and the Guarantors, respectively, and rank equally in right of payment among themselves and with all other existing and future unsubordinated and unsecured obligations of Orogen and the Guarantors, respectively.

An indemnity agreement (the Indemnity Agreement) has been entered into between the Guarantors, pursuant to which the Guarantors (other than Sibanye) hold Sibanye harmless from and against any and all liabilities and expenses which may be incurred by Sibanye under or in connection with the Notes, including any payment obligations by Sibanye to the Note holders or the trustee of the Notes pursuant to the guarantee of the Notes, all on the terms and subject to the conditions contained therein. The Indemnity Agreement will remain in place for as long as Sibanye's guarantee obligations under the Notes remain in place.

The Group initially recognised the financial guarantee liability at fair value of the guarantee in connection with the Notes. The liability is amortised over the remaining period of the bond and, should facts and circumstances change, on the ability of the Gold Fields group's ability to meet its obligation under the Notes, the liability will be re-valued accordingly. As at 31 December 2013 the balance was R207 million (2012: R196 million). The financial guarantee liability is converted at the year-end exchange rate of R10.34/US$ (2012: R8.57/US$). The weaker rand against the US dollar has resulted in the increase in the financial guarantee liability from 31 December 2012 to 31 December 2013.

As of 18 February 2013, Orogen is obliged to pay a semi-annual guarantee fee to Sibanye until Sibanye is released as a guarantor under the Notes. The Group has raised a financial guarantee asset for the future fee income. At 31 December 2013 the balance was R290 million of which R52 million is current.

Borrowings

Total debt (short- and long-term) decreased from R4,220 million at 31 December 2012 to R1,991 million at 31 December 2013. Net debt (total debt less cash and cash equivalents) decreased from R3,928 million at 31 December 2012 to R499 million at 31 December 2013.

At 31 December 2013, Sibanye had committed unutilised banking facilities of R2.5 billion available under the R4.5 billion facilities.

Further details in respect of the R4.5 billion facilities are contained within note 24 on page 130: Borrowings, to the 2013 consolidated financial statements.

Working capital and going-concern assessment

The Group's current liabilities exceeded its current assets by R887 million as at 31 December 2013. Current liabilities at year end include the financial guarantee liability of R207 million (as detailed above) which does not reflect the true liquidity of Sibanye per se, as Sibanye believes that Gold Fields is currently in a position to meet its obligations under the Notes.

With the Bridge Loan Facilities refinanced, Sibanye was in a position to actively manage its debt position and, as a result, repaid an additional R500 million debt in December 2013, effectively applying cash, a current asset, to reduce long-term borrowings.

The Directors believe that the cash-generated by its operations and the remaining balance of the Group's revolving credit facility will enable the Group to continue to meet its obligations as they fall due.

Off balance sheet arrangements and contractual commitments

At 31 December 2013, Sibanye had no off balance sheet items.

Further details in respect of contractual commitments are disclosed in the following notes to the consolidated financial statements:

Contractual Commitments	Note per the consolidated financial statements
Guarantees	17 – Financial guarantee
Environmental rehabilitation obligation	25 – Environmental rehabilitation obligation
Post-retirement healthcare obligation	26 – Post-retirement healthcare obligation
Commercial commitments	33 – Commitments
Contingent liabilities	34 – Contingent liabilities
Debt	
– Capital	24 – Borrowings
– interest	37 – Risk management activities

These contractual commitments for expenditure, together with other expenditure and liquidity requirements, will be met from internal cash flow and, to the extent necessary, from the existing facilities.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Sibanye's significant accounting policies are fully described in the various notes to its consolidated financial statements. Some of Sibanye's accounting policies require the application of significant judgments and estimates by management that can affect the amounts reported in the consolidated financial statements. These judgments and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to previous experience, but actual results may differ from the amounts included in the consolidated financial statements.

Sibanye's significant accounting policies that are subject to significant judgments, estimates and assumptions are:
- Basis of preparation
- Consolidation
- Share-based payments
- Royalties, mining and income taxation
- Property, plant and equipment
- Environmental rehabilitation obligations
- Contingent liabilities

SARBANES-OXLEY ACT

Sibanye, being a foreign private issuer as defined under the US Securities and Exchange Act of 1934 (the Exchange Act), must comply with the requirements of the Sarbanes-Oxley Act of 2002 (the Sarbanes-Oxley Act). Management's compliance programme has consisted of self-assessments, focused walk-throughs and operating-effectiveness testing executed throughout the year, on a quarterly basis.

At the time of reporting, management had completed control-design and operating-effectiveness testing for the Group across all significant locations, with the exception of the processes relating to preparation of its US annual report on Form 20-F.

The results to date of said compliance programme indicate a very high level of compliance and no indication of a material breakdown in controls was noted.

Charl Keyter
Chief Financial Officer
25 April 2014

engaging with stakeholders

COMMUNICATION AND ENGAGEMENT

In line with its Corporate Communications and Engagement Strategy, Sibanye communicates with key stakeholders on a regular basis to keep them informed of developments.

The development of the Corporate Communications and Engagement Strategy entailed:

- a review of the existing communications framework and practices;
- an external environmental scan;
- the development of communications and engagement objectives and guiding principles; and
- the establishment of monitoring, evaluation and performance management arrangements.

The strategy developed in 2013 will remain under review and is a dynamic document to be updated from time to time.

'Our stakeholder engagement is dynamic.'

Sibanye's engagement strategy is based on six objectives, supporting the delivery of its corporate objectives, which are to:

1. Promote the Sibanye brand

- Position and strengthen the brand among key stakeholders
- Inculcate the Group pay-off line – 'We are one' – as a philosophy to engender a sense of ownership and accountability necessary to realise its vision
- Build brand awareness and legitimacy
- Achieve sustainable brand value

2. Build credibility and trust in Sibanye

- Influence and work alongside stakeholders to deliver on its vision
- Deliver on its promises

3. Build a new corporate culture for Sibanye by increasing awareness of its vision, mission, aims, objectives and values

- Employees are aligned with the Group's purpose, vision and values and understand what is needed of them to make a meaningful contribution
- Employee engagement and achievement of organisational effectiveness

4. Improve communications and engagement capability and capacity of staff across the organisation and ensure resources are used to maximum effect

- Building capability among the communications staff is central to achieving the objectives of the Communications and Engagement Strategy
- Achievement of vision hinges on every manager becoming a communicating leader

5. Establish two-way internal communication across the Group

- Checking that messages reach internal target audiences and employees, and closing the loop to ensure that messages are understood and internalised
- Providing an opportunity for employee contribution
- Ensuring clarity on management's role in communication

6. Provide high-quality, efficient and effective communication and engagement between Sibanye and external communities

- Influence and work alongside key stakeholders
- Ensure understanding of the Sibanye portfolio of projects and impacts on communities
- Consistent messaging to stakeholders

engaging with stakeholders continued

SIBANYE'S PRIMARY STAKEHOLDERS

Stakeholder group	Some specific stakeholders
Local and provincial government	West Rand District Municipality
	Westonaria Local Municipality
	Merafong Local Municipality
	Matjhabeng Local Municipality
	Masilonyana Local Municipality
	Lejweleputswa District Municipality
	Gauteng Provincial Government
	Free State Provincial Government
National government	Department of Mineral Resources (DMR)
	Department of Labour (DoL)
	Department of Education (DoE)
	Department of Higher Education
	Department of Environmental Affairs (DEA)
	Department of Water Affairs (DWA)
	Department of Health (DoH)
	Department of Rural Development and Land Reform
	Portfolio Committee on Mineral Resources
	National Treasury
Non-governmental organisations (NGOs)	Wildlife and Environment Society of South Africa
	Earthlife Africa
	Federation for a Sustainable Environment
	Groundwork South Africa
Forums/key institutions	Chamber of Mines of South Africa
	Suppliers/contractors
	West Rand District Mining Forum
	Merafong Community Mining Forum
	Far West Rand Dolomitic Water Association
Organised labour	NUM
	Solidarity
	UASA
	AMCU
	Sibanye Group Leadership Forum
Regulators	DMR
	DWA
	DEA
	National Nuclear Regulator (NNR)
	National Energy Regulator of South Africa
	JSE
	NYSE/US Securities and Exhange Commission (SEC)

Stakeholder group	Some specific stakeholders
Communities	Tin City
	Kokosi
	Theunissen
	Welkom
	Virginia
	Blybank
	Hillshaven
	Glenharvie
	Fochville
	Bekkersdal
	Simunye
	Farmers/landowners
Media	National media
	Regional newspapers and broadcasters
	Local newspapers and broadcasters
	Specialist trade media
	Information websites
	Community media
Other	Sibanye Board of directors
	Employees
	Sibanye Executive Committee (Exco)
	Investors/providers of capital (shareholders and banks)
	Retired employees
	Families of employees
	Mining units
	Board committees (particularly Safety, Health and Sustainable Development, Social and Ethics, Audit and Risk)

‘We interact regularly with a broad range of stakeholders.’

directors and management

Sello Moloko

Neal Froneman

Charl Keyter

DIRECTORS

Sello Moloko (48)

Chairman

BSc (Honours) and Postgraduate Certificate in Education, University of Leicester
Advanced Management Programme, Wharton

Sello Moloko was appointed non-executive Chairman of the Board on 1 January 2013. Prior to this, he served as a director of Gold Fields from 25 February 2011 to 31 December 2012. Sello is the Executive Chairman and founder of the Thesele Group and Chairman of the Alexander Forbes Group. He has an extensive career in financial services, including periods at Brait Asset Managers and Old Mutual, where he was CEO of Old Mutual Asset Managers until 2004. Sello's other directorships are Sycom Property Fund and Acucap Limited. He is a trustee of the Nelson Mandela Foundation Investment Committee.

Neal Froneman (54)

Chief Executive Officer
Executive Director and Chairman of the Executive Committee

BSc Mech Eng (Ind Opt), University of the Witwatersrand
BCompt, University of South Africa
Pr Eng

Neal Froneman was appointed an executive director and CEO of Sibanye on 1 January 2013. He has over 30 years of relevant operational, corporate development and mining industry experience. He was appointed CEO of Aflease Gold Limited (Aflease Gold) in April 2003. Aflease Gold, through a series of reverse takeovers, became Gold One in May 2009. Neal was primarily responsible for the creation of Uranium One Inc. (Uranium One) from the Aflease Gold uranium assets. During this period, he was CEO of both Aflease Gold and Uranium One until his resignation from Uranium One in February 2008. Prior to joining Aflease Gold, Neal held executive and senior management positions at Gold Fields of South Africa Limited, Harmony Gold Mining Company Limited (Harmony) and JCI Limited. He is also a non-executive director of Delview Three Proprietary Limited, Hi-Zone Traders 116 Proprietary Limited, 17 Perissa Proprietary Limited and Forestry Services Proprietary Limited.

Charl Keyter (40)

Chief Financial Officer
Executive Director

BCom, University of Johannesburg
MBA, North-West University
ACMA and CGMA

Charl Keyter was appointed a director on 9 November 2012 and was appointed an executive director and CFO of Sibanye on 1 January 2013. Previously, he was Vice President and Group Head of International Finance for Gold Fields. Charl has more than 18 years' mining experience having begun his career in February 1995 with Gold Fields. He is also a non-executive director of Oil Recovery and Maintenance Services Proprietary Limited.

Timothy Cumming (56)

Non-executive director

BSc (Honours) (Engineering), University of Cape Town
BA (PPE), MA (Oxon)

Timothy Cumming was appointed a non-executive director on 21 February 2013. He is the founder and partner of Scatterlinks, a South African-based company offering mentoring and coaching to senior business executives as well as strategic advisory services to financial services businesses. He was previously involved with the Old Mutual Group in various capacities: CEO of the Old Mutual Investment Group SA; Executive Vice President – Director of Global Business Development of Old Mutual Asset Management (USA); Managing Director – Head of Corporate Segment of Old Mutual (South Africa); Strategy Director of Old Mutual (Emerging Markets); and Interim CEO of Old Mutual Investment Group (South Africa). He was also executive director and Head of Investment Research (Africa) for HSBC Securities. Timothy started his career as a management trainee at the Anglo American Corporation of South Africa Limited. He worked on a number of diamond mines and was Resident Engineer at Anglo's gold mines in Welkom.

Barry Davison (68)

Non-executive director

BA (Law and Economics), University of the Witwatersrand
Graduate Commerce Diploma, Birmingham University
CIS Diploma in Advanced Financial Management and Advanced Executive Programme, University of South Africa

Barry Davison was appointed a non-executive director on 21 February 2013. He has more than 40 years' experience in the mining industry and served as executive Chairman of Anglo American Platinum Limited (Anglo Platinum), Chairman of Anglo American plc's Platinum Division and Ferrous Metals and Industries Division and executive director of Anglo American plc. He was a director of a number of listed companies including Nedbank Group Limited, Kumba Resources Limited, Samancor Limited and the Tongaat-Hulett Group Limited.

Richard Menell (58)

Non-executive director

MA (Natural Sciences, Geology), Trinity College, Cambridge
MSc (Mineral Exploration and Management), Stanford University

Richard (Rick) Menell was appointed a non-executive director on 1 January 2013. He has over 30 years' experience in the mining industry and has been a director of Gold Fields since 8 October 2008. Previously, he has occupied the positions of President and Member of the Chamber of Mines of South Africa, President and CEO of TEAL Exploration & Mining Inc., Chairman of Anglovaal Mining Limited and Avgold Limited, Chairman of Bateman Engineering, Deputy Chairman of Harmony and African Rainbow Minerals Limited. He has also been a Director of Telkom SA Limited, Standard Bank Group Limited and Mutual and Federal Insurance Company Limited. He is currently a non-executive director and Chairman of Credit Suisse Securities Johannesburg, non-executive director of Weir Group plc, Rockwell Diamonds Inc. and the Tourism Enterprise Partnership. Rick is a Trustee of Brand South Africa and the Carrick Foundation. He is Co-Chairman of the City Year South Africa Citizen Service Organisation, and Chairman and trustee of the Palaeontological Scientific Trust.

Timothy Cumming

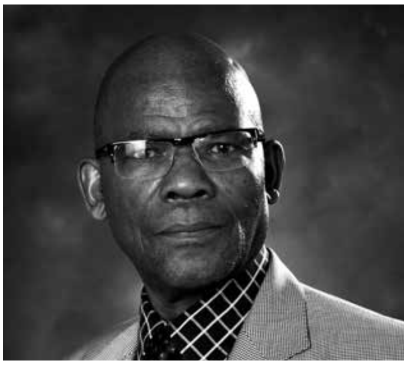
Barry Davison

Richard Menell

directors and management continued

Nkosemntu Nika

Keith Rayner



Zola Skweyiya

Nkosemntu Nika (56)

Non-executive director

BCom, University of Fort Hare
BCompt (Honours), Unisa
Advanced Management Programme, INSEAD
CA(SA)

Nkosemntu Nika was appointed a non-executive director on 21 February 2013. He is currently an independent non-executive director of Scaw South Africa Proprietary Limited, ConvergeNet Holdings Limited and Chairman of the Audit and Risk Committee of Foskor Proprietary Limited. He was previously CFO and Finance Director of PetroSA (SOC) Limited and Executive Manager: Finance at the Development Bank of Southern Africa. He has held various internal auditing positions at Eskom, Shell and Anglo American Corporation of South Africa Limited. He was also a non-executive board member of the Industrial Development Corporation and chaired the Audit and Risk Committee and the Governance and Ethics Committee.

Keith Rayner (57)

Non-executive director

BCom, Rhodes University
CTA, CA(SA)

Keith Rayner was appointed a non-executive director on 1 January 2013. He is a Chartered Accountant with experience in corporate finance and is CEO of KAR Presentations which specialises in corporate finance and regulatory advice. He is an independent non-executive director of Goliath Gold Limited, Sabie Gold Proprietary Limited, John Daniel Holdings Limited, Keidav Properties Proprietary Limited and Appropriate Process Technologies Proprietary Limited. He is a member of the JSE's Issuer Regulation Advisory Committee. He was a member of the committee that wrote the Takeover Regulations in the Companies Act. He is a non-practising member of the South African Institute of Stockbrokers, a Fellow of the Institute of Directors, and a current and previous member of various SAMREC and SAMVAL working groups and a previous member of the Accounting Practices Committee.

Zola Skweyiya (72)

Non-executive director

LLD, University of Leipzig

Zola Skweyiya was appointed a non-executive director on 1 October 2013. He was Minister of Public Service and Administration from 1994 to 1999 and Minister of Social Development from 1999 to 2008. He was a founding member of the Centre for Development Studies at the University of the Western Cape. Zola also served on the board of trustees of the National Commission for the Rights of Children. He was previously the Chairman of the United Nations Commission for Social Development and the founder and chairman of the African National Congress Constitution Committee. In August 2013 he returned to South Africa after serving as the South African High Commissioner to the United Kingdom. He is also a director of Umsimbithi Holdings.

Susan van der Merwe (59)
Non-executive director
BA, University of Cape Town

Susan van der Merwe was appointed as a non-executive director on 21 February 2013. She served as a member of parliament for 18 years until October 2013, and held various positions, including that of Deputy Minister of Foreign Affairs for the period 2004 to 2010. She is currently a member of the National Executive Committee of the African National Congress. She has participated in various civil society organisations and currently serves as a Trustee and Chair of the Kay Mason Foundation, which is a non-profit organisation assisting disadvantaged scholars in Cape Town.

Jerry Vilakazi (53)
Non-executive director
BA, University of South Africa MA, Thames Valley, MA, London
MBA, California Coast University

Jerry Vilakazi was appointed a non-executive director on 1 January 2013. He is Chairman of Palama, which he co-founded to facilitate investment in a diversified portfolio. He is the past CEO of Business Unity South Africa (BUSA). Prior to this he was Managing Director of the Black Management Forum. In 2009 Jerry was appointed to the Presidential Broad-Based Black Economic Empowerment Advisory Council and in 2010 he was appointed as a Commissioner of the National Planning Commission. He was appointed Public Service Commissioner in 1999 and has played a critical role in shaping major public service policies in post 1994 South Africa. Jerry is the chairman of the Mpumalanga Gambling Board, Mpumalanga Economic Growth Agency and the State Information and Technology Agency, or SITA. He is the non-executive Chairman of Netcare Limited and holds non-executive directorships in Goliath Gold Limited, Blue Label Telecoms, General Health Group (UK) and Palama Investments.

TERM OF OFFICE

Sello Moloko, Neal Froneman, Charl Keyter, Keith Rayner and Zola Skweyiya retire by rotation at the upcoming Annual General Meeting and are eligible and offer themselves for re-election. Timothy Cumming, Barry Davison, Richard Menell, Nkosemntu Nika, Susan van der Merwe and Jerry Vilakazi retire by rotation in 2015.

Susan van der Merwe

Jerry Vilakazi

‘The board comprises nine independent non-executive directors, the CEO and CFO.’

directors and management continued

EXECUTIVE MANAGEMENT

Shadwick Bessit (51)

Senior Vice President: Technical Services

National Higher Diploma, Wits Technikon
Executive Development Programme, GIBS
Mine Manager's Certificate of Competency

Prior to joining Gold Fields on 6 July 2012, Shadwick Bessit was the Executive Director – Operations at Impala Platinum Holdings Limited (Implats). He occupied this position from 2005 to 2010 after joining Implats in November 2002 as General Manager. Previously he was employed at AngloGold Ashanti Limited (AngloGold Ashanti) from 1986 to 2002 where he moved through the ranks to General Manager level at Deelkraal, Elandsrand and Savuka mines.

Hartley Dikgale (53)

Vice-President: General Counsel and Sustainable Development

Bluris, University of the North
LLB, HDip (Company Law), University of the Witwatersrand
LLM, Vista

Hartley Dikgale is an admitted advocate of the High Court of South Africa and has more than 30 years of corporate experience as a business executive. He has served on more than 20 boards of directors of both listed and unlisted companies. He was initiated in the mining sector in 2004 when he served in the JSE listed Pamodzi Gold Limited as a Non-executive Director.

He has worked for the following companies and institutions, among others: Sanlam, Old Mutual, Independent Communications Authority of South Africa (ICASA), Rand Water and Pamodzi Investment Holdings Proprietary Limited. In recent years, Hartley has worked for Rand Uranium Proprietary Limited (Rand Uranium) in an executive capacity as a General Counsel.

When Gold One acquired Rand Uranium, Hartley joined and served Gold One in the capacity of a Senior Vice President: General Counsel and Sustainable Development. He is now serving Sibanye in a similar capacity.

Cain Farrel (64)

Company Secretary

MBA, Southern Cross University, Australia
FCIS

Cain Farrel was appointed to his position on 1 January 2013. Before then, and from 1 May 2003, he was Company Secretary of Gold Fields. Previously, Cain served as Senior Divisional Secretary – Anglo American Corporation of South Africa Limited. He is a Past President and former director of the Southern African Institute of Chartered Secretaries and Administrators.

Nash Lutchman (51)

Senior Vice President: Protection Services

BA (Honours) Criminology, University of KwaZulu-Natal

Nash Lutchman has more than 25 years experience in the policing and security environments. He enlisted in the SA Police in 1987 and rose through the ranks from a Constable in 1988, to a Brigadier in 1999. During his time with the SAP, Nash served in various divisions at senior levels. In 2004 he joined De Beers as a Security Manager at the De Beers Kimberley mines, and subsequently held key positions within the group as Group Crime and Intelligence Manager, Regional Security Manager, Group Investigations and Crime Information Manager, before being appointed to head the Security Division at De Beers consolidated mines.

In 2008 Nash joined Gold Fields as Manager Special Investigations and was appointed to Senior Manager and Head of Gold Fields Protection Services in July 2009. During March 2012, Nash was appointed as Vice President and Group Head of Protection Services for the Gold Fields Group. In March 2014 Nash was promoted to Senior Vice President responsible for developing and delivering a holistic protection strategy for Sibanye.

Dawie Mostert (44)

Senior Vice President: Organisational Effectiveness

MDP (Adv Labour Law), MBA, University of South Africa

Dawie Mostert, who has more than 16 years' experience in the mining industry, was appointed to his position on 1 January 2013. Prior to joining Sibanye, he served as Vice President Commercial Services at Gold One and previously as Vice President Human Capital at Great Basin Gold Limited. Prior to joining Great Basin Gold in 2006, he was an Executive for Organisational Development and Employee Relations at Harmony from 2002 to 2006. Dawie joined Harmony in 1996 as part of the acquisition transformational team and was appointed Mine Manager at Elandsrand mine from 2001 to 2002.

Adam Mutshinya (50)

Senior Vice President: Human Capital

BAdmin (Honours) (Industrial Psychology), University of Venda

Adam Mutshinya was appointed to his position on 1 March 2013. Prior to his appointment to Sibanye, and from 1 December 2012, he was Vice President and Head of Human Resources – SA Region of Gold Fields. Before that he was Vice President and Head of Group Talent Management at Gold Fields. Prior to joining Gold Fields in November 2011, Adam was with the South African Forestry Company (SAFCOL). Here – between September 2006 and June 2011 – he held the senior positions of Group Executive: Human Resources and Senior Group Executive: Human Capital. Prior to this, Adam held various positions at Anglo Platinum. Between October 2003 and August 2006 he was Human Resource (HR) Manager: Platinum Expansion Programme, HR Manager: Smelter Operations and the Group HR Manager Transformation.

Dick Plaistowe (64)

Senior Vice President: Surface Operation and Processing

BSc (Honours) (Mining Engineering), Nottingham University
Mine Manager's Certificate of Competency for Metalliferous and Fiery Coal Mines,

Programme for Management Development, Harvard Business School
Programme for Management Development, University of South Africa

Dick Plaistowe has more than 40 years' experience in the mining industry, with extensive strategic, operations and project management experience. He also has 20 years' experience in the surface retreatment business and was the Chief Executive Officer responsible for the listing of Crown Consolidated Gold Recoveries (now incorporated within DRD Limited) on the Johannesburg Stock Exchange in 1997 and for the formation of Mine Waste Solutions (Pty) Limited in 2000. Dick was recruited by Gold One International to develop a surface retreatment business following Gold One's acquisition of Rand Uranium in 2011, where he was Senior Vice President of Surface Operations.

Wayne Robinson (51)
Senior Vice President: Cooke Operations
BSc Mechanical Engineering (University of Natal), BSc Mining Engineering (University of Witwatersrand)

Wayne Robinson has worked in the South Africa gold and platinum mining industry and has over 25 years of underground mine management experience. Prior to joining Sibanye Gold, he was the Executive Vice President of Cooke Operations and served on the Gold One Executive Committee. He has held senior management positions at Eastern Platinum, Richards Bay Minerals and Gold Fields.

Marius Saaiman (42)
Senior Vice President: Business Development
BCom (Honours) (Accounting), University of Johannesburg, CA (SA)

A member of the South African Institute of Chartered Accountants, Marius Saaiman was appointed to his position in February 2014. Prior to joining Sibanye, Marius was the joint CEO at Village Main Reef Limited. Before this, he was the acting CEO of Simmer and Jack Mines Limited. Prior to this, Marius was Managing Director at Macquarie, responsible for coverage of the resources sector as well as advising on mergers and acquisitions within the sector. Previous positions include investment advisor at African Global Capital, a resources focused private equity fund, head of corporate finance at Kumba Iron Ore Limited and Vice President Corporate Finance at Anglo American plc. Marius has had a long association with the mining industry, both within large corporates, as well as in the investment banking arena.

Richard Stewart (38)
Senior Vice President Business Development
BSc (Honours), PHD (Geology) (University of Witwatersrand)

Richard Stewart has over 15 years' experience in South Africa's geological and mining industries and is a professional natural scientist registered with South African Council for Natural Scientific Professions (SACNASP). Prior to joining Sibanye Gold, he served as the Executive Vice President of Technical services for Gold One and was also the CEO for Goliath Gold. He was an investment consultant for African Global Capital SA, and has held management positions at Uranium One, Shango Solutions Consultancy and CSIR Mining Technology.

Peter Turner (57)
Chief Operating Officer
National Higher Diploma (Mechanical Engineering), Vaal Triangle Technikon
South African Mine Manager's Certificate of Competency (Metalliferous)
South Africa Mechanical Engineers Certificate of Competency

Peter Turner was appointed to his position on 1 January 2013. Prior to his appointment to Sibanye, he was Executive Vice President, Head of the South Africa region of Gold Fields. Between August 2009 and August 2011 he served as Executive Vice President, Head of West Africa. He moved to Ghana in 2008 when he was appointed Vice President of Operations. In 2005 he was the head of the Kloof mine in South Africa and later the Driefontein mine. Between 2002 and 2005 he was Managing Director of Geita Gold Mining Limited in Tanzania. Before that, Peter was General Manager of East and West Africa Region for AngloGold Ashanti which is where he spent the majority of his career. He progressed through the ranks, starting as an Engineering Trainee at Vaal Reefs in 1975, later spending time in various managerial positions at a number of gold mining operations. Peter has more than 34 years' experience in the mining industry.

Robert van Niekerk (49)
Senior Vice President: Organisational Effectiveness
National Higher Diploma (Metalliferous Mining), Witwatersrand Technikon
BSc (Mining Engineering), University of the Witwatersrand
South African Mine Manager's Certificate of Competency

Robert van Niekerk was appointed to the position in February 2013. Prior to joining Sibanye, he was the Senior Vice President and Group Head of Mining at Gold Fields. Before that he occupied several senior management positions at Gold Fields and Anglo Platinum, management positions at Uranium One and Gold One. Robert began his mining career in 1982 as a Barlow's Learner Official and progressed through the mining ranks at East Rand Proprietary Mines, Harmony, Anglo Platinum, Gold One, Uranium One and Gold Fields, where he gained extensive South African and international mining experience.

James Wellsted (44)
Senior Vice President: Corporate Affairs
BSc (Honours) (Geology), University of the Witwatersrand (Wits)
PDM, Wits Business School

James Wellsted was appointed to his position on 1 January 2013. Prior to joining Sibanye, and from 2011, he was a mining analyst at JP Morgan covering the South African diversified mining sector. Previously, James spent seven years as the Executive Head of Investor and Media Relations at Mvelaphanda Resources, until its unbundling in 2011. Between 1998 and 2004, James was an analyst at JP Morgan, covering the South African and African gold mining companies and contributing to JP Morgan's supply and demand and gold price forecasts.

opportunities and risks

Oversight, responsibility and governance

The Board is responsible for overseeing the entire risk-management process. The Board delegates this authority to the Audit and Risk Committee to implement and ensure compliance with appropriate risk-management protocols and processes.

In terms of its Risk-Management Policy, Sibanye strives to manage risk effectively to protect the Group's assets, stakeholders, environment and reputation to ensure achievement of the business objectives.

The Board believes that Sibanye's risk-management policies, practices and management systems are sound, and are well-established and entrenched at the operations. The Group has implemented an Enterprise Risk Management guideline, which is aligned with the ISO 31000 international risk-management standard and the governance principles enshrined in King III.

Objectives:

- to identify, assess and manage risks in an effective and efficient manner;
- to make decisions based on a comprehensive review of the reward to risk balance;
- to provide greater certainty on the delivery of objectives; and
- to fulfil corporate governance requirements.

Underpinning these objectives, the Group has implemented the following actions:

- introduction of a comprehensive and systematic risk-assessment and reporting process across the organisation;
- creation of an environment where risks are controlled and mitigated within the accepted and approved Sibanye risk-tolerance levels accepted and approved by Sibanye;
- integration of the outputs of specialist risk functions to provide an informed view of the risks associated with the business activities;
- raising awareness of risks and outcomes in business processes, and the potential impact on stakeholders;
- fostering a culture of continuous improvement in risk management through audit and review processes; and
- creation of an appropriate risk-financing programme based on the risk profiles developed in the assessment process.

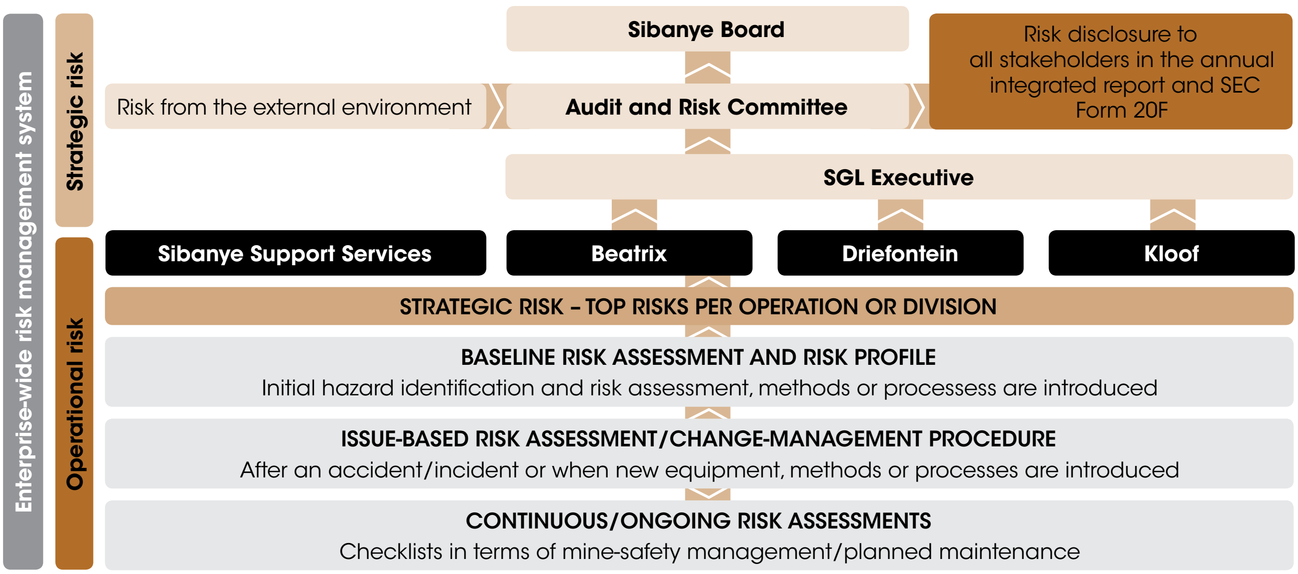
Process and systems

Risk registers, maintained at operational and corporate level, are reviewed twice a year by the Audit & Risk Committee. In addition, the operations have a formal quarterly risk-review process, which follows a formalised responsibility structure and includes support services, engineering, health and safety and environmental staff – where the risk registers are discussed and updated. Should any additional risks be identified, plans to address them are implemented. At the operations, risk assessment is a daily activity and work areas are assessed daily in terms of their compliance with the requirements.

At operational level, the risk owner is someone who is represented on Exco. The responsibility of mitigating risks is given to representatives in relevant departments. The emphasis lies on the business taking ownership of risk.

The Internal Audit Department is responsible for conducting annual audits on mitigation actions, and reports four times annually to the Audit and Risk Committee.

RISK-MANAGEMENT REVIEW PROCESS AND REPORTING STRUCTURE



KEY OBJECTIVES OF THE COMBINED ASSURANCE APPROACH

Optimising assurance coverage	Co-ordinating the efforts of management, internal and external assurance providers
Systematic assessment of key risks associated with strategic objectives	Extent to which risks have been fully identified and responded to based on organisational objectives
Support the Audit and Risk Committee in assessing the effectiveness of internal financial controls	Assurance to the Board in making its statements on internal control in the Integrated Report
Provide context of the impact of inadequate and ineffective controls	Quantitative and qualitative impact of control breakdown on the overall control environment and areas for improvement

COMBINED ASSURANCE

The combined assurance process is embedded within the Sibanye operations. The approach is based on the application of three levels of assurance on all our significant risks:

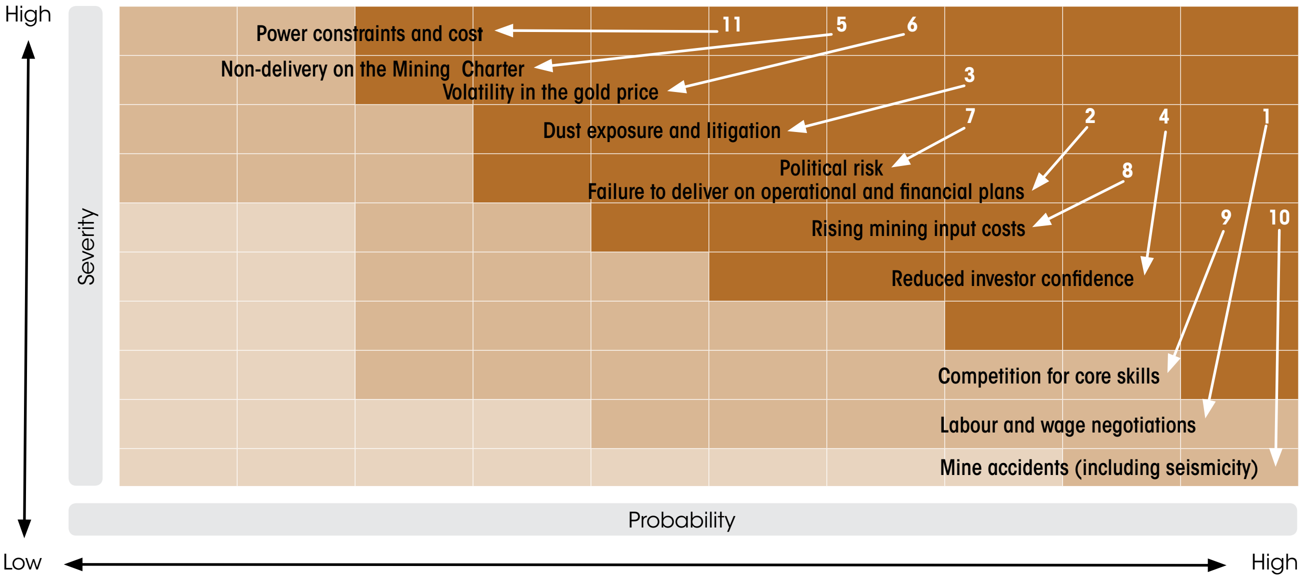
- Level 1: Management self-assurance
- Level 2: Internal unbiased-person assurance
- Level 3: Independent assurance

Sibanye uses the Three Lines of Defence Model:

Level 1: Management self-assurance	Line management function	Primarily responsible for risk management. The process of assessing, evaluating and measuring risk is ongoing and is integrated into the day-to-day activities of the business. This process includes implementing the risk-management framework, identifying issues and taking remedial action where required. Business-unit management is also responsible for reporting to the governance bodies within the group.
Level 2: Internal unbiased-person assurance	"Oversight" management functions appropriately independent of line management function	Assurance provided by employees within the company who are employed in "oversight" positions in central services and corporate departments.
Level 3: Independent assurance	Internal audit function, external auditors or independent external parties	It provides an independent assessment of the adequacy and effectiveness of the overall risk-management systems..

opportunities and risks continued

RISK HEAT MAP (NOVEMBER 2013)



PRIMARY RISKS AND MANAGEMENT SYSTEMS IN PLACE

1. Labour and wage negotiations	• Emergency preparedness and procedures • Legal compliance • Strike action plan • Strike action risk assessment • Union and stakeholder engagement process
2. Financial risk resulting from failure to deliver on operational and financial business plans	• BSC and performance review process • Daily monitoring and managing of results • Robust operational plans • Increase geological supervision • Monthly reviews • Stakeholder engagement (Eskom management)
3. Workplace safety and health: dust exposure and litigation	• Full compliance safety management • Mandatory COP – airborne pollutants • Mandatory COP – noise • Medical surveillance and risk-based medical evaluation • Mine standards and procedures • Review research outcomes (SIMRAC) • Ventilation distribution control
4. Financial risk due to reduced investor confidence	• SGL operations growth strategy • SGL strategic and operations planning • SGL sustainable development framework and strategies • Debt policy • Dividend policy

5.	**Non-delivery of the MPRDA, the Mining Charter and SLPs**	• Mining Charter • Social and labour plans • 3rd Party DMR audits
6.	**Gold price and exchange-rate volatility causing financial risk**	• Monthly performance reviews • Operational planning process • Productivity management • Strategic planning process
7.	**Political risk**	• Business and strategic planning process • Good corporate governance • Investor relations and community strategy • Membership of industry associations interaction • Stakeholder engagement
8.	**Financial risk as a result of rising mining input costs**	• Cost management and control systems • Ore reserves management • Procurement strategies • Productivity management • Proper planning and sequencing • Realistic plans and creating realistic market expectations • Understanding fixed/variable cost relationship • Business restructuring though Organisational Effectiveness department
9.	**Competition for skills**	• Competitive remuneration • Continuous review of remuneration • Balance score card and individual development plan • Mentorship and coaching programmes • Salary surveys and benchmarking • Retention measures-incentive schemes
10.	**Safety and health risk largely due to mine accidents and seismicity related incidents**	• Behaviour based safety initiatives • Health and safety agreements with labour • Health and safety strategy • Integrated Visible Felt Leadership (VFL) • Mandatory Codes of Practice issued by DMR • Mine Codes of Practice for rock fall and rock bursts • Mine Codes of Practice (COP) and standard operating procedures • Safe production rules
11.	**Operational risk posed by power constraints and cost increases**	• Communication with Eskom • Emergency preparedness • Power control and measurement • Standards and procedures

opportunities and risks continued

MITIGATION STRATEGIES FOR TOP RISKS

Risks	Mitigation strategies
1.	• Information gathering and contingency planning for safety and security of employees and protection of company assets • Contingency strike plan • Improved communications with workforce • Update risk assessment and emergency procedure for 2014
2.	• Eskom quality-of-supply contract in place • Improve rates of development • Power-saving initiatives
3.	• Awareness-training programmes • Monitoring of progress and feedback through Safety Health & Sustainable Development Committee policy • Preparation for possible legal action • Roll-out of noise- and dust-management strategy
4.	• Develop a strategy to enhance the Sibanye brand and market Sibanye within the community • Implement new operating model – cash generation and investor payback • Improved engagement with government and other external stakeholders • Introduce a tool to measure the impact of interventions • Manage debt • Manage media relations proactively
5.	• Community and labour-sending areas strategy • Development of a transformation strategy • Establishment of Community Development Steering Committee • Submission and implementation of SLPs
6.	• Continuous business re-engineering • High-grade mining and low-gold price scenario • Implement operating strategy • Section 189 of the Labour Relations Act, 1995 (Act No 66 of 1995) process for structural alignment
7.	• Ongoing high-level stakeholder engagement • Representative seating on industry bodies (influence)
8.	• Cost reductions identified on an ongoing basis • Energy-conservation strategy and initiatives
9.	• Development of training facilities • Remuneration and rewards
10.	• Characterising the time distribution of seismicity to minimise exposure • Engineering out the risk initiatives • Expedite Mining Industry Occupational Safety and Health (MOSH) training • Integrated focus on Safety and Health strategy
11.	• Initiatives to achieve target of 10% reduction in electricity consumption over three years • Focus on power-savings initiatives • Quality-of-supply contract in place • Reduce use of compressed air and water at all operations

report of the social and ethics committee

The Group by virtue of the Companies Act established a Social and Ethics Committee (Committee).

THE ROLE OF THE COMMITTEE

As prescribed by the Companies Act the role of the Committee is to monitor the Group's activities in respect of:

- Social and economic development including the Group's compliance with the 10 Principles of the United Nations Global Compact Principles, the Organisation for Economic Co-operation and Development (OECD) recommendations regarding corruption, the Broad Based Black Economic Empowerment Act and the Employment Equity Act;
- Good corporate citizenship, including the Group's promotion of equality, prevention of unfair discrimination and reduction of corruption, contribution to development of the communities in which the Group operates and its record of sponsorships, donations and charitable givings;
- The environment, health and public safety and the impact thereon of the Group's activities;
- Consumer relations and the Group's compliance with consumer protection laws; and
- The Group's standing in terms of the International Labour Organisation Protocol on decent work and working conditions, the Group's employment relationships and its contribution to the educational development of its employees.

In addition, the Group also subscribes to the 10 Principles of the International Council on Mining and Metals and the Committee is responsible for monitoring the Group's activities in respect of this protocol.

THE STRUCTURE OF THE COMMITTEE

On 8 February 2013 the Board approved the terms of reference of the Committee to reflect the aforementioned duties and the membership, which consists of the respective chairmen of the Audit, Remuneration, Nominating and Governance and the Safety, Health and Sustainable Development Committees. The Board also appointed Jerry Vilakazi as Chairman of the Committee.

DISCHARGING ITS DUTIES DURING THE YEAR

At its first meeting at the beginning of the year the Committee approved its annual workplan for 2013. The Committee met three times during the year. Areas discussed with Management included: the 10 Principles of the International Council on Mining and Minerals; 10 Principles of the United Nations Global Compact; Community Development; Broad Based Black Economic Empowerment (BBBEE) and Employment Equity requirements; and Mining Charter compliance requirements. The Committee had noted that the Group complied with the statutory duties save for more work being done by Management in building up the Historically Disadvantaged South Africans pipeline in the middle-management levels and more work being done in certain areas with regard to the Mining Charter and the Social Labour Plans requirements.

Jerry Vilakazi
Chairman of the Social and Ethics Committee
25 April 2014

corporate governance report

KEY STANDARDS AND PRINCIPLES

This governance report is Sibanye's second following its separation from Gold Fields in February 2013.

The Company listed on 11 February 2013, with its primary listing on the JSE. It is registered with the US Securities and Exchange Commission (SEC) in the USA and its ordinary shares are listed on the NYSE in the form of an ADR programme administered by BNY Mellon.

As a result, the Group is subject to compliance with the JSE Listings Requirements and to the disclosure and corporate governance requirements of the NYSE. The Group's compliance with the terms of the Sarbanes-Oxley Act, 2002 (SOX) is documented in the Form 20-F, filed initially with the SEC on 26 April 2013, and annually thereafter. In 2013 the Group complied with all the applicable governance requirements.

The Group has adopted high standards of accountability, transparency and integrity in the running of the business and reporting to shareholders and other stakeholders.

The approach to corporate governance is guided by the principles of fairness, accountability, responsibility and transparency. Special attention had been given to providing stakeholders and the financial investment community with clear, concise, accurate and timely information about the Group's operations and results; reporting to shareholders on an integrated basis on Sibanye's financial and sustainable performance; ensuring appropriate business and financial risk management; ensuring that no director, management official or other employee of the Sibanye Group deals directly or indirectly in Sibanye shares on the basis of unpublished price-sensitive information regarding the Sibanye Group, or otherwise during any prohibited period; and recognition of the Group's social responsibility to provide assistance and development support to the communities in which it operates and to deserving institutions at large.

The Company implemented a new Memorandum of Incorporation (MOI) which was approved at a shareholder meeting in 2012. The MOI of its subsidiaries was regularised before the deadline date of 1 May 2013.

In 2013, the Group applied the principles contained in King III and implemented the King III principles and recommendations across the Group.

Sibanye complies with the principle that companies should remunerate directors and executives fairly and responsibly. The Remuneration Committee develops a remuneration policy aligned with the strategy of Sibanye and linked to individual performances. This policy addresses the base pay, bonuses, employee contracts, severance and retirement benefits and share-based and other long-term incentive schemes.

The one exception is the King III recommendation that employment contracts should not compensate executives for severance because of change of control (although this does not preclude payments for retaining key executives during a period of uncertainty).

All 75 King III principles are recorded in the compliance schedule on Sibanye's website, detailing the principles and the corresponding explanations.

Sibanye complied with all of the mandatory specific governance requirements contained in paragraph 4.84 of the JSE listing requirements during the 2013 financial year.

The Group's Code of Ethics requires its directors, officers and employees to conduct business in an ethical and fair manner and it promotes a socially- and environmentally-responsible culture. The Audit and Risk Committee is responsible for ensuring compliance with the Code of Ethics.

In addition to meeting the requirements of King III and SOX, the Group also meets the relevant requirements of the Dodd-Frank Act (2010), the Foreign Corrupt Practices Act (1977), the UK Bribery Act (2010), the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (1997), the UN Convention against Corruption (2003) and South Africa's Prevention and Combating of Corrupt Activities Act (2004).

Employees, suppliers and customers are encouraged to report irregularities and misconduct without fear of victimisation using an independently managed, anonymous, toll-free line.

Sibanye has established policies and procedures dealing with HIV/AIDS in the workplace and has a voluntary testing programme that has resulted in a significant number of employees taking ownership of their HIV/AIDS status. With the help of management and using independent service providers, those in need are able to get counselling and antiretroviral (ARV) treatment.

In 2013 the Group remained committed to its corporate social investment (CSI) and local economic development (LED) initiatives. These cover a broad range of programmes and activities including promoting home ownership and developing human capital through education. Sibanye's support of educational initiatives includes portable skills, bursaries, learnerships, adult basic education and training (ABET) courses and maths/science programmes. A brick-making project, waste-management centres, community centres, a library and a number of agricultural development projects are among the other projects that receive Group support.

BOARD OF DIRECTORS

The Company's MOI requires no fewer than four and no more than 15 members on the Board of Directors. The Board currently comprises 11 members. Nine of these are independent, non-executive directors and the two executive directors hold the positions of CEO and CFO. Zola Skweyiya was appointed as the eleventh member and as an independent, non-executive director on 1 October 2013. He is eligible and available for election.

The roles of the Chairman of the Board and the CEO are separate.

The Board, advised by the Nominating and Governance Committee, ensures that the candidates for election as independent, non-executive directors are reputable, competent and experienced and are willing to devote the necessary time to the role.

The Board of Directors' Charter outlines the objectives and responsibilities of the Board (see pages 51 and 52) and all Board sub-committees operate in accordance with written terms of reference, which are regularly reviewed by the Board. The Board takes ultimate responsibility for the Group's adherence to sound corporate governance standards and sees to it that all business judgements are made with reasonable care, skill and diligence.

The executive directors and the Company Secretary keep the Board informed of all developments in the Group.

The current membership of all the Board sub-committees is disclosed on pages 52 to 54.

The Board is required to meet at least four times a year and held its first Board meeting on 8 February 2013 with all Board members attending.

Remuneration

The Board obtains independent advice before making recommendations to shareholders for the remuneration of non-executive directors. The remuneration is paid only in accordance with a special resolution approved by the shareholders within the previous two years.

Non-executive directors only receive remuneration due to them as members of the Board. Directors serving on Board sub-committees receive additional remuneration. Details of the directors' remuneration packages as well as those of the prescribed officers are disclosed in the Remuneration Report on page 86 to 91.

Monitoring performance

In 2013, and in line with recommendations of King III, the Board carried out a rigorous evaluation of the independence of directors.

The Chairman is appointed annually by the Board which, with the assistance of the Nominating and Governance Committee, carried out a rigorous review of the Chairman's performance and independence during 2013. The Board concluded that there were no factors that impaired his independence and appointed the Chairman for another year. The corporate secretary conducted a detailed assessment of the performance of the Board and its committees.

The assessments found the structures and processes governing the Board and its committees were well established and functioning satisfactorily. It also found that the Board had fulfilled its role and responsibilities, and had discharged its duties to Sibanye and its responsibilities to shareholders and stakeholders in an exemplary manner.

The performance of the Company Secretary was evaluated by the Board. The Board was satisfied with his competence, qualifications and experience and maintaining an arms-length relationship with the Board.

Rotation and retirement from the Board

In accordance with the MOI, one third of the directors shall retire from office at each AGM. The first to retire are those directors appointed as additional members of the Board, followed by the longest-serving members. The Board, assisted by the Nominating and Governance Committee, can recommend the eligibility of retiring directors (subject to availability and their contribution to the business) for re-appointment. Retiring directors can be immediately re-elected by the shareholders at the AGM.

Board of Directors' Charter

The Board reviewed and re-assessed the adequacy of the Board of Directors' Charter (Charter). This document compels directors to promote the vision of the Group, while upholding sound principles of corporate governance. Directors' responsibilities under the Charter include:

- determining the Group's Code of Ethics and conducting the Group's affairs in a professional manner, upholding the core values of integrity, transparency and enterprise;
- evaluating, determining and ensuring the implementation of corporate strategy and policy;
- determining compensation, development, skills development and other relevant policies for employees;
- developing and setting best-practice disclosure and reporting practices that meet the needs of all stakeholders;
- authorising and controlling capital expenditure and reviewing investment capital and funding proposals;
- constantly updating the risk management systems, including setting management expenditure authorisation levels and exposure limit guidelines; and
- reviewing executive succession planning and endorsing senior executive appointments, organisational changes and general remuneration policies.

corporate governance report continued

In this regard the Board is guided by the Remuneration Committee, the Audit and Risk Committee as well as by the Nominating and Governance Committee.

The Board considers that this Integrated Report and associated reports comply in all material respects with the relevant statutory requirements of the various regulations governing disclosure and reporting by Sibanye; and that the consolidated financial statements comply in all material respects with IFRS, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the Companies Act and the JSE Listing Requirements. As such, the Board has approved the content of the Integrated Report 2013, including the consolidated financial statements on 25 April 2014.

BOARD COMMITTEES

The Board has formed the following committees in compliance with good corporate governance:

- Audit and Risk Committee
- Remuneration Committee
- Nominating and Governance Committee
- Safety, Health and Sustainable Development Committee
- Social and Ethics Committee (to comply with the statutory requirements of the Companies Act).

All these committees are composed exclusively of independent non-executive directors except for the Safety, Health and Sustainable Development Committee of which the CEO is also a member. The committees are all chaired by an independent non-executive director and operate in accordance with written terms of reference which have been approved by the Board.

Board meetings and attendance

	Date					
Director	8/2	13/5	15/5	6/8	5/11	6/12
Moloko, Sello	√	√	√	√	√	√
Cumming, Timothy	–	√	√	√	√	√
Davison, Barry	–	√	√	√	√	√
Froneman, Neal	√	√	√	√	√	√
Keyter, Charl	√	√	√	√	√	√
Menell, Richard	√	√	√	√	√	√
Nika, Nkosemntu	–	√	√	√	√	√
Rayner, Keith	√	√	√	√	√	√
Skweyiya, Zola	–	–	–	–	√	√
van der Merwe, Susan	–	√	√	√	√	√
Vilakazi, Jerry	√	√	√	√	√	√

[1] Messrs Cumming, Davison, Nika and van der Merwe were appointed to the Board on 21 February 2013.
[2] Dr Skweyiya was appointed to the Board on 1 October 2013.

THE AUDIT AND RISK COMMITTEE

Keith Rayner (Chairman)
Richard Menell
Nkosemntu Nika
Susan van der Merwe

This committee monitors and reviews Sibanye's accounting controls and procedures, including the effectiveness of its information systems and other systems of internal control; the effectiveness of the internal audit function; reports of both external and internal auditors; half-yearly reports, the Form 20-F; the consolidated annual financial statements; the accounting policies of Sibanye and any proposed revisions thereto; external audit findings and reports, and the approval thereof; and compliance with applicable legislation and requirements of regulatory authorities and Sibanye's Code of Ethics.

The CFO's expertise was evaluated by the Audit and Risk Committee. The committee is satisfied that the incumbent has the appropriate expertise and experience to carry out his duties as the financial director of the Group and that he is supported by qualified competent senior staff.

The committee reviewed and assessed the independence of the external auditors, including their confirmation in writing that the criteria for independence as set out in the rules of the Independent Regulatory Board for Auditors and international bodies have been followed. The committee is satisfied that KPMG Inc. is independent of the Group.

Sibanye's CFO and internal and external auditors as well as management attend all the Audit and Risk Committee meetings and have unrestricted access to the chairman of this committee. The Audit and Risk Committee, in turn, communicates freely with other members of the Board not serving as members of the Audit and Risk Committee. To effectively perform its functions, the Audit and Risk Committee meets at least quarterly, but more frequently if required.

The Sarbanes-Oxley Act requires the Board to identify a financial expert from within its ranks. The Board has resolved that the committee's Chairman, Keith Rayner, is the Audit Committee's financial expert.

Membership and attendance of the Audit and Risk Committee

	Date					
Director	27/2	14/3	28/3	14/5	5/8	4/11
Rayner, Keith	√	√	√	√	√	√
Menell, Richard	√	√	√	√	√	√
Nika, Nkosemntu	√	√	√	√	√	√
van der Merwe, Susan	√	√	√	√	√	√

AUDIT AND RISK COMMITTEE STATEMENT

Based on information from the discussions with management and external auditors, the Audit and Risk Committee has no reason to believe that there were any material breakdowns in the design and operating effectiveness of internal financial controls during the year and that the financial records can be relied upon as the basis for preparation of the consolidated financial statements.

The Audit and Risk Committee considered and discussed this Integrated Report with both management and the internal and external auditors. During this process, the committee:

- evaluated significant judgements and reporting decisions;
- determined that the going concern basis of reporting is appropriate;
- evaluated the material factors and risks that could impact on the Integrated Report;
- evaluated the completeness of the financial and sustainability discussion and disclosures; and
- discussed the treatment of significant and unusual transactions with management and the internal and external auditors.

The Audit and Risk Committee considers that this Integrated Report complies in all material respects with the statutory requirements of the various regulations governing disclosure and reporting of the consolidated financial statements. The consolidated financial statements comply in all material respects with IFRS, the SAICA Financial Reporting Guides issued by the Accounting Practice Committee and Financial Reporting Pronouncements issued by the Financial Reporting Standards Council, the Companies Act and the JSE Listings Requirements. The Audit and Risk Committee has recommended to the Board that the consolidated annual financial statements be adopted and approved by the Board.

THE NOMINATING AND GOVERNANCE COMMITTEE

Sello Moloko (Chairman)
Richard Menell
Jerry Vilakazi

This committee is responsible for ensuring that new directors undergo an appropriate induction process; recommending to the Board the need for Board participation in continuing-education programmes; identifying and recommending to the Board successors to the Chairman and CEO; developing the approach of Sibanye to matters of corporate governance; and making recommendations to the Board concerning such matters.

Membership and attendance of the Nominating and Governance Committee

	Date		
Director	14/5	5/8	4/11
Moloko, Sello	√	√	√
Vilakazi, Jerry	√	√	√
Menell, Richard	√	√	√

THE REMUNERATION COMMITTEE

Timothy Cumming (Chairman)
Barry Davison
Sello Moloko
Nkosemntu Nika

This committee is responsible for determining Sibanye's remuneration policy and the practices needed to attract, retain and motivate high-performing executives who are demonstrably aligned with Sibanye's corporate objectives and business strategy; and for ensuring that remuneration levels relative to other comparable companies are pitched at the desired level taking relative performance into account.

The Remuneration Committee also reviews, on behalf of the Board, both the remuneration levels of senior executives and management share-incentive schemes and the related performance criteria and measurements. To perform these functions the Remuneration Committee meets quarterly, or more frequently if required.

Membership and attendance of the Remuneration Committee

	Date		
Director	14/5	5/8	4/11
Cumming, Timothy	√	√	√
Davison, Barry	√	√	√
Moloko, Sello	√	√	√
Nika, Nkosemntu	√	√	√

corporate governance report continued

THE SAFETY, HEALTH AND SUSTAINABLE DEVELOPMENT COMMITTEE

Barry Davison (Chairman)
Neal Froneman
Sello Moloko
Richard Menell
Susan van der Merwe

This committee reviews adherence to occupational health, safety and environmental standards by Sibanye. The committee seeks to minimise mining-related accidents, to ensure that Sibanye's operations are in compliance with all environmental regulations and to establish policy in respect of HIV/AIDS and health matters.

Membership and attendance of the Safety, Health and Sustainable Development Committee

	Date		
Director	13/5	5/8	4/11
Davison, Barry	√	√	√
Froneman, Neal	√	√	√
Moloko, Sello	√	√	√
Menell, Richard	√	√	√
van der Merwe, Susan	√	√	√

THE SOCIAL AND ETHICS COMMITTEE

Jerry Vilakazi (Chairman)
Timothy Cumming
Barry Davison
Sello Moloko
Keith Rayner

This committee is responsible for discharging its statutorily imposed duties as outlined in section 72 of the Companies Act and the applicable regulations, which include monitoring Sibanye's activities in relation to relevant legislation, other legal requirements and prevailing codes of best practice regarding:

(i) the social and economic development;
(ii) good corporate citizenship;
(iii) the environment, health and public safety and the impact on Sibanye's activities, products and services;
(iv) consumer relations; and
(v) labour and employment legislation.

The Social and Ethics Committee must bring any matters relating to this monitoring to the attention of the Board and report to shareholders at the AGM. The Board seeks the assistance of the Social and Ethics Committee in ensuring that Sibanye complies with best practice recommendations in respect of social and ethical management.

Membership and attendance of the Social and Ethics Committee

	Date		
Director	14/5	5/8	4/11
Vilakazi, Jerry	√	√	√
Cumming, Timothy	√	√	√
Davison, Barry	√	√	√
Moloko, Sello	√	√	√
Rayner, Keith	√	√	√

EXECUTIVE DIRECTORS AND EXECUTIVE COMMITTEE

Neal Froneman (CEO)
Charl Keyter (CFO)
Peter Turner (COO)
Cain Farrel (Company Secretary)
Shadwick Bessit
Hartley Dikgale
Nash Lutchman §
Dawie Mostert
Adam Mutshinya
Marius Saaiman*
Robert van Niekerk
James Wellsted

Sibanye's Executive Committee meets on a regular basis to discuss and make decisions on the strategic and operating issues facing Sibanye.

§ appointed 1 March 2014
* appointed 1 February 2014

RISK MANAGEMENT

The total process of risk management, which includes the related systems of internal control, is the responsibility of the Board. Management is accountable to the Board for designing, implementing and monitoring an integrated process of risk management into the daily activities of Sibanye. The Board, through the Audit and Risk Committee, ensures that management implements appropriate risk management processes and controls.


S.O.D.B.
NO SAFETY
NO FUTURE

sustainability summary

BEATRIX

16,821ha
Lease area

Until 2019
New order mining right

8,528
Employees

R209m
SED expenditure

DRIEFONTEIN

8,561ha
Lease area

Until 2037
New order mining right

12,635
Employees

R545m
SED expenditure

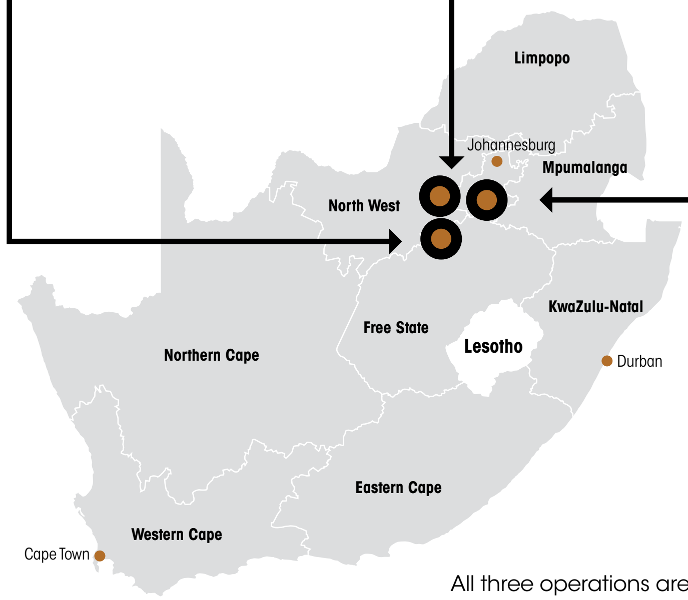
KLOOF

20,087ha
Lease area

Until 2027
New order mining right

11,235
Employees

R296m
SED expenditure



All three operations are wholly owned.

KLOOF

8.3Moz
Reserves

33Moz
Resources

Kloof comprises five shaft systems mining intermediate to ultra-deep-level gold bearing reef at depths of between 1,300m and 3,500m below surface. The shaft systems include five operational sub-vertical shafts and one tertiary shaft. Underground ore and low-grade surface rock dumps are processed through three metallurgical plants with a combined mill throughput capacity of approximately 5.6Mtpa.

R1,304m
Capex 2013

R353,884/kg
US$1,147/oz
All-in cost 2013

R2,854m
Operating profit

1,550,616MWh
Total energy consumption in 2013

27,999Ml
Total water withdrawal in 2013

DRIEFONTEIN

7.8Moz
Reserves

23Moz
Resources

Driefontein comprises seven shaft systems mining shallow to ultra-deep-level gold bearing reef at depths of between 700m and 3,420m below surface. The shaft systems include five sub-vertical shafts and two tertiary shafts. Underground ore and low-grade surface rock dumps are processed through three metallurgical plants with a combined mill throughput capacity of approximately 5.9Mtpa.

R1,023m
Capex 2013

R332,660/kg
US$1,078/oz
All-in cost 2013

R3,282m
Operating profit

1,563,628MWh
Total energy consumption in 2013

37,137Ml
Total water withdrawal in 2013

BEATRIX

3.6Moz
Reserves

9Moz
Resources

Beatrix comprises three shaft systems where gold-bearing reef is mined at depths varying from 700m to 2,200m below surface. Underground ore and low-grade surface rock dumps are processed through two metallurgical plants with a combined mill throughput capacity of approximately 4.4Mtpa.

R537m
Capex 2013

R377,206/kg
US$1,222/oz
All-in cost 2013

R1,223m
Operating profit

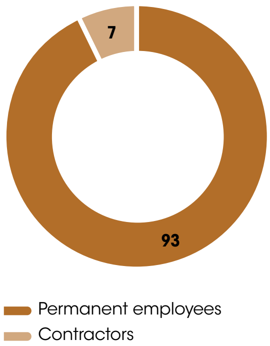
659,758MWh
Total energy consumption in 2013

11,500Ml
Total water withdrawal in 2013

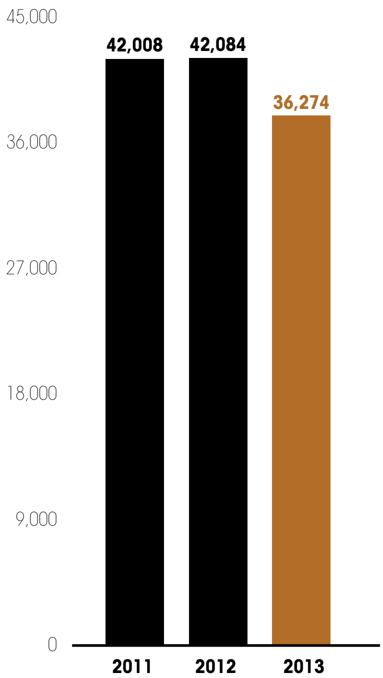
human capital

The health, knowledge, skills, intellectual outputs, motivation and capacity for relationships of the individual are important as organisations depend on individuals to function – a healthy, motivated and skilled workforce is necessary. Damage to human capital by abuse of human or labour rights, or by compromising health and safety, has direct as well as reputational costs.

Permanent and contractors (%)



Total number of employees 31 December 2013



Includes contractors

Sibanye recognises its employees as its most important asset. Efforts to develop and empower employees form part of a drive to continuously improve the quality of life of those who sustain the Group's business.

The safety, health and wellbeing of employees takes precedence over production at all times.

As people are the mainstay of Sibanye, it is essential that the Group invests in its employees to ensure the sustainability of the business. The Sibanye Academy provides human capital development services to the Group. The skills and knowledge acquired by employees, through training or experience, increase their value not only to Sibanye but in the marketplace.

Sibanye's operations are located adjacent to formal and informal communities. Training and development of community members who are not employees are also part of human-capital development (as they may become employees) but also form part of the Group's role and obligations in respect of socio-economic development.

Sibanye upholds the labour rights of employees and its policies ensure fair and equitable treatment consistent with South Africa's employment equity requirements.

EMPLOYMENT AT SIBANYE

At the end of 2013, Sibanye employed 36,274 people (33,773 full-time, permanent employees and 2,501 contractors). This represents a decrease in permanent employees of 14% and a decrease in contractors of 37%. Refocusing the business and restructuring operations to align with longer-term sustainable production levels resulted in a reduction of the total number of employees by 5,810 people. This reduction was largely achieved through voluntary separations, voluntary early retirement, redeployment and natural attrition, with only 39 employees retrenched from the Group. Removing layers of management was an important focus of the restructuring, bringing expertise and experience as close to the rock face as possible.

As far as possible, Sibanye seeks to employ local people at its operations. At the end of 2013, 25% of its employees could be defined as local (drawn from within the province of operation). A large percentage of employees with core skills, experience and many years of loyal service are however still drawn from other provinces in South Africa and neighbouring countries (labour-sending areas).

SAFETY AND HEALTH

Gold mining by its nature involves risk and the process must be effectively managed in the quest for zero harm. Sibanye's vision is that every employee has the right to a healthy and safe working environment. The Group's safety strategy seeks compliance as a minimum while engineering out safety risks and collaborating with stakeholders, including employee representatives and the DMR, to improve performance.

Awareness and behaviour-based safety programmes are in place to reduce incidents that cause injuries. Similarly, programmes are in place to equip employees with the information they need to reduce hazards and eliminate risks so that they may enjoy a safe and healthy workplace.

Employees are actively encouraged to exercise their right to refuse to work if they believe that conditions are unsafe.

Engineering out safety risks at Sibanye's operations remains a key priority for the Group, and a number of ongoing and extensive safety risk-management initiatives have contributed significantly towards a reduction in the severity of safety incidents. In particular, these initiatives relate to reducing falls of ground, seismic and tramming incidents, which accounted for approximately 37% of injuries in 2013.Sibanye has measures in place to manage seismic risk.

Tramming entails moving people, material and ore using railbound equipment, including locomotives, hoppers and other rail cars. The rolling out of a fail-safe command system has continued and is expected to be completed on target by mid-2014.

It is pleasing to report a significant reduction – of some 41% – in the fatal injury frequency rate (FIFR) to 0.10 per million hours worked (2012: 0.17). Other safety indicators also improved during the year.

A total of 55 work stoppages were imposed by the DMR (Section 54 notices) in 2013 (2012: 49).

OCCUPATIONAL HEALTH

Sibanye aims to create a working environment that is conducive to the long-term, holistic wellbeing of employees and contractors.

The Group's health programme addresses general health management, individual safety behaviour, lifestyle management, education and development.

Noise induced hearing loss (NIHL), chronic obstructive airways disease (COAD), cardio-respiratory tuberculosis (CRTB) and silicosis are the most significant occupational diseases, while HIV/AIDS, hypertension and diabetes mellitus are the most challenging overall health concerns.

All employees undergo initial and annual medical surveillance, the scope and practice of which are aligned to legal requirements and regional health and safety risks. These assessments are aimed at prevention, early detection and treatment of occupational diseases.

As with safety risks, Sibanye reduces occupational health risks by proactive engineering aimed at reducing noise and dust levels. A number of key environmental management measures are in place to reduce noise and dust.

NIHL is a preventable disorder, even in noisy environments, and is mostly caused by repeated exposure to sound at or above 85 decibels (dBA) over a prolonged period of time. Sibanye seeks to reduce employee exposure to noise by minimising the noise at source, and making employees aware of the importance of wearing hearing protection devices.

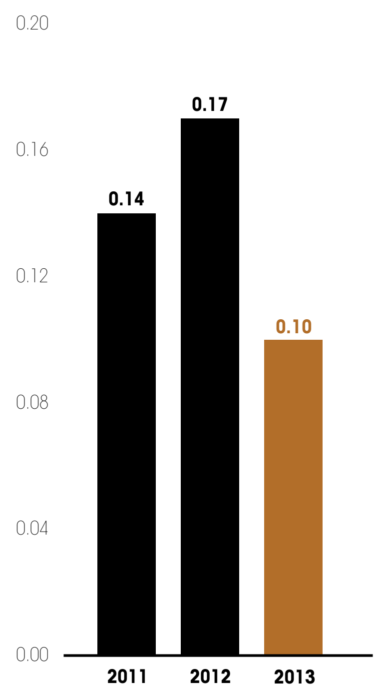
COAD is characterised by chronically poor airflow, resulting in shortness of breath, coughing and sputum production. A number of different causes can contribute to this inflammatory response in the lungs. It results in a narrowing of the small airways and breakdown of lung tissue known as emphysema or chronic bronchitis. Various measures have been implemented to reduce employee exposure to air polution at work.

Silicosis is caused by dust particles, which are small enough to reach the small airways of the lung. Free silica (SiO_2), also known as crystalline quartz, is found across a broad range of industries, including mining.

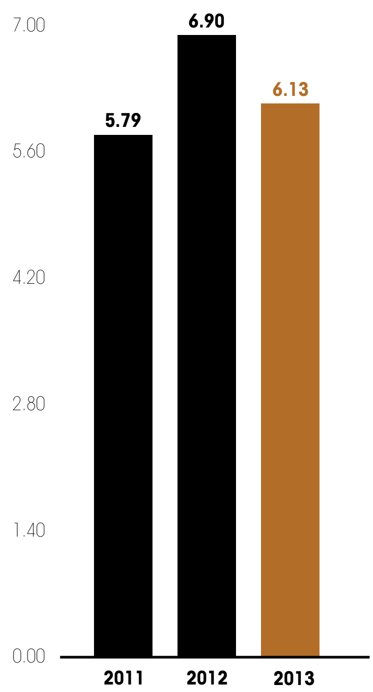
TB is recognised as an important health hazard in the industry with silica exposure and silicosis as causes. CRTB is a common and, in certain cases, lethal infectious disease, which typically attacks the lungs, pleura and heart. It is a significant health risk in southern Africa, due to the symbiotic relationship between TB, HIV and silica-dust exposure.

Sibanye has designed a comprehensive strategy to raise awareness and reduce the burden of disease, including annual TB screening for all employees, voluntary HIV testing, freely available Highly Active Anti-Retroviral Treatment (HAART) and TB

FIFR (per million hours worked)



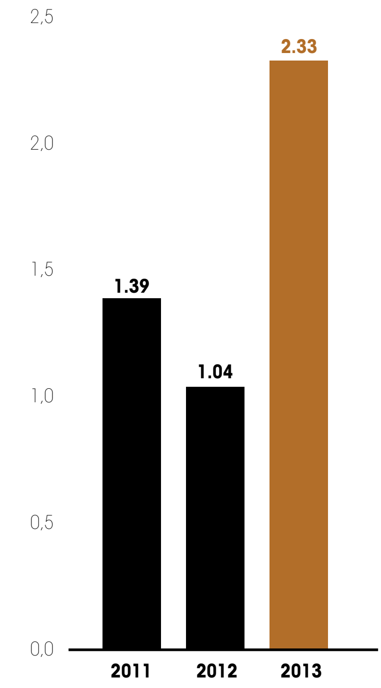
LTIFR (per million hours worked)



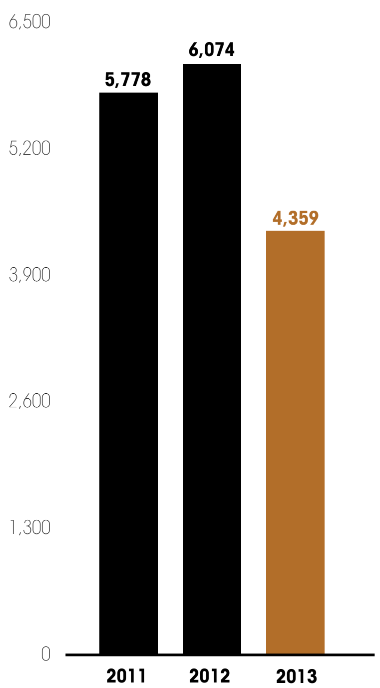
Sustainability

human capital continued

NIHL (per 1,000 employees)



VCT (number of employees)



drugs, as well as post-employment TB management.

TRANSFORMATION
Employment equity legislation in South Africa is aimed at redressing the imbalances of the past by promoting equal opportunity, eliminating discrimination and implementing affirmative-action measures.

The attraction and retention of HDSAs and women in management continues to be a significant challenge for the mining sector and Incentive schemes are in place to address this issue.

Sibanye's employment-equity programme complies with applicable legislative requirements.

HOUSING AND LIVING CONDITIONS
Sibanye recognises that decent accommodation is important for employee wellbeing and morale and is guided by the MPRDA and the Mining Charter in respect of housing and accommodation for employees and contractors.

The majority of Sibanye's workforce come from labour-sending areas – 29.9% of employees have their primary homes and families in other countries, other provinces or other regions.

Of the 36,274 people employed by Sibanye at the end of 2013, 13,469 employees (37.1%) lived in hostels provided by the Group; 6,495 employees (17.9%) live in family accommodation provided by the Group; and 12,686 people (35%) opted to receive living out allowances (LOAs).

Meals served at Group-provided accommodation are prepared according to a meal plan drawn up by clinical dieticians with the energy, macro- and micro-nutrient content rigorously monitored. On average, more than 40,000 meals are served to employees each day.

Sibanye's housing programme, which was first initiated by Gold Fields in 2006, is continuing. To date R607.6 million has been spent on building new houses and on hostel upgrades. A total of 644 new homes have been provided to employees, with 100 handed over in 2013.

COLLECTIVE BARGAINING
Sibanye upholds the right of employees, contractors and suppliers to exercise freedom of association and collective bargaining and to participate in idustrial action. Wages and other conditions of service for the majority of employees are negotiated biennially at a centralised level under the auspices of the Chamber of Mines. Agreement in respect of wages and conditions of service was reached with the NUM, Solidarity and UASA in September 2013. Three production days were lost as a result of protected strike action called by the NUM.

While AMCU was not party to the final agreement, the agreement was applied to all Sibanye employees as the NUM, Solidarity and UASA collectively represented more than 72% of employees employed by the gold companies represented by the Chamber of Mines at the time.

The agreement reached has seen the cost of labour increase by between 7.5% and 8%. While this is below the double-digit increases demanded by organised labour, it exceeds the country's inflation target of up to 6%. Labour makes up a significant portion (55%) of on-mine costs. In contrast with the events of 2012, the 2013 period was not marred by violence.

TRAINING AND DEVELOPMENT
Enhancing human capital through education and training is central to a sustainable business. Sibanye is committed to developing knowledge, skills, attitudes and behaviours of employees to achieve the desired levels of performance for

organisational, personal and broader social objectives.

Sibanye provides human capital development opportunities in a number of ways. these include ABET, portable skills training, learnership programmes, bursaries and study assistance.

The Sibanye Academy provides human capital services to the group. The academy is fully accredited by the Mining Qualifications Authority and has programme approval from a number of other Sector Education and Training Authorities. Satellite campuses are located at the operations and are managed by the Academy.

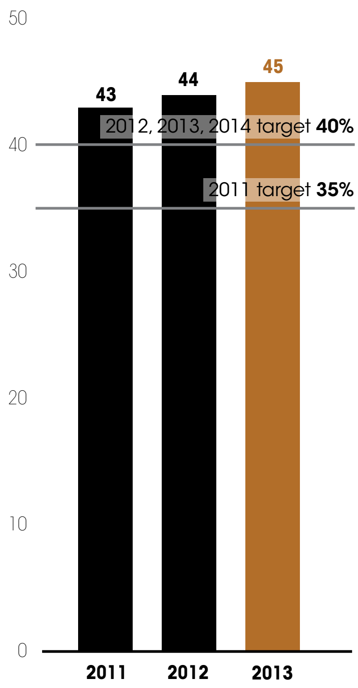
Training and development interventions are based on business needs and are focused on developing employees and communities. During 2013, Sibanye reviewed its SLP targets to ensure that these are in line with business needs. Where business needs are lower than the targets outlined in the Group's SLPs, communities are afforded training and development opportunities. Opportunities for recruitment are advertised within the organisation, within communities (local and labour-sending areas) and at learning institutions.

In 2013, the Group spent R316 million on human capital development (2012: R315 million).

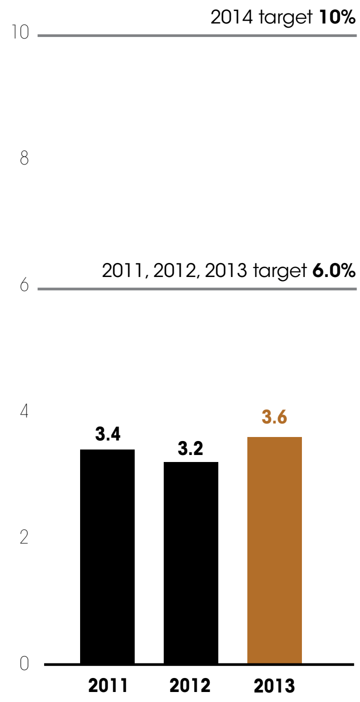
A total of 7.86 million training hours were provided.

For more information on all aspects of Sibanye's human capital, refer to the Sibanye Sustainability Report 2013.

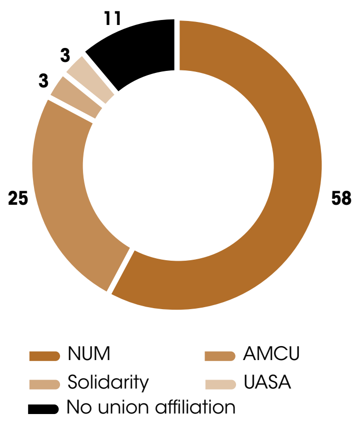
HDSAs in management (%)



WIM (%)



Union representation as at end of December 2013 (%)



'Sibanye has 45% HDSAs in management.'

Sustainability

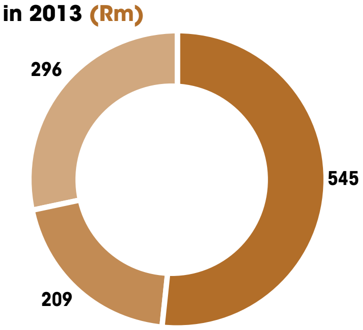
social capital

Organisations rely on social relationships and interactions to achieve their objectives. Value added to the activities and economic outputs of an organisation by human relationships, partnerships and co-operation are, therefore, important. Internally, social capital takes the form of shared values, trust, communications and shared cultural norms, which enable people to work cohesively and thus enable the organisation to operate effectively. Externally, social structures help create a climate of consent, or a social licence to operate, in which trade and the wider functions of society are possible. Organisations also rely on wider socio-political structures to create a stable society in which to operate (such as government and public services, effective legal systems, trade unions and other organisations).

SED expenditure in 2013 (Rm)

Charitable giving and gifts in kind	**0.98**
Education	**0.48**
Enterprise development	**1.45**
Health	**5.20**
Infrastructure investment	**699.00**
Sport	**9.22**
Training	**316.43**
SLPs/LED	**17.40**
Total	**1,050.16**

SED expenditure per operation in 2013 (Rm)



Sibanye is committed to the objectives and spirit of the Mining Charter. The Group understands that it takes more than compliance to earn its licence to operate. Its efforts and programmes are therefore aimed at making a lasting and meaningful difference in the communities in which it operates and from which its labour is drawn.

Sibanye holds new order mining rights for the Beatrix, Driefontein and Kloof operations which allow it to mine gold and associated minerals. The Group was required to submit SLPs as part of the documentation, detailing its compliance with the provisions of the Mining Charter. An account of its performance against the SLP targets developed for the period from 2012 was also submitted.

The SLP for the Beatrix Operation for the period 2012 to 2016 was approved in April 2013 and implementation is underway; SLPs for Driefontein and Kloof for the same time period have not yet been approved although they were both submitted in January 2012. Despite the delay in approval, the Gauteng office of the DMR subjected Driefontein to a compliance inspection on 20 September 2013. The inspection resulted in the issuing of a directive to rectify shortcomings that were identified during the audit. Areas of concern were related to transformation, qualitative aspects of SLP implementation, impact assessments, and alignment of housing programmes with local and national governments' human settlements programmes. Corrective action was taken by various departments and a high-level team presented the report to the DMR on 15 November 2013. The DMR was satisfied with the presentation and reports submitted.

The Group engages with all its stakeholders in terms of the Sibanye Corporate Communications and Engagement Strategy, which has been developed to set out the principles and approach the Group follows in its internal and external communications and engagement in the short to medium term. This process reflects the Group's corporate aims and objectives, and is critical to the development of key initiatives and projects to improve efficiencies and effectiveness. The strategy is evolving and is supplemented by regular departmental plans which set out individual communications plans in detail.

In 2013 Sibanye undertook an evaluation, of its activities and the effects on the community, and defined these under the banner of socio-economic development (SED), rather than the more-narrowly focused definition of corporate social investment (CSI). SED activity and expenditure relates to all projects that are:

- external to the core business needs;
- influential in uplifting communities;
- guided by a strong development approach; and
- linked to infrastructure investment that benefits communities beyond the closure of the mine.

Components of SED, include local economic development (LED) (including enterprise development, procurement and infrastructure development), education, training, conservation and the environment, as well as arts and culture.

LED is a significant component of SLPs. The Sustainable Development Department engages with local municipalities to ensure alignment of community development projects with Integrated Development Plans (IDPs). Sibanye undertakes LED projects for host communities in the vicinity of mining operations and others in labour-sending areas. Communities in rural areas of South Africa, while geographically removed from mining operations in Gauteng and the Free State, are important providers of labour to the Group.

The LED sections of the Group's SLPs are currently being reviewed to ensure implementation success and greater levels of impact. Interim findings indicate that the projects that have been implemented to date, while aligned with the local municipalities' IDPs and approved by the DMR, do not necessarily have the desired impacts on host and labour-sending areas. The lessons learned have prompted Sibanye to consider a different approach towards LED projects. To this end, the Group has decided to:

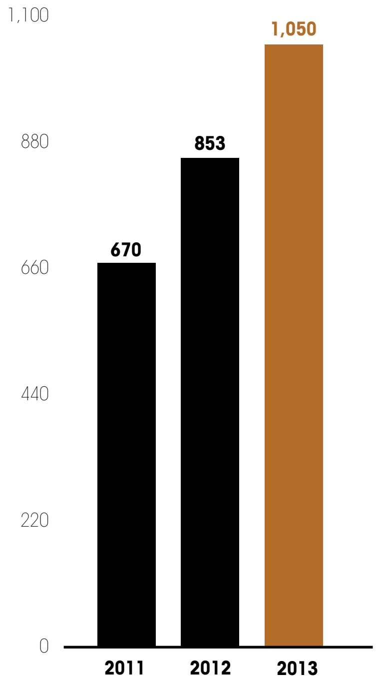
- focus on fewer projects with greater impact;
- focus on community development, education, agriculture/environment, and health;
- consider options in this regard ranging from CSI to infrastructure and enterprise development;
- ensure that all role players have had an opportunity to influence the decision on how best to invest the money that is made available for LED in terms of the Group's budgeting process;
- enable this through the creation of a tripartite engagement platform that will assist in making appropriate decisions about LED projects, and will include DMR and municipality representation; and
- provide ongoing feedback on the projects that have been approved for implementation.

The magnitude of issues in communities interested in and affected by Sibanye's activities is so large that LED projects alone cannot adequately address major community issues such as unemployment and poverty. The responsibility for finding solutions for these larger issues cannot reside with Sibanye alone, and will require co-operation between all stakeholders.

In light of recent developments in the industry, and increased community needs, Sibanye's approach to LED and community development is under revision. Initially Sibanye will focus on identifying connections between the needs of the community and its own strategic imperatives. An example of this is the plan to construct critical infrastructure such as clinics and aligning efforts to eradicate TB with DoH community programmes. These are good examples of the kind of linkages that can be achieved.

For more information on all aspects of Sibanye's social capital, refer to the Sibanye Sustainability Report 2013.

SED expenditure (Rm)



natural capital

Natural resources (energy and matter) and processes are needed to produce products and deliver services, including sinks that absorb, neutralise or recycle waste (such as forests), resources (some renewable, others not) and processes (such as climate regulation and the carbon cycle) that enable life to continue in a balanced way. All organisations rely on natural capital to some degree and have an environmental impact; consuming energy and creating waste. Organisations need to be aware of the limits in the use of the natural environment, and to operate accordingly.

Sibanye is committed to the responsible stewardship of natural resources for present and future generations. The Group takes a precautionary approach in all activities by:

- assessing and meeting the requirements of industry standards with respect to environmental management practices;
- implementing, maintaining and integrating internationally recognised environmental management systems (EMSs) that ensure continuous improvement of environmental performance and the prevention of pollution through recognised practices;
- complying with applicable legal and other requirements relating to environmental aspects;
- using resources efficiently and managing all waste streams responsibly;
- contributing to the conservation of biodiversity and applying integrated approaches towards closure and post-mining land-use planning; and
- establishing an appropriate level of awareness and training of employees with environmental responsibilities, as required.

MORE THAN COMPLIANCE

Sibanye's approach to environmental management is risk-based, with a strong focus on management assurance, legal compliance and, ultimately, mine closure. The Group's approach is, therefore, integrated within its broader Sustainable Development Framework.

An overarching EMS that is aligned with the ISO 14001 standard is in place across the group, with appropriate operating procedures at an operational level. Sibanye's EMPs, one of the pillars of its legal right to mine the resource, are legally binding commitments that have been agreed with the regulators. The EMP is based on sound environmental management principles and associated risks and, incorporates risk management and the mitigation measures implemented.

Materials used

Sibanye in the course of its normal business mines significant amounts of gold bearing ore and associated waste rock. Sibanye's emphasis on quality mining ensures that the Group removes as little waste rock as possible and focuses on removing the gold-bearing reef. The reprocessing of surface gold-bearing material supplements the processing stream and has a positive environmental impact.

Hydrometallurgical extraction is the only economically viable method of extracting gold from the gold bearing ore and involves a leaching step during which gold is dissolved in an aqueous medium. This is followed by the separation of the gold-bearing solution from the residues, or adsorption of the gold onto activated carbon. As gold is not soluble in water, cyanide is used to stabilise gold in solution and, with oxygen, is used to dissolve the gold.

While cyanide is less costly and potentially less harmful than other reagents with similar properties, there are risks associated with its storage and use. All of Sibanye's mines and plants comply with the International Cyanide Management Code for the Manufacture, Transport and Use of Cyanide in the Production of Gold. (Beatrix was last certified in February 2012, Driefontein in August 2012 and Kloof in December 2012).

Water management

Water is a critical resource for the Group and for South Africa as a whole, and one which Sibanye manages with care.

Sibanye focuses on achieving integrated dynamic mine water management through the SibanyeAMANZI Project. This is aligned with the Group's business model in terms of the integrated mine water plan.

All three of Sibanye's operations are water-positive, which means they need to pump significant quantities of underground water to dewater for safety purposes. Neither the quantity nor the quality of water sources (fissure or potable water sources) is under threat. However, the future cost of water remains a risk.

The receipt of integrated water use licences (IWULs) remains a concern for the mining industry as a whole, with a significant backlog in their issuances by the DWA. In the absence of issued or valid IWULs, water management is conducted taking cognisance of current legislation and the permits, exemptions and directives that have been issued.

Energy

The gold-mining industry is a significant user of energy, and is vulnerable to variations in energy supply and cost. Given the national power utility Eskom's difficulties in meeting energy demand, security of supply is by no means certain. Eskom's reliance on fossil fuel based energy exposes its clients to impending carbon tax.

As a Group, Sibanye is committed to monitoring usage, researching and developing new strategies for efficient energy use, complying with legislation and encouraging its business partners to adopt similar principles.

Sibanye has undertaken numerous energy-saving, load-clipping and load-shifting projects over the years. The latter is aimed at reducing usage when consumer demand peaks and are often funded by Eskom Integrated Demand Management programme.

Although Sibanye has reduced energy consumption, a significant portion of this reduction has been as a result of downscaling operations and reduced production over the years. In 2013 Sibanye achieved a saving of 33.4MW compared to 2012 due to various initiatives and projects. However, there was also a 6.9MW increase as a result of new load that came on line during 2013 due to increased production.

Sibanye seeks to make use of alternative energy sources, where feasible, in order to offset fossil-fuel generated Eskom energy. The Beatrix methane project and the concentrated solar power (CSP) plant at Driefontein are examples.

Carbon management

Sibanye's Carbon Management Strategy (CMS) is integrated with its approach to energy management, given that its carbon footprint is dominated by its energy use and, in particular, the use of fossil-based electricity sourced from Eskom.

In terms of Sibanye's Integrated Energy and Carbon Management Strategy (IECMS), the Group seeks to understand and manage its energy/carbon footprints, investigate renewable energy sources, invest in energy saving equipment with improved efficiencies and empower employees with knowledge and awareness.

While energy-consumption targets are set and measured at an operational level, translations from energy consumption into carbon intensities are conducted as part of the on-going carbon-footprinting exercise. Depth of mining and ore yields are taken into consideration when setting carbon intensity ratios.

The Beatrix methane project, which captures and utilises methane for electricity generation, as well as the ventilation fans projects at Beatrix, Driefontein and Kloof have contributed to the optimisation and reduction of carbon dioxide (CO_2) emissions. Another carbon-reduction project at Beatrix was registered under the Clean Development Mechanism (CDM) of the Kyoto Protocol in late 2013. It involves the installation of energy-efficient axial ventilation fans in the mine's underground operations.

Sibanye is also involved in a number of projects in collaboration with Eskom, supporting the use of renewable energy such as solar power, and climate-change adaptation initiatives such as the optimal TSF Cover Design Study.

Land management

In 2013 Sibanye owned or held licences over approximately 36,690ha of land; only 7,449ha of land have been disturbed by mining and processing activities. A Biodiversity Action Plant (BAP) has been developed for Driefontein, while a biodiversity assessment that will inform a BAP for Kloof is underway. A similar process will be undertaken for Beatrix in 2014.

Sibanye aims to work towards final land use at all stages of operation. A land-use survey was, therefore, conducted to determine current and proposed activities within the areas of operation. Importantly, the Group's aim is to link its LED projects with land management and rehabilitation to ensure sustainable land use that will be viable once mining operations come to an end.

Closure planning is closely linked to the Group's life-of-mine plans. Interim closure plans are in place and are reviewed every two years. Detailed closure plans will be developed for all operations from 2014. Where possible, demolition and rehabilitation takes place during the operational phase.

Sibanye's closure liabilities are assessed on an annual basis by Golder Associates (Proprietary) Limited, and it has the requisite trust funds and insurance guarantees in place to provide for closure. See page 73 of the Sibanye Sustainability Report 2013 for details.

For more information on all aspects of Sibanye's natural capital refer to the Sibanye Sustainability Report 2013.

operational review

THE BEATRIX OPERATION

Beatrix is located in the Free State province of South Africa, some 240km south-west of Johannesburg, near Welkom and Virginia. Beatrix operates under mining rights covering a total area of 16,821ha.

It is principally an underground mine with nominal surface reserves represented by surface rock dumps accumulated during the operating history of the mine. Beatrix has three operating shaft systems, with two ventilation shafts to provide additional up-cast and down-cast ventilation capacity. Beatrix is serviced by two metallurgical plants.

Beatrix is a shallow to intermediate-depth operation, mining at depths of between 700m and 2,200m below surface. Beatrix has access to the national electricity grid and to water, road and rail infrastructure and is located near regional urban centres where it can routinely obtain supplies.

The present scope of operations is the result of the consolidation on 1 July 2002 of the adjacent Beatrix and Oryx mines (No 4 shaft, also known as West Section).

Gold mining commenced at Beatrix in 1985 and at Oryx in 1993.

Geology

Beatrix exploits the Beatrix Reef (BXR) at shafts No 1, 2 and 3, and the Kalkoenkrans Reef (KKR) at shaft No 4. The reefs are developed on the Aandenk erosional surface and dip to the north and north east at between four and nine degrees.

In general, the BXR occurs at depths of between 570m and 1,380m and the KKR at depths of between 1,800m and 2,200m. Both reefs are markedly channelised and consist of multi-cycle, upward-fining conglomerate beds with sharp erosive basal contacts. A general east-west trending pay-zone, some 500m to 800m wide, has been identified east of shaft No 4 and is known as the main channel. Zone 5 extends south of the main channel and represents the majority of the reserves at the operation.

Development at the Beatrix West Section has been reduced significantly since the 2013 underground fire. Further limited development has been approved for 2014 and the main focus areas will be the Syncline and North Block development.

Infrastructure

Beatrix has three producing shaft systems and two gold metallurgical plants with the following capacities:

Shaft system	Hoisting capacity
No 1 – North	138,000tpm
No 3 – South	170,000tpm
No 4 – West	120,000tpm

Processing plant, capacity and recoveries

Plant	Capacity	Recovery factor
No 1 plant (commissioned in 1983)	240,000tpm	95.5%
No 2 plant (commissioned in 1992)	130,000tpm	95.5%

‘Beatrix achieved a 64% reduction in the fatality rate.’

Processing occurs by way of carbon-in-leach (CIL) and carbon-in-pulp (CIP) treatment at the No 1 and No 2 plants respectively. In 2004 a Knelson concentrator was installed at No 1 plant which removes gold early in the metallurgical process. A gravity concentrating circuit, which was commissioned in November 2006, was installed at No 2 plant in order to reduce locked-up gold in the mills and to improve the overall recovery.

Operational review

Detailed below are the operating and production results for the past two financial years.

Production		2013			2012		
		u/g	Surface	Total	u/g	Surface	Total
Main development	m	**17,531**	**–**	**17,531**	20,117	–	20,117
Area mined	m^2	**434,438**	**–**	**434,438**	392,412	–	392,412
Tons milled	`000	**2,371**	**1,720**	**4,091**	2,069	1,299	3,368
Yield	g/t	**3.9**	**0.3**	**2.4**	4.2	0.3	2.7
Gold produced/sold	kg	**9,195**	**527**	**9,722**	8,656	325	8,981
	`000oz	**295.6**	**17.0**	**312.6**	278.3	10.4	288.7

Main development decreased year-on-year due to the fire at the West Section and the subsequent re-planning of the development during the Section 189 process. North and South sections increased by 892m and 241m respectively while West Section reduced main development by 3,719m.

The year-on-year increase in the area mined resulted in an increase in the tonnages milled and gold sold, despite a marginal decrease in the yield from underground material. The main reason for the increase in production was the prolonged duration of the industrial action in 2012.

Costs and margins		2013	2012
Operating cost	R/t	**731**	779
– underground	R/t	**1,201**	1,221
– surface	R/t	**84**	74
Operating profit	Rm	**1,223**	1,291
Operating margin	%	**29%**	33%
Capital expenditure	Rm	**537**	658
– sustaining	Rm	**201**	211
– ORD	Rm	**336**	447
All-in cost	R/kg	**377,206**	380,258
	US$/oz	**1,222**	1,444
All-in cost margin	%	**13%**	13%
Total cash cost	R/kg	**306,593**	294,277
	US$/oz	**993**	1,118

Operating costs increased by 14% due to the above-inflation wage increase effective from 1 July, the increased electricity tariffs, general inflation and the increased production (tons milled increased by 21%). Despite the increase in costs, the All-in cost figure decreased to R377,206/kg and the cost per ton milled decreased by 6% to R731/t.

Sustaining capital remained constant year-on-year. The reduction in the ore reserve development in 2013 was as a result of the impairment at Beatrix West Section in June 2013, whereafter all ore reserve development was expensed.

Improvements were achieved on all safety indices with the most notable being the 64% reduction in the fatality rate. The rollout of the auditing team's mid-2013 report resulted in a significant improvement in the physical condition of the underground workings, which contributed toward the achievement of the safety objectives.

During 2013, in consultation with the unions and other stakeholders a Section 189 process was conducted. A large number of employees left the Group by taking voluntary or early retirement packages as part of the Section 189 avoidance measures and forced retrenchments were minimised.

operational review continued

THE DRIEFONTEIN OPERATION

Driefontein is located on the Far West Rand, in the mining district of Oberholzer, some 70km south-west of Johannesburg and in Gauteng province. Driefontein operates under mining rights covering a total of 8,561ha.

It is an underground mine with surface reserves represented by rock dumps and tailings storage facilities (TSFs) that have been accumulated throughout the operating history of the mine.

Driefontein has seven operating shaft systems and three metallurgical plants, and operates at depths of between 700m and 3,420m below surface.

Driefontein has access to the national electricity grid and to water, road and rail infrastructure and is located near regional urban centres where it can routinely obtain supplies. Driefontein was formed from the consolidation in 1981 of the East Driefontein and West Driefontein mines.

Geology

Gold mineralisation at Driefontein is contained within three reef horizons: the Carbon Leader Reef (Carbon Leader), the Ventersdorp Contact Reef (VCR) and the Middelvlei Reef (MVR), which occur at depths of between 500m and 4,000m. Stratigraphically, the Carbon Leader is situated 40m to 70m below the VCR and MVR, and is a generally high-grade reef comprising different facies. It dips to the south at approximately 25 degrees. The Carbon Leader sub-crops against the VCR in the eastern part of the mine. The west-dipping Bank Fault defines the eastern limit of both reefs. The VCR is most-extensively developed in the east, and sub-crops to the west. The MVR is a secondary reef, situated approximately 50m above the Carbon Leader and, at present, is a minor contributor to reserves and production. The average gold grades vary with lithofacies changes in all of the reefs.

Infrastructure

Driefontein comprises seven producing shafts systems and three gold metallurgical plants with the following capacity:

Shaft system	Hoisting capacity
No 1	101,000tpm
No 2	165,000tpm
No 4	57,000tpm
No 5	159,000tpm
No 6*	26,000tpm
No 8	55,000tpm

* Shaft No 6 Tertiary and 6 Main are currently only operated on a limited scale, with the focus on reclamation and cleaning and shaft No 10 remains a pumping facility.

No 1 plant was upgraded in 2004 with a processing capacity of 240,000 tpm and treats underground ore from the Driefontein shafts. The upgraded circuit at No 1 plant consists of a semi-autogenous (SAG) mill circuit followed by cyanide leaching, CIP and a central Zadra elution facility.

No 2 plant underwent a modernisation and plant upgrade programme in 2003. Driefontein surface rock-dump material is delivered to No 2 plant by rail and truck to the plant feed bunkers. The plant flow incorporates two SAG mills and a ball milling circuit, cyanide leaching and a CIP plant.

No 3 plant, originally commissioned as a uranium plant, was converted to a low-grade surface rock-treatment gold plant in 1998. The plant was constructed using a combination of new as well as existing equipment on site. Similar to No 2 plant, ore is received from surface rock dumps by rail and truck. The plant has four SAG mills followed by cyanide leaching and CIP.

Loaded carbon from No 2 and No 3 plants is trucked to No 1 plant and processed at the central elution and smelting facility. Further upgrading of the No 2 plant is planned for 2014.

Operational review

Detailed below are the operating and production results for the past two financial years.

Processing plant, capacity and recoveries

Plant	Capacity	Recovery factor
No 1 plant (commissioned in 1972)	240,000tpm	97%
No 2 plant (commissioned in 1964)	150,000tpm	85%*
No 3 plant (commissioned in 1998)	100,000tpm	85%

* Currently at 78% due to decreased leach circuit residence time as a result of failure of two leach tanks. New CIL tanks will be constructed in 2014 to achieve a minimum of 90% recovery.

'Driefontein comprises seven producing shaft systems and three gold metallurgical plants.'

Production		2013			2012		
		u/g	Surface	Total	u/g	Surface	Total
Main development	m	**17,751**	**–**	**17,751**	20,136	–	20,136
Area mined	m^2	**397,579**	**–**	**397,579**	320,949	–	320,949
Tons milled	`000	**2,527**	**2,783**	**5,310**	1,886	2,849	4,735
Yield	g/t	**6.7**	**0.7**	**3.5**	5.9	0.9	2.9
Gold produced/ sold	kg	**16,927**	**1,848**	**18,775**	11,180	2,548	13,728
	`000oz	**544.2**	**59.4**	**603.6**	359.5	81.9	441.4

While the main development metres mined dropped by 12% year-on-year, the achievement exceeded plan for 2013 by 15%. Production volumes increased by 24% from 2012 with improvements shown at all mining units. This can partly be attributed to a recovery from the fire at mining unit 2 and from the industry-wide strike, which affected production during the latter half of 2012, together with a general increase in productivity at all shafts. Production volumes from surface were relatively unchanged but at a lower grade. The lower grades were aligned with the plan due to the depletion of available higher-grade surface rock dumps. Underground gold produced increased by 51% which, apart from the increase in underground volumes, was a result of an increase in the average mined face grades from 1,649cm.g/t to 1,847cm.g/t and an improvement in the mine call factor from 75% to 86%.

Costs and margins		2013	2012
Operating cost	R/t	**919**	909
– underground	R/t	**1,750**	2,057
– surface	R/t	**165**	148
Operating profit	Rm	**3,282**	1,644
Operating margin	%	**40**	28
Capital expenditure	Rm	**1,023**	1,091
– sustaining	Rm	**320**	241
– ORD	Rm	**703**	850
All-in cost	R/kg	**332,660**	404,881
	US$/oz	**1,078**	1,538
All-in cost margin	%	**23**	7
Total cash cost	R/kg	**265,997**	311,211
	US$/oz	**862**	1,182

As detailed above, with production significantly affected late in 2012 and the restructuring process undertaken since unbundling, unit costs and margins improved considerably during 2013. The operating margin increased to 40% from 28% and, more importantly, the All-in cost margin increased to 23% from only 7% achieved in 2012. Underground tons milled increased to 2.53Mt from 1.89Mt in 2012 and cost per ton reduced to R1,750/t from R2,057/t. Operating profit doubled, despite a flat average gold price received, due to the increase in gold production. The majority of capital expenditure was spent on ORD, energy-saving projects, relocation of laboratory and social and safety projects. The weaker rand resulted in significantly lower unit costs in US dollars compared with the improved rand unit costs.

Safety

Driefontein showed an overall improvement in all safety lagging indicators, particularly the FIFR, which improved by 64% and was the lowest ever recorded by the mine to date.

With the introduction of AMCU as the new majority employee representative union, a new Health and Safety Agreement has been concluded and the mine is in the process of finalising full-time elections of Health and Safety representatives. Thereafter, a Joint Health and Safety Committee will be established in line with the agreement.

operational review continued

THE KLOOF OPERATION

Kloof is located in the Far West Rand mining district of Westonaria, some 60km south-west of Johannesburg in Gauteng province. Kloof operates under mining rights covering a total of approximately 20,100ha. It is principally an underground mine with nominal surface reserves represented by surface rock dumps and TSFs accumulated during the operating history of the mine.

Kloof has multiple operating shaft systems and three metallurgical plants one of which (KP2) processes underground ore from all the Kloof shafts. The remaining two process low-grade ore from surface rock dump (SRD) sources (KP1 and the Python plants).

Kloof is an intermediate to ultra-deep level mine, with operating depths of between 1,300m and 3,500m below surface. Kloof has access to the national electricity grid and to water, road and rail infrastructure and is located near regional urban centres where it can routinely obtain supplies. Kloof's present scope of operations is the result of the consolidation in 2000 of the Kloof, Libanon, Leeudoorn and Venterspost mines. Gold mining began in the area now covered by these operations in 1934.

Geology

Kloof is located on the West Wits Line that forms the Far West Rand of the Witwatersrand Basin. The majority of production at Kloof is from the VCR, which occurs at depths of between 1,300m and 3,350m below surface. The VCR is a tabular orebody that has a general northeast-south-west strike and that dips to the south-east at between 20 and 45 degrees. The MVR is classified as Kloof's secondary reef and further minor production volumes are delivered from the Kloof Reef and the Libanon Reef.

Kloof lies between the Bank Fault to the West, and the north trending West Rand Fault to the east. The latter truncates the VCR along the eastern boundary of the mine, with a 1km to 1.5km upthrow to the east. Normal faults are developed sub-parallel to the west-dipping West Rand Fault, with sympathetic north/north-east trending dykes that show little or no apparent offset of the stratigraphy. A conjugate set of faults and dykes occurs on a west/south-west trend, with throws of one to 50m. Structures that offset the VCR increase in frequency toward the southern portion of the mine as the Bank Fault is approached.

Infrastructure

Kloof comprises five producing shafts systems and three gold metallurgical plants with the following capacities:

Shaft system	Hoisting capacity
No 1	100,000tpm
No 3	36,000tpm
No 4	82,000tpm
No 7	58,000tpm
No 8	73,000tpm

KP1 was commissioned in 1968 and originally designed as a reef plant. It currently treats ore from surface rock dumps. The plant is comprised of three-stage crushing, open-circuit rod mills for primary grinding and closed circuit pebble mills for secondary milling. This is followed by cyanide leaching, filtration, zinc precipitation and smelting. In June 2001, a CIP pumpcell was installed to replace the less-efficient filtration and zinc precipitation and smelting was discontinued. Loaded carbon is transported by truck to KP2 for treatment at an independent elution facility. In 2013, all crushing was stopped, the secondary crushing circuit was bypassed and modifications were made to the conveyor feed ore-delivery system with the addition of an overland conveyor completed to allow screened material from the SRD's to feed the mill silos directly.

In November 1990, KP2 was commissioned and currently treats all of Kloof's underground ore. Reef is trucked and conveyed to a central stacker pad which feeds two SAG mills equipped with variable-speed ring motor drives. Milling is followed by cyanide leaching, CIP and treatment at an independent elution and smelting facility. The elution facility was upgraded in June 2001 and again in October 2003 to process loaded carbon from KP1 and the former KP3 (Libanon) plant.
The upgrade included the installation of continuous electrowinning sludge reactors.

A new pilot Python 500 plant was commissioned in February 2011 to treat SRD by concentrating the feed-grade material through screening, optical sorting and liberation of gold through comminution using a Vertical Shaft Impact (VSI) Crusher. Gold was to be recovered by a jig and flotation circuit followed by intensive cyanide leaching and carbon-in-columns. This was later replaced by an upgraded Python 2500 in July 2013 which is still being optimised.

Processing plant, capacity and recoveries

Plant	Capacity	Recovery factor
No 1 plant (KP1) commissioned in 1968	165,000tpm	90%
No 2 plant (KP2) commissioned in 1990	105,000tpm	98%
No 3 plant (KP3/Python) was originally commissioned in February 2011 and an upgraded unit recommissioned in July 2013	140,000tpm	85%

Operational review

Detailed below are the operating and production results for the past two financial years.

Production		2013			2012		
		u/g	Surface	Total	u/g	Surface	Total
Main development	m	**19,331**	**--**	**19,331**	16,438	–	16,438
Area mined	m^2	**300,985**	**--**	**300,985**	277,855	–	277,855
Tons milled	`000	**1,898**	**2,325**	**4,223**	1,801	2,281	4,082
Yield	g/t	**7.7**	**0.6**	**3.8**	7.7	0.7	3.8
Gold produced/sold	kg	**14,533**	**1,444**	**15,977**	13,866	1,484	15,350
	`000oz	**467.3**	**46.4**	**513.7**	445.7	47.8	493.5

Main development improved by 18% year-on-year with increases at all shafts. The long-life, high-grade No 2 and 4 shafts both increased their development profile by more than 10%. Square metres mined increased by 8% mainly due to recovery from the industry-wide strike which affected production during the latter half of 2012. Normalised production was relatively unchanged. Tonnages milled from surface sources as well as surface yields were marginally lower than in the previous year, but underground face grades mined improved by 2%. When coupled with the improvement in underground volumes, the total gold produced improved by 627kg year-on-year, or 4%.

Costs and margins		2013	2012
Operating cost	R/t	**971**	955
– underground	R/t	**1,982**	1,967
– surface	R/t	**146**	156
Operating profit	Rm	**2,854**	2,795
Operating margin	%	**41%**	42%
Capital expenditure	Rm	**1,304**	1,335
– sustaining	Rm	**460**	504
– ORD	Rm	**844**	831
All-in cost	R/kg	**353,884**	355,915
	US$/oz	**1,147**	1,352
All-in cost margin	%	**19%**	18%
Total cash cost	R/kg	**261,570**	258,241
	US$/oz	**847**	981

The underground unit cost per ton increased marginally year-on-year despite above-inflation wage increases, increases in electricity costs and general inflation, as this was mostly offset by the restructuring and cost-saving initatives implemented during 2013. Surface unit cost per ton decreased year-on-year by 7% due to an increase in tons milled and reduced ore-handling costs. Margins and other unit costs were similar year-on-year as the increased production was offset by the higher costs. Capital expenditure was similar year-on-year with the majority of expenditure on ore reserve development, the new Python processing plant, SLP housing projects and technical improvement projects. The reduction in the US dollar unit cost was mainly due to the weaker rand.

Safety

Kloof unfortunately had four fatalities in 2013. In spite of the regression measured against the one fatality, as recorded during 2012, the longer-term trend is positive for all key safety lagging indicators. Kloof received a number of safety awards for the year. The implementation of the overall organisational safety strategy will remain a key focus, in order to realise continual improvement.

Energy

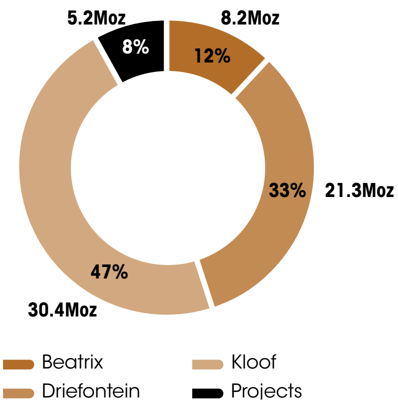
Energy consumption for 2013 was 1,718MWh lower than 2012, in spite of significantly increased production year-on-year.

Water

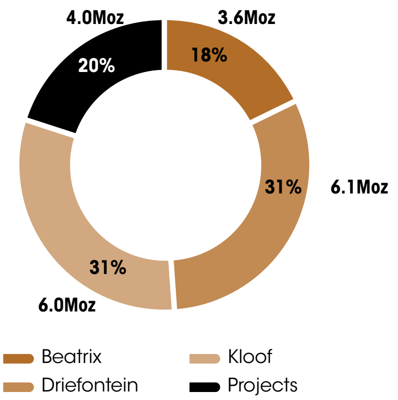
Total water withdrawal in 2013 (76,636Ml) was higher than in 2012 (64,788Ml). Shafts and plants must explore the use of mine water for industrial applications and so reduce the use of potable water for industrial purposes.

mineral resources and mineral reserves statement

Gold Mineral Resources (65.0Moz)



Gold Mineral Reserves (19.7Moz)



Sibanye is committed to reporting in compliance with public and internal regulatory codes and policies which provide all stakeholders with reliable and accurate information regarding the status of the Group's assets. Furthermore, Sibanye aims to report a level of detail which satisfies disclosure requirements relating to materiality, transparency and competency in reporting.

The Mineral Resources and Mineral Reserves information included in this integrated report is supported by a separate, Mineral Resources and Mineral Reserves Supplement, which provides more detail on the status of, and changes to the Mineral Resources and Mineral Reserves at each of Sibanye's mining operations. The Mineral Resources and Mineral Reserves Supplement can be downloaded from the Sibanye website (www.sibanyegold.co.za) and a hard copy is available on request.

The Mineral Resources and Mineral Reserves statement summarises and compares Sibanye's Mineral Resources and Mineral Reserves at each of its operations and projects, as at 31 December 2013, with those declared as at 31 December 2012, net of depletion due to normal mining activities during the relevant period. The Mineral Resources and Mineral Reserves declaration is underpinned by appropriate Mineral Resource Management processes and governed by appropriate corporate governance protocols.

HIGHLIGHTS

- Attributable gold Mineral Reserves increased by 46% (net of depletion) from 13.5Moz at 31 December 2012 to 19.7Moz at 31 December 2013
- A decrease in overall pay limits at all three operations
- Major programme to include previously unmined areas
- A maiden gold and uranium Mineral Resource declared at the Beatrix West Section Beisa project.

SIBANYE ATTRIBUTABLE MINERAL RESOURCES AND MINERAL RESERVES

The stated Mineral Resources and Mineral Reserves are 100% attributable to Sibanye at operations owned and managed by it. Mineral Resources are reported inclusive of Mineral Reserves and planned stability pillars. Production volumes are reported in metric tons.

At 31 December 2013, Sibanye had total gold Mineral Resources of 64.9Moz (December 2012: 74.2Moz) and gold Mineral Reserves of 19.7Moz (December 2012: 13.5Moz) net of depletion due to production. Total uranium Mineral Resources to the Group amounted to 68.8Mlb, inclusive of 43.2Mlb of uranium Mineral Reserves. All of the declared Mineral Reserves are above current infrastructure.

'Gold reserves increased by 46%.'

Mineral Resources and Mineral Reserves summary as at 31 December 2013

Gold	Mineral Resources (100%) 31 December 2013 Tons (Mt)	Grade (g/t)	Gold (Moz)	Dec-12 Gold (Moz)	Mineral Reserves (100%) 31 December 2013 Tons (Mt)	Grade (g/t)	Gold (Moz)	Dec-12 Gold (Moz)
Operations and projects								
Underground								
Beatrix	58.6	4.9	9.175	8.286	30.7	3.6	3.543	3.321
Driefontein	60.1	10.9	21.103	22.099	25.7	7.2	5.907	4.226
Kloof	65.2	14.4	30.132	39.494	22.2	8.1	5.777	5.462
Total underground	**183.9**	**10.2**	**60.410**	**69.879**	**78.5**	**6.0**	**15.226**	**13.009**
Surface rock dumps (SRD)								
Beatrix	10.5	0.4	0.134	0.148	7.5	0.4	0.088	0.037
Driefontein	6.4	0.7	0.150	0.142	6.4	0.7	0.150	0.142
Kloof	15.8	0.5	0.246	0.342	15.8	0.5	0.246	0.342
Total SRD	**32.7**	**0.5**	**0.530**	**0.632**	**29.6**	**0.5**	**0.485**	**0.521**
Tailings storage facilities (WRTRP)								
Driefontein	161.9	0.3	1.786	1.516	161.9	0.3	1.786	–
Kloof	252.3	0.3	2.236	2.219	252.3	0.3	2.236	–
Total WRTRP	414.3	0.3	4.022	3.735	414.3	0.3	4.022	–
Total Sibanye	**630.9**	**3.2**	**64.962**	**74.246**	**522.4**	**1.2**	**19.733**	**13.530**

Uranium	Mineral Resources (100%) 31 December 2013 Tons (Mt)	Grade (kg/t)	U_3O_8 (Mlb)	Dec-12 U_3O_8 (Mlb)	Mineral Reserves (100%) 31 December 2013 Tons (Mt)	Grade (kg/t)	U_3O_8 (Mlb)	Dec-12 U_3O_8 (Mlb)
Projects								
Underground								
Beatrix (Beisa Project)	12.5	0.934	25.658	–	–	–	–	–
Total underground	**12.5**	**0.934**	**25.658**	–	–	–	–	–
Tailings storage facilities (WRTRP)								
Driefontein	153.7	0.064	21.764	–	153.7	0.064	21.764	–
Kloof	252.3	0.038	21.391	–	252.3	0.038	21.391	–
Total WRTRP	406.0	0.048	43.155	–	406.0	0.048	43.155	–
Total Sibanye	**418.5**	**0.075**	**68.813**	–	**406.0**	**0.048**	**43.155**	–

mineral resources and mineral reserves statement

continued

OPERATIONAL SUMMARY

Total gold Mineral Resources decreased by 12% (from 74.2Moz to 65.0Moz net of production depletion), following a comprehensive review of the classification of Mineral Resources at the operations. This was partly offset by the inclusion of 1.1Moz gold contained in the newly declared Mineral Resources at the Beatrix West Section, Beisa Reef project.

Total gold Mineral Reserves increased by 46% or 6.2Moz (net of 1.5Moz production depletion). This increase is primarily due to lower pay limits resulting from operating cost reductions in 2013, as well as improved mining quality factors. Lower pay limits allowed the inclusion of 0.9Moz of additional Mineral Reserves from secondary reefs. A comprehensive review of all previously unmined areas across the operations (white areas) resulted in the inclusion of an additional 2.9Moz in the Mineral Reserves. Studies are ongoing and further additions from secondary reefs and white areas are likely in the future. A pre-feasibility study was also conducted on the safe extraction potential of the Driefontein 1 Shaft Pillar, which resulted in a further addition of a further 0.5Moz of gold to Driefontein's Mineral Reserves.

The total Mineral Reserves also include the addition of 4.0Moz of gold contained in Tailings Storage Facilities (TSF's) at the Kloof and Driefontein Operations that will be mined as part of the WRTRP. A pre-feasibility study on the WRTRP (assessing the potential for extraction of gold and uranium from Sibanye's West Wits and the adjacent Cooke Operations TSF's), was successfully concluded in 2013 and is currently the subject of a more detailed feasibility study.

Reconciliation of Mineral Reserves	Moz
LoM 2012	**13.529**
2013 Depletion (Actual)	(1.481)
Post Depletion LoM	12.049
Changes in geological structure and facies	0.145
Changes in resource estimation models	0.100
Specific Inclusions:	
Secondary Reefs	0.932
White Areas	2.849
Driefontein 1 Shaft Pillar	0.491
WRTRP (not including Cooke Reserves)	4.022
Specific exclusions:	
Excluding areas below cut-off grades, and excluding areas towards the end of life when shafts become uneconomic.	(0.704)
Areas that were re-classified as Rock Engineering pillars, and areas that were abandoned due to unacceptable risk.	(0.100)
Technical Factors	(0.050)
LoM 2013	**19.733**

CORPORATE GOVERNANCE

The Mineral Resource and Mineral Reserve declaration at 31 December 2013 is compliant with the SAMREC Code, the updated Section 12 (Oct 2008) of the JSE Listing Requirements and the Securities and Exchange Commission (SEC) Industry Guide 7 and is aligned to the guiding principles of the Sarbanes-Oxley (SOX) Act of 2002. This Mineral Resources and Mineral Reserves statement has been independently audited by Minxcon Proprietary Ltd (Mineral Resources) and by Royal HaskoningDHV (Mineral Reserves), and was found to comply with the relevant codes. No material shortcomings in the processes used by Sibanye to evaluate the Mineral Resources and Mineral Reserves were identified.

In accordance with the SEC guidelines, historical, average trailing commodity prices over a two to three-year period are used for the declaration of Mineral Reserves, and a 10% premium to these prices used to declare Mineral Resources. Sibanye has used a gold price of R410 000/kg (R380 000/kg in 2012), and a uranium price of US$60/lb for the declaration of Mineral Reserves. A gold price of R450 000/kg and uranium price of US$60/lb were used to declare Mineral Resources in its 31 December 2013 statement.

The declared Mineral Resources and Mineral Reserves are estimates at a specific point in time, and are affected by: fluctuations in the US dollar gold price; exchange rates; operating costs; granting of pending mining permits; possible changes in legislation and other operating factors. Mineral Resources are reported inclusive of Mineral Reserves. Although all regulatory permitting may not be finalised and granted at the date of declaration of the Mineral Resources and Mineral Reserves, and while recognising that schedules may be impacted by the time taken for approvals, there is no reason to expect that these will not be granted. All financial models used to determine the Mineral Reserves are based on existing South African tax regulations at 31 December 2013.

The Competent Persons designated in terms of SAMREC, who takes responsibility for the reporting of Sibanye's Mineral Resources and Mineral Reserves are the respective mineral resource management functional heads of department at the operations. To ensure that corporate governance requirements are adhered to, these figures are consolidated by the current Head of Mine Planning and Mineral Resource Management for Sibanye, Gerhard Janse van Vuuren [BTech (MRM); GDE (Mining Eng.); MBA; MSCoC (PLATO – No. 0243)). Mr Janse van Vuuren has 26 years experience in the mining industry. Additional information regarding the teams and personnel involved in compiling the Mineral Resource and Mineral Reserve declaration is incorporated in the Mineral Resources and Mineral Reserves Supplement which is available at *www.sibanyegold.co.za*.

During 2013, Sibanye received the annual award for the best reporting of Mineral Resources according to the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves (the SAMREC Code, 2009 revision) from the Investment Analysts Society of Southern Africa (IASSA) for its December 2012 declaration.

statement of responsibility by the board of directors

The directors are responsible for the preparation and fair presentation of the consolidated annual financial statements of Sibanye Gold Limited, comprising the consolidated statement of financial position at 31 December 2013, and the income statement and statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the consolidated financial statements which include a summary of significant accounting policies and other explanatory notes, in accordance with IFRS, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, as well as the requirements of the South African Companies Act and the JSE Listing Requirements. In addition, the directors are responsible for preparing the directors' report.

The directors consider that, in preparing the consolidated financial statements, they have used the most appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all IFRS standards that they consider to be applicable have been complied with for the financial year ended 31 December 2013. The directors are satisfied that the information contained in the consolidated financial statements fairly presents the results of operations for the year and the financial position of the Group at year end. The directors also prepared the information included in the Integrated Report and are responsible for both its accuracy and its consistency with the consolidated annual financial statements.

The directors have responsibility for ensuring that accounting records are kept. The accounting records should disclose with reasonable accuracy the financial position of the Group to enable the directors to ensure that the consolidated financial statements comply with the relevant legislation.

The Company and the Group operated in a well-established control environment, which is well documented and regularly reviewed. This incorporates risk management and internal control procedures, which are designed to provide reasonable assurance that assets are safeguarded and the material risks facing the business are being controlled.

The directors have made an assessment of the ability of the Company and its subsidiaries to continue as going concern and have no reason to believe that the businesses will not be going concerns in the year ahead.

Sibanye has adopted a Code of Ethics which is available on the Sibanye website and which is adhered to by the Group. The Group's external auditors, KPMG Inc. audited the consolidated financial statements, and their report is presented on page 85.

The consolidated annual financial statements were approved by the Board of Directors on 25 April 2014 and are signed on its behalf by:

Neal Froneman
Chief Executive Officer

Charl Keyter
Chief Financial Officer
25 April 2014

corporate secretary's confirmation

In terms of section 88(2)(e) of the Companies Act 71 of 2008, as amended, I certify that the Company has lodged with the Companies and Intellectual Property Commission all such returns as are required to be lodged by a public company in terms of the Companies Act, and that all such returns are true, correct and up to date.

Cain Farrel
Corporate Secretary
25 April 2014

audit committee report

for the year ended 31 December 2013

The Audit Committee has accepted formal terms of reference which are updated on an annual basis. The Board is satisfied that the Audit Committee has complied with these terms and with its legal and regulatory responsibilities as set out in the Companies Act, King III and the JSE Listings Requirements.

The Audit Committee consisted of four independent non-executive directors throughout the financial year and membership and attendance at meetings is set out on page 52. The Board believes that the members collectively possess the knowledge and experience to supervise Sibanye's financial management, internal and external auditors, the quality of Sibanye's financial controls, the preparation and evaluation of Sibanye's consolidated financial statements and Sibanye's financial reporting.

The Board has established and maintains internal controls and procedures, which are reviewed on a regular basis. These are designed to manage the risk of business failures and to provide reasonable assurance against such failures. However this is not a guarantee that such risks are eliminated.

It is the duty of the Audit Committee, among other things, to monitor and review:
- the effectiveness of the internal audit function;
- audit findings, audit reports and the appointment of external auditors;
- reports of both internal and external auditors;
- evaluation of the performance of the CFO;
- the adequacy and effectiveness of the Group's enterprise-wide risk management policies, processes and mitigating strategies;
- the governance of information technology (IT) and the effectiveness of the Group's information systems;
- interim and annual financial and operating reports, the consolidated annual financial statements and all other widely distributed documents;
- the Form 20-F filing with the US Securities and Exchange Commission (SEC);
- accounting policies of the Group and proposed revisions;
- compliance with applicable legislation, requirements of appropriate regulatory authorities and the Group's Code of Ethics;
- the integrity of the Integrated Report (by ensuring that its content is reliable and recommending it to the Board for approval); and
- policies and procedures for preventing and detecting fraud.

Internal and external auditors have unrestricted access to the Audit Committee, the Audit Committee Chairman and the Chairman of the Board, ensuring that auditors are able to maintain their independence. Both the internal and external auditors report at Audit Committee meetings. The Audit Committee also meets with both internal and external auditors separately without other invitees being present.

The Audit Committee is responsible for recommending the appointment of a firm of external auditors to the Board who in turn will recommend the appointment to the shareholders. The Audit Committee is also responsible for determining that the designated appointee has the necessary experience, qualifications and skills and that the audit fee is adequate.

The Audit Committee reviewed and assessed the independence of the external auditor, including confirmation in writing that the criteria for independence as set out in the rules of the Independent Regulatory Board for Auditors and international bodies have been followed. The Audit Committee is satisfied that KPMG Inc. is independent of the Group. An audit fee for the year of R10.9 million was approved. The Audit Committee determines the nature and extent of non-audit services that the firm can provide and pre-approves all permitted non-audit assignments by the Group's independent auditor.

The Audit Committee approved the annual audit plan presented by the external auditors and monitors progress against the plan. The audit plan provides the Audit Committee with the necessary assurance on risk management, internal control environments and IT governance. The Audit Committee recommends that KPMG Inc. is reappointed for the 2014 financial year with Jacques Erasmus as the Group audit engagement partner.

The Audit Committee has satisfied itself that both KPMG Inc. and Jacques Erasmus are accredited in terms of the JSE Listing Requirements.

The internal control systems of the Group are monitored by internal auditors who report their findings and recommendations to the Audit Committee and to senior management. The Audit Committee

audit committee report continued

for the year ended 31 December 2013

determines the purpose, authority and responsibility of the internal audit function in an Internal Audit Charter. The internal audit function is headed by the Vice President: Internal Audit, who can be appointed or dismissed by the Audit Committee. The Audit Committee is satisfied that the Vice President: Internal Audit has the requisite skills and experience and that she is supported by a sufficient staff complement with appropriate skills and training.

Sibanye's Internal Audit (SGIA) operates in accordance with the International Standards for the Professional Practice of Internal Auditing as prescribed by the Institute of Internal Auditors. The internal audit activities carried out during the year were identified through a combination of the Sibanye Gold Risk Management framework and the risk based methodologies adopted by SGIA. The Audit Committee approves the annual Internal Audit assurance plan presented by SGIA and monitors progress against the plan.

SGIA reports deficiencies to the Audit Committee every quarter together with recommended remedial actions which are then followed up. SGIA provided the Audit Committee with a written report which assessed as adequate the internal financial controls (SOX controls), IT governance and the risk management process during 2013.

The Audit Committee is responsible for IT governance on behalf of the Board and reviews the report of the IT Senior Manager at each meeting. During the year the IT team conducted a global ISO 27001 security standard gap analysis. This determined the areas of weakness which were then addressed by implementing an Information Security Management System aligned to the ISO 27001 standard.

The Audit Committee evaluated the expertise and performance of the CFO during 2013. It is satisfied that he has the appropriate expertise and experience to carry out his duties as the CFO of the Group and is supported by qualified and competent senior staff.

AUDIT COMMITTEE STATEMENT

Based on information from, and discussions with, management and external auditors, the Audit Committee has no reason to believe that there were any material breakdowns in the design and operating effectiveness of internal financial controls during the year and that the financial records can be relied upon as the basis for preparation of the consolidated financial statements.

The Audit Committee considered and discussed this Integrated Report with both management and the external auditors.

During this process, the Audit Committee:
- evaluated significant judgements and reporting decisions;
- determined that the going-concern basis of reporting is appropriate;
- evaluated the material factors and risks that could impact on the Integrated Report;
- evaluated the completeness of the financial and sustainability discussion and disclosures; and
- discussed the treatment of significant and unusual transactions with management and the external auditors.

The Audit Committee considers that the Integrated Report complies in all material respects with the statutory requirements of the various regulations governing disclosure and reporting of the consolidated annual financial statements and that the consolidated financial statements comply in all material respects with IFRS, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, as well as the requirements of the South African Companies Act and the JSE Listing Requirements. The Audit Committee has recommended to the Board that the consolidated annual financial statements be adopted and approved by the Board.

Keith Rayner
Chairman, Audit Committee
25 April 2014

directors' report

for the year ended 31 December 2013

The directors have pleasure in submitting their second report and the consolidated annual financial statements of Sibanye Gold (the Company) and its subsidiaries (together referred to as the Group) for the year ended 31 December 2013.

PROFILE

Business of the Group

Sibanye is a producer of gold and a major holder of gold resources and reserves in South Africa. The Group is primarily involved in underground and surface gold mining and related activities, including extraction, and processing. All of the Group's operations are located in South Africa. The Group has gold reserves of 19.7Moz and resources of 65.0Moz as at 31 December 2013.

REVIEW OF OPERATIONS

The activities of the various Sibanye operations are detailed in the Chief Executive Officer's Report on page 15.

FINANCIAL RESULTS

The information on the financial position of the Group for the year ended 31 December 2013 is set out in the financial statements on pages 92 to 149 of this report. The income statement for the Group shows a profit of R1,698 million (US$177 million) for the year ended 31 December 2013 compared with R2,980 million (US$364 million) in 2012.

DIRECTORATE

Composition of the Board

The following change in directorate occurred during the year under review:

- On 1 October 2013 Dr Zola Skweyiya was appointed an independent non-executive director. He is eligible and available for election.
- At the shareholders meeting held on 5 November 2013 Messrs Robert Chan and Chris Chadwick, both nominees of Gold One International Limited (Gold One), were elected as directors of the company to serve on its board with effect from the closing date for the acquisition of Gold One's Cooke Operations (proposed transaction). The closing date being the date of the allotment and issue to Gold One of such number of Sibanye Gold shares as represents 17% of its issued share capital, on a fully diluted basis on a business day that is not more than ten business days after all conditions precedent to the proposed transaction have been fulfilled.
- The membership of all the Board sub-committees is disclosed on pages 52 to 54.

Directors' and officers' disclosure of interests in contracts

During the year under review, no contracts were entered into in which directors and officers of Sibanye had an interest and which significantly affected the business of the Group.

Related party information is disclosed on page 148.

Rotation of Directors

Directors retiring in terms of the Company's MOI are Sello Moloko, Neal Froneman, Charl Keyter, Keith Rayner and Zola Skweyiya. All the Directors are eligible and offer themselves for re-election.

The Board of Directors of various subsidiaries of the Company comprise some of the executive officers and one of the executive directors, where appropriate.

FINANCIAL AFFAIRS

Dividend policy

Sibanye adopted a dividend policy to pay between 25% and 35% of normalised earnings as dividends. Normalised earnings are defined as profit for the year excluding gains and losses on foreign exchange, financial instruments, non-recurring items and share of associates after royalties and taxation.

For the year under review, the Group paid a total dividend of R272 million (US$27 million) compared with R731 million (US$96 million) in 2012.

On 19 February 2014 a final dividend in respect of the financial period ended 31 December 2013 of 75 cents per share was approved by the Board.

On 17 March 2014 the Group paid a final dividend for 2013 of R555 million (US$52 million).

Borrowing powers

In terms of Clause 4 of the Company's MOI, the borrowing powers of the Company are unlimited. As at 31 December 2013, the Company and the Group's borrowings totalled R1,991 million (US$193 million), compared to total borrowings of R4,220 million (US$493 million) at 31 December 2012.

Sibanye is subject to financial and other covenants and restrictions under its credit facilities from time to time. Such covenants may include restrictions on Sibanye incurring additional financial indebtedness and obligations to maintain certain financial covenant ratios for as long as any amount is outstanding under such facilities.

SIGNIFICANT ANNOUNCEMENTS

01 March 2013

Sibanye announced its reviewed preliminary condensed consolidated results for the year ended 31 December 2012.

18 March 2013

Sibanye gave an update on the power failure post lightning strike which affected power supply to Driefontein Mine.

12 April 2013

Shareholders advised of the delivery of summarised financial statements and the 2012 Annual Report.

29 May 2013

Agreement reached with employees and organised labour on the future of its Beatrix West Section, following the consolidation process which began on 2 April 2013.

21 August 2013

Sibanye announced that it had reached agreement with Gold One International Limited to acquire its Cooke underground and surface operations.

11 September 2013

Sibanye advises shareholders that it has concluded a two-year wage agreement with the National Union of Mineworkers, Solidarity and the United Association of South Africa.

directors' report continued

for the year ended 31 December 2013

12 September 2013

Sibanye declared a 37 cents a share maiden interim dividend for the six months ended 30 June 2013.

5 November 2013

Sibanye announced that it's shareholders approved the issue of 150 million ordinary shares, or such number of shares that represent 17% of the issued capital, on a fully diluted basis for the acquisitions of the Cooke operations.

11 December 2013

Sibanye announced that it had offered to acquire the entire issued share capital of Witwatersrand Consolidated Gold Resources Limited, thereby securing the future of Beatrix.

GOING CONCERN

The consolidated financial statements have been prepared using appropriate accounting policies, supported by reasonable judgements and estimates. The directors believe that the Group has adequate resources to continue as a going concern for the foreseeable future.

Refer to note 40 of the consolidated financial statements on page 149 for further details on the Group's liquidity position at 31 December 2013.

OCCUPATIONAL HEALTHCARE SERVICES

Occupational healthcare services are made available by Sibanye to employees from its existing facilities. There is a risk that the cost of providing such services could increase in the future, depending upon changes in the nature of underlying legislation such as the ruling by the Constitutional Court in February 2011 against Anglo American Limited in favour of a claimant, who suffered from silicosis. Increased costs, should they transpire, are currently indeterminate. The Company is monitoring developments in this regard. Further information is provided below under the Litigation paragraph and in note 34 to the consolidated financial statements.

SPECIAL RESOLUTIONS ADOPTED BY SUBSIDIARY COMPANIES

The following special resolutions were passed by subsidiary companies during the year ended 31 December 2013.

1. Agrihold Proprietary Limited

- Special resolution passed by the sole shareholder of Agrihold Proprietary Limited approving that the board of directors of the company may at any time and from time to time during the 2 (two) years from the passing hereof authorise the company in terms of and subject to the provisions of section 45(3)(b) of the Companies Act, to provide any type of direct or indirect financial assistance as defined in Section 45(1) of the Companies Act, to any company or corporation that is related or inter-related to the company, on such terms and conditions and for such amounts as the board of directors may determine.
- Special resolution passed by the sole shareholder approving the abrogation and replacement of the existing memorandum of incorporation of the company, consisting of a memorandum and articles of association.

2. Bushbuck Venture Proprietary Limited

- Special resolution passed by the shareholders of Bushbuck Venture Proprietary Limited, approving the adoption of the new Memorandum of Incorporation, in substitution for the existing memorandum and articles of association of the company, in accordance with section 16(1)(c) of the Companies Act, in order to, among other things, align and harmonise the company's constitutional documents with the Companies Act.
- Special resolution passed by the shareholders of Bushbuck Venture Proprietary Limited approving that the board of directors of the company may at any time and from time to time during the 2 (two) years from the passing hereof authorise the company in terms of and subject to the provisions of section 45(3)(b) of the Companies Act, to provide any type of direct or indirect financial assistance as defined in Section 45(1) of the Companies Act, to any company or corporation that is related or inter-related to the company, on such terms and conditions and for such amounts as the board of directors may determine.

3. Golden Hytec Farming Proprietary Limited

- Special resolution passed by the sole shareholder of Golden Hytec Farming Proprietary Limited approving that the board of directors of the company may at any time and from time to time during the 2 (two) years from the passing hereof authorise the company in terms of and subject to the provisions of section 45(3)(b) of the Companies Act, to provide any type of direct or indirect financial assistance as defined in Section 45(1) of the Companies Act, to any company or corporation that is related or inter-related to the company, on such terms and conditions and for such amounts as the board of directors may determine.

4. Golden Oils Proprietary Limited

- Special resolution passed by the sole shareholder of Golden Oils Proprietary Limited approving that the board of directors of the company may at any time and from time to time during the 2 (two) years from the passing hereof authorise the company in terms of and subject to the provisions of section 45(3)(b) of the Companies Act, to provide any type of direct or indirect financial assistance as defined in Section 45(1) of the Companies Act, to any company or corporation that is related or inter-related to the company, on such terms and conditions and for such amounts as the board of directors may determine.

5. Living Gold Proprietary Limited

- Special resolution passed by the shareholders of Living Gold Proprietary Limited, approving the adoption of the new Memorandum of Incorporation, in substitution for the existing memorandum and articles of association of the company, in accordance with section 16(1)(c) of the Companies Act, in order to, among other things, align and harmonise the company's constitutional documents with the Companies Act.
- Special resolution passed by the shareholders of Living Gold Proprietary Limited approving that the board of directors of the company may at any time and from time to time during the 2 (two) years from the passing hereof authorise the company in terms of and subject to the provisions of section 45(3)(b) of the Companies Act, to provide any type of direct or indirect financial assistance as defined in Section 45(1) of the Companies Act, to any company or corporation that is related or inter-related to the company, on such terms and conditions and for such amounts as the board of directors may determine.

6. M Janse van Rensburg Proprietary Limited

- Special resolution passed by the sole shareholder of M Janse van Rensburg Proprietary Limited approving that the board of directors of the company may at any time and from time to time during the 2 (two) years from the passing hereof authorise the company in terms of and subject to the provisions of section 45(3)(b) of the Companies Act, to provide any type of direct or indirect financial assistance as defined in Section 45(1) of the Companies Act, to any company or corporation that is related or inter-related to the company, on such terms and conditions and for such amounts as the board of directors may determine.

7. Milen Mining Proprietary Limited

- Special resolution passed by the sole shareholder of Milen Mining Proprietary Limited, approving the adoption of the new Memorandum of Incorporation, in substitution for the existing memorandum and articles of association of the company, in accordance with section 16(1)(c) of the Companies Act, in order to, among other things, align and harmonise the company's constitutional documents with the Companies Act.
- Special resolution passed by the sole shareholder of Milen Mining Proprietary Limited approving that the board of directors of the company may at any time and from time to time during the 2 (two) years from the passing hereof authorise the company in terms of and subject to the provisions of section 45(3)(b) of the Companies Act, to provide any type of direct or indirect financial assistance as defined in Section 45(1) of the Companies Act, to any company or corporation that is related or inter-related to the company, on such terms and conditions and for such amounts as the board of directors may determine.

8. Oryx Ventures Proprietary Limited

- Special resolution passed by the shareholders of Oryx Ventures Proprietary Limited, approving the adoption of the new Memorandum of Incorporation, in substitution for the existing memorandum and articles of association of the company, in accordance with section 16(1)(c) of the Companies Act, in order to, among other things, align and harmonise the company's constitutional documents with the Companies Act.
- Special resolution passed by the shareholders of Oryx Ventures Proprietary Limited approving that the board of directors of the company may at any time and from time to time during the 2 (two) years from the passing hereof authorise the company in terms of and subject to the provisions of section 45(3)(b) of the Companies Act, to provide any type of direct or indirect financial assistance as defined in Section 45(1) of the Companies Act, to any company or corporation that is related or inter-related to the company, on such terms and conditions and for such amounts as the board of directors may determine.

9. Sibanye Gold Academy Proprietary Limited

- Special resolution passed by the sole shareholder of Gold Fields Business Leadership Academy Proprietary Limited, approving the name change of the company from Gold Fields Business Leadership Academy Proprietary Limited to Sibanye Gold Business Leadership Academy Proprietary Limited.
- Special resolution passed by the sole shareholder of Sibanye Gold Business Leadership Academy Proprietary Limited, approving the name change of the company from Sibanye Gold Business Leadership Academy Proprietary Limited to Sibanye Gold Academy.
- Special resolution passed by the sole shareholder of Sibanye Gold Academy Proprietary Limited approving that the board of directors of the company may at any time and from time to time during the 2 (two) years from the passing hereof authorise the company in terms of and subject to the provisions of section 45(3)(b) of the Companies Act, to provide any type of direct or indirect financial assistance as defined in Section 45(1) of the Companies Act, to any company or corporation that is related or inter-related to the company, on such terms and conditions and for such amounts as the board of directors may determine.

directors' report continued

for the year ended 31 December 2013

10. Sibanye Gold Nursing College Proprietary Limited

- Special resolution passed by the sole shareholder of Sibanye Nursing College Proprietary Limited, approving the name change of the Company from Gold Fields Nursing College Proprietary Limited to Sibanye Gold Nursing College Proprietary Limited.
- Special resolution passed by the sole shareholder of Sibanye Gold Nursing college Proprietary Limited, approving the adoption of the new Memorandum of Incorporation, in substitution for the existing memorandum and articles of association of the company, in accordance with section 16(1)(c) of the Companies Act, in order to, among other things, align and harmonise the company's constitutional documents with the Companies Act.

11. Sibanye Gold Protection Services Limited Proprietary Limited

- Special resolution passed by the sole shareholder of Gold Fields Security Limited, approving the name change of the company from Gold Fields Security Limited to Sibanye Gold Security Limited.
- Special resolution passed by the sole shareholder of Sibanye Gold Security Limited, approving the name change of the company from Sibanye Gold Security Limited to Sibanye Gold Protection Services Proprietary Limited.
- Special resolution passed by the sole shareholder of Sibanye Gold Protection Services Proprietary Limited approving that the board of directors of the company may at any time and from time to time during the 2 (two) years from the passing hereof authorise the company in terms of and subject to the provisions of section 45(3)(b) of the Companies Act, to provide any type of direct or indirect financial assistance as defined in Section 45(1) of the Companies Act, to any company or corporation that is related or inter-related to the company, on such terms and conditions and for such amounts as the board of directors may determine.

12. Sibanye Gold Shared Services Proprietary Limited

- Special resolution passed by the sole shareholder of Gold Fields Shared Services Proprietary Limited, approving the name change of the company from Gold Fields Shared Services Proprietary Limited to Sibanye Gold Shared Services Proprietary Limited.
- Special resolution passed by the sole shareholder of Sibanye Gold Shared Services Proprietary Limited, approving the adoption of the new Memorandum of Incorporation, in substitution for the existing memorandum and articles of association of the company, in accordance with section 16(1)(c) of the Companies Act, in order to, among other things, align and harmonise the company's constitutional documents with the Companies Act.
- Special resolution passed by the sole shareholder of Sibanye Gold Shared Services Proprietary Limited approving that the board of directors of the company may at any time and from time to time during the 2 (two) years from the passing hereof authorise the company in terms of and subject to the provisions of section 45(3)(b) of the Companies Act, to provide any type of direct or indirect financial assistance as defined in Section 45(1) of the Companies Act, to any company or corporation that is related or inter-related to the company, on such terms and conditions and for such amounts as the board of directors may determine.

13. West Driefontein Gold Mining Company Limited

- Special resolution passed by the sole shareholder of West Driefontein Gold Mining Company Limited, approving the adoption of the new Memorandum of Incorporation, in substitution for the existing memorandum and articles of association of the company, in accordance with section 16(1)(c) of the Companies Act, in order to, among other things, align and harmonise the company's constitutional documents with the Companies Act.
- Special resolution passed by the sole shareholder of West Driefontein Gold Mining Company Limited approving that the board of directors of the company may at any time and from time to time during the 2 (two) years from the passing hereof authorise the company in terms of and subject to the provisions of section 45(3)(b) of the Companies Act, to provide any type of direct or indirect financial assistance as defined in Section 45(1) of the Companies Act, to any company or corporation that is related or inter-related to the company, on such terms and conditions and for such amounts as the board of directors may determine.

14. Witwatersrand Deep Investments Limited

- Special resolution passed by the sole shareholder of Witwatersrand Deep Investments Limited, approving the adoption of the

- new Memorandum of Incorporation, in substitution for the existing memorandum and articles of association of the company, in accordance with section 16(1)(c) of the Companies Act, in order to, among other things, align and harmonise the company's constitutional documents with the Companies Act.
- Special resolution passed by the sole shareholder of Witwatersrand Deep Investment Proprietary Limited approving that the board of directors of the company may at any time and from time to time during the 2 (two) years from the passing hereof authorise the company in terms of and subject to the provisions of section 45(3)(b) of the Companies Act, to provide any type of direct or indirect financial assistance as defined in Section 45(1) of the Companies Act, to any company or corporation that is related or inter-related to the company, on such terms and conditions and for such amounts as the board of directors may determine.

LITIGATION

On 21 August 2012, a court application was served on a group of respondents that included Sibanye (the August Respondents). On 21 December 2012, a further court application was issued and was formally served on a number of respondents, including Sibanye, (the December Respondents and, together with the August Respondents, the Respondents) on 10 January 2013, on behalf of classes of mine workers, former mine workers and their dependants who were previously employed by, or who are currently employed by, among others, Sibanye and who allegedly contracted silicosis and/or other occupational lung diseases (the Classes). The court application of 21 August 2012 and the court application of 21 December 2012 are together referred to below as the Applications.

These Applications request that the court certify a class action to be instituted by the applicants on behalf of the Classes. The Applications are the first and preliminary steps in a process where, if the court were to certify the class action, the applicants may, in a second stage, bring an action wherein they will attempt to hold the Respondents liable for silicosis and other occupational lung diseases and resultant consequences. In the second stage, the Applications contemplate addressing what the applicants describe as common legal and factual issues regarding the claim arising from the allegations of the entire Classes. If the applicants are successful in the second stage, they envisage that individual members of the Classes could later submit individual claims for damages against the respective Respondents. The Applications do not identify the number of claims that may be instituted against the Respondents or the quantum of damages the applicants may seek.

With respect to the Applications, Sibanye has filed a notice of its intention to oppose the application and has instructed its attorneys to defend the claims. Sibanye and its attorneys are engaging with the applicants' attorneys in both Applications to try to establish a court-sanctioned process to agree the timelines, (including the date by which Sibanye must file its papers opposing the Applications) and the possible consolidation of the separate applications. At this stage, Sibanye cannot quantify their potential liability from these actions.

The two class actions were consolidated into one action during 2013 and the attorneys for the applicants in those matters have now applied to the court for a case management procedure in order to set times in which the parties have to comply with various legal processes and timeframes in terms of the application. Sibanye has entered notices to oppose the various actions and its attorneys have considered the opposition in detail. However, Sibanye cannot quantify the potential liability from these actions at the moment as the application is for certification of a class.

Other than the above, Sibanye is not a party to any material legal or arbitration proceedings, nor is any of its property the subject of pending material legal proceedings.

ADMINISTRATION

Cain Farrel was appointed Company Secretary of Sibanye with effect from 1 January 2013.

With effect from 11 February 2013 Computershare Investor Services Proprietary Limited became the Company's South African transfer secretaries and Capita Asset Services became the United Kingdom registrars of the Company.

AUDITORS

The Audit Committee has recommended to the Board that KPMG Inc. continues in office in accordance with section 90(1) of the Companies Act.

SUBSIDIARY COMPANIES

Details of major subsidiary companies in which the Company has a direct or indirect interest are set out in note 1 on page 100.

share capital statement

for the year ended 31 December 2013

SHARE CAPITAL

Authorised and issued

At the shareholder's meeting held on 21 November 2012 (Gold Fields being the sole shareholder) the Company's authorised and issued share capital each consisting of 1,000 par value shares of R1.00 each was converted into 1,000 ordinary shares with no par value. The authorised share capital was increased by the creation of a further 999,999,000 ordinary no par value shares, each ranking pari passu in all respects with the existing no par value shares in the Company's share capital so as to result in the Company's authorised share capital being 1,000,000,000 ordinary no par value shares. As at 31 December 2012 the authorised share capital was 1,000,000,000 ordinary no par value shares and the issued share capital was 1,000 ordinary no par value shares.

On 1 February 2013, prior to the unbundling of Sibanye from Gold Fields on 18 February 2013, Gold Fields subscribed for a further 731,647,614 shares in Sibanye for R17,246 million. As of this date the issued share capital was 731,648,614 ordinary no par value shares.

During 2013 the Company issued 3,430,417 shares as part of the SGL Share Plan.

As at 31 December 2013 the authorised share capital was 1,000,000,000 ordinary no par value shares and the issued share capital was 735,079,031 ordinary no par value shares.

In terms of the general authority granted at the shareholder's meeting on 13 May 2013, the authorised but unissued ordinary share capital of the Company representing not more than 5% of the issued share capital of the Company as at 11 February 2013, after setting aside so many ordinary shares as may be required to be allotted and issued pursuant to the share incentive scheme, was placed under the control of the directors. This authority expires at the next annual general meeting where shareholders will be asked to place under the control of the directors the authorised but unissued ordinary share capital of the Company representing not more than 5% of the issued share capital of the Company from time to time.

On 5 November 2013 the shareholders approved the issue of 150 million ordinary shares, or such number of shares that represent 17% of the issued capital, on a fully diluted basis for the acquisition of the Cooke operations.

Repurchase of shares

The Company has not exercised the general authority granted to buy back shares from its issued ordinary share capital granted at the shareholders' meeting held on 13 May 2013.
At the next annual general meeting, shareholders will be asked to review the general authority for the acquisition by the Company, or a subsidiary of the Company, of its own shares.

independent auditor's report

for the year ended 31 December 2013

To the Shareholders of Sibanye Gold Limited

We have audited the consolidated financial statements of Sibanye Gold Limited, which comprise the consolidated statement of financial position at 31 December 2013, and the consolidated income statement and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the consolidated financial statements which include a summary of significant accounting policies and other explanatory notes, as set out on pages 86 to 149.

Directors' Responsibility for the Financial Statements

The Company's directors are responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the consolidated financial position of Sibanye Gold Limited at 31 December 2013, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Other Reports Required by the Companies Act

As part of our audit of the consolidated financial statements for the year ended 31 December 2013, we have read the Directors' Report, the Audit Committee's Report and the Corporate Secretary's Confirmation for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited consolidated financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

KPMG Inc.
Registered Auditor

Per Jacques Erasmus
Chartered Accountant (SA)
Registered Auditor
Director
25 April 2014

85 Empire Road
Parktown
2193
Gauteng
South Africa

remuneration report

for the year ended 31 December 2013

It is the Remuneration Committee's role and responsibility to ensure that the remuneration arrangements for executive directors and senior executives offer an incentive to enhance the Group's performance and deliver responsibly on the Group's strategy. The Remuneration Committee also needs to ensure that the actual rewards received by the executive directors are proportionate to levels of performance achieved and the returns received by shareholders. The Remuneration Committee gives full consideration to the Group's priorities, its performance and shareholder interests.

Sibanye believes it is important that the structure and level of remuneration and reward are consistent across the Group and competitive within the operating market. Our remuneration structures are benchmarked against our peers and we operate comprehensive performance-based reward systems to retain and also attract the best people.

All information disclosed in this Remuneration Report for the year ended 31 December 2013 was in compliance with remuneration policies set by the Remuneration Committee. The Remuneration Committee reviewed the performance measures for the Group's incentive plans during 2013 to reposition alignment with the Group strategy.

It should be noted that no information was disclosed in this Remuneration Report for the years prior and up to 31 December 2012 as such information was in respect of the Gold Fields' senior executives and not that of Sibanye as a standalone independent company. Sibanye's senior executives were only appointed after the unbundling of Gold Fields, which took place on 18 February 2013.

2013 REMUNERATION POLICY

The key principles of Sibanye's remuneration policy are to:

- support the execution of the Group's business strategy;
- provide competitive rewards to attract, motivate and retain highly skilled executives;
- motivate and reinforce individual, team and business performance; and
- ensure Sibanye's remuneration arrangements are equitable and facilitate the deployment of people across the Group's operations.

At Sibanye, one of the critical drivers of performance is the Total Reward strategy. The Total Reward strategy forms an integral part of the people strategy and promotes a holistic total reward approach of combining all elements of remuneration with other elements of reward to attract, retain and motivate employees. The principle of performance-based remuneration is one of the cornerstones of the reward strategy. The reward strategy is also underpinned by sound remuneration management and governance principles which are promoted across Sibanye in order to ensure the consistent application of the reward strategy and policies.

The Group's reward strategy includes the following elements:

- Guaranteed remuneration
- Benefits
- Cash bonus
- Bonus shares
- Performance shares

REMUNERATION MIX

Sibanye's remuneration philosophy is aimed at attracting and retaining motivated, high-calibre employees aligned with the interests of shareholders. Such alignment is achieved through an appropriate mix of guaranteed and performance-based remuneration (variable pay), which provides for differentiation between high, average and low performers. The pay mix of guaranteed and variable remuneration differs according to the level of the individual in the Group. Generally, more senior employees' remuneration will consist of a higher portion of variable pay as a percentage of their total package. The maximum at-risk rewards that could be earned are twice the on-target percentages for both the annual bonus and performance shares.

The remuneration policy aligns senior executives' interests with shareholders by promoting and measuring performance that drives long-term growth and sustained shareholder value. The following remuneration mix for the period under review was approved by the Remuneration Committee for 2013.

Role	Total	Guaranteed pay	Cash bonus	Bonus shares	Performance shares
CEO	100%	36%	24%	16%	24%
CFO	100%	39%	23%	15%	23%
COO	100%	41%	22%	15%	22%
SVP	100%	43%	21.5%	14%	21.5%

GUARANTEED REMUNERATION

Sibanye endeavours to reward its people fairly and consistently according to their role and individual contribution to the Group. To achieve external equity and a competitive total remuneration position, Sibanye surveys the relevant markets regularly.

The benchmark for guaranteed remuneration is the market median levels within the relevant gold mining companies and other comparable mining companies.

Guaranteed remuneration levels are reviewed annually by the Remuneration Committee, taking into account the Group's performance, change in responsibility, levels of increase based on market trends and inflation. The Remuneration Committee also considers the impact of any guaranteed remuneration increase on the total remuneration package.

ANNUAL BONUS

Executive directors are able to earn bonuses of 60% (for the CFO) and 65% (for the CEO) of their salaries for on-target performance, which is a combination of Group and individual performance. The annual bonus could increase above 60% and 65% if stretch targets are achieved. The maximum earning potential is capped at two times the on-target bonus percentage.

The targets for annual bonus are set by the Remuneration Committee. In the case of the CEO and CFO, 90% of the annual bonus is based on Group objectives and the remaining 10% on individual objectives.

In 2013 annual bonuses were based on targets approved in advance by the Remuneration Committee, comprising a combination of Group and Operational objectives taking account of the Group's business plans. For the year ended 31 December 2013, the Group performance measures for the senior executives were set by the Remuneration Committee and the weightings were as follows:

- Safety 10%;
- Production (Volume) 20%;
- Cost 30%; and
- Quality (Grade) 40%.

Aside from these four key drivers, the CEO and CFO were also assessed on personal objectives. Personal objectives are set every year for each executive based on key performance areas and are approved at the beginning of each year by the Remuneration Committee. The personal objectives are centred on three themes: Operational Excellence, Growing Sibanye Gold and Securing Our Future.

For the year ended 31 December 2013, the Sibanye Group performance measures for executive directors and senior executive were:

Corporate performance 2013	Weight	Actual	Target	Achieved
	%		+100%	%
Reduce fatalities	5.0	9	14.40	200
Reduce LTIFR rate	2.5	6.13	6.21	112
Reduce SIFR rate	2.5	3.50	3.30	46
Primary on-reef development (m)	10.0	12,260	13,660	32
Primary off-reef development (m)	10.0	42,353	39,473	149
Cost of ore milled – R/ton (underground)	30.0	1,636	1,893	191
Grade and quality – gold produced (kg)	40.0	44,474	40,799	160
	100.0			153

remuneration report continued

for the year ended 31 December 2013

In addition to Group performance as determined by the above scorecard, individual performance is also considered in determining the annual performance incentive award. The CEO develops specific individual objectives with his direct reports at the beginning or prior to the beginning of each year. These objectives are then reviewed with the Remuneration Committee and form the basis upon which the executives' performance will be reviewed at the end of the year.

Based on the bonus accrued for the year ended 31 December 2013, the annual bonus as a percentage of guaranteed pay paid to directors and prescribed officers of Sibanye in February 2014 was:

Name	Actual 2013 Annual Incentive
Executive directors	
Neal Froneman	107.1%
Charl Keyter	91.5%
Prescribed officers	
Shadwick Bessit	75.4%
Hartley Dikgale [1]	50.4%
Cain Farrel	60.0%
Dawie Mostert	71.9%
Adam Mutshinya	71.4%
Peter Turner	92.8%
Robert van Niekerk [2]	76.9%
James Wellsted	75.4%

[1] Appointed as a prescribed officer on 1 May 2013, however bonus percentage calculated on full annual pay

[2] Appointed as a prescribed officer on 1 February 2013, however bonus percentage calculated on full annual pay

Directors' fees

In terms of the MOI, the fees for services as non-executive directors are determined by the Company's shareholders at a general meeting.

	Per annum
The Chair of the Board	R1,500,000
The Chair of the Audit Committee	R287,000
The Chairs of the Nominating and Governance Committee, Remuneration Committee, Social and Ethics Committee and Safety, Health and Sustainable Development Committee (excluding the Chairman of the Board)	R177,000
Members of the Board (excluding the Chairman of the Board)	R793,000
Members of the Audit Committee (excluding the Chairman of the Board)	R149,000
Members of the Nominating and Governance Committee, Remuneration Committee, Social and Ethics Committee and Safety, Health and Sustainable Development Committee (excluding the Chairman of the Board)	R112,000

Non-executive directors' fees, executive directors and prescribed officers' remuneration

The directors and prescribed officers of Sibanye were paid the following remuneration during the year ended 31 December 2013:

	Directors' fees (R'000)	Committee fees (R'000)	Salary (R'000)	Annual bonus accrued for the period ending 31 December 2013 paid in 2014 (R'000)	Shares proceeds and dividends on Bonus Shares (R'000)	Pension scheme total contributions (R'000)	Expense allowance (R'000)	For the period ended 31 December 2013 (R'000)	For the period ended 31 December 2012 (R'000)
Executive directors									
Neal Froneman	–	–	6,300	7,500	–	700	125	14,625	–
Charl Keyter [1]	–	–	3,100	3,203	109	438	50	6,900	749
Prescribed officers	–	–							
Shadwick Bessit [2]	–	–	2,966	2,577	14	513	–	6,070	–
Hartley Dikgale [3]	–	–	1,544	1,208	–	100	–	2,852	–
Cain Farrel	–	–	1,636	1,201	92	364	–	3,293	–
Dawie Mostert	–	–	1,810	1,725	–	315	–	3,850	–
Adam Mutshinya	–	–	2,015	1,714	25	256	–	4,010	–
Peter Turner [1,2]	–	–	4,636	5,000	469	808	–	10,913	13,745
Robert van Niekerk [4]	–	–	2,945	2,697	250	322	–	6,214	–
James Wellsted	–	–	2,323	1,959	–	390	–	4,672	–
Non-executive directors									
Timothy Cumming [5]	676	246	–		–	–	56	978	–
Barry Davidson [5]	676	342	–		–	–	–	1,018	–
Rick Menell	793	352	–		–	–	–	1,145	–
Sello Moloko	1,500	–	–		–	–	39	1,539	–
Nkosemntu Nika [5]	676	223	–		–	–	–	899	–
Keith Rayner	793	408	–		–	–	–	1,201	–
Zola Skweyiya [6]	198	–	–		–	–	4	202	–
Sue van der Merwe [5]	676	223	–		–	–	–	899	–
Jerry Vilakazi	793	299	–		–	–	–	1,092	–
Total	**6,781**	**2,093**	**29,275**	**28,784**	**959**	**4,206**	**274**	**72,372**	**14,494**

[1] Charl Keyter and Peter Turner were directors of Sibanye during 2012.

[2] Remuneration for January 2013 paid through Gold Fields Group Services, however, included above.

[3] Appointed as a prescribed officer on 1 May 2013.

[4] Appointed as a prescribed officer on 1 February 2013.

[5] Appointed as a non-executive director on 21 February 2013

[6] Appointed as a non-executive director on 1 October 2013

remuneration report continued

for the year ended 31 December 2013

Directors and prescribed officers' equity-settled instruments

The directors and prescribed officers of Sibanye held the following Sibanye equity-settled instruments at 31 December 2013:

	*Equity-settled instruments at unbundling	Equity-settled instruments granted during the year	Equity-settled instruments forfeited during the year	Equity-settled instruments exercised during the year			Equity-settled instruments at 31 December 2013
	Number	Number	Number	Number	Average price	Share proceeds in Rands	Number
Executive Directors							
Neal Froneman	1,190,713	531,542	–	–	–	–	1,722,255
Charl Keyter	158,727	424,178	6 806	7,678	11.70	87,850	568,421
Prescribed Officers							
Shadwick Bessit	127,737	238,118	–	–	–	–	365,855
Hartley Dikgale	–	124,223	–	–	–	–	124,223
Cain Farrel	112,235	194,852	4,792	6,282	11.53	77,170	296,013
Dawie Mostert	–	130,840	–	–	–	–	130,840
Adam Mutshinya	80,275	241,501	–	656	11.08	7,316	321,120
Peter Turner	617,087	538,391	15,831	30,412	13.01	397,507	1,109,235
Robert van Niekerk	400,234	446,987	8,514	17,243	11.84	198,720	821,464
James Wellsted	–	177,180	–	–	–	–	177,180

* Unbundling of Sibanye resulted in the conversion of Gold Fields equity-settled instruments to Sibanye equity-settled instruments

To ensure that Sibanye's remuneration policy fully supports the Group's commitment to high performance and to continue to attract high-calibre talent, remuneration levels must be competitive, but oriented more towards variable performance-based incentives that provide reward only where robust performance hurdles are met to increase shareholder value.

All scheme rules and targets are regularly reviewed by the Remuneration Committee to ensure they remain relevant and effective in enabling Sibanye business objectives by driving appropriate behaviours and providing retention incentives.

Share ownership of Directors and prescribed officers

The following sets forth, to the knowledge of Sibanye's management, the total amount of ordinary shares of Sibanye directly or indirectly owned by the Directors and Prescribed Officers as at end December, 2013:

Holder	Ordinary Shares
Executive Directors	
Charl Keyter	48,040
Prescribed Officers	
Cain Farrel	26,436
Peter Turner	347,419
James Wellsted	33,016
Non-executive Directors	
Timothy Cumming	100
Rick Menell	44,800
Keith Rayner	70,000

The Sibanye Gold Limited 2013 Share Plan

Sibanye has in place a share plan for certain of its employees, the Sibanye Gold Limited 2013 Share Plan (the SGL Share Plan). The SGL Share Plan consists of two equity instruments:
(i) performance shares and
(ii) restricted shares (bonus shares).

(i) Performance shares

The Remuneration Committee makes an annual conditional award of shares to the CEO, CFO, COO, SVPs and Vice Presidents (VPs). The number of performance shares awarded to an employee is based on the employee's annual guaranteed pay, grade and performance. The actual number of performance shares which vest is determined by Sibanye's share price performance measured against the performance of a peer group, being Harmony Gold Mining Company Limited, Pan African Resources PLC and Gold One International Limited, over a performance period of 3 years. This peer group is determined and approved by the Remuneration Committee. The performance shares, which vest, are based on the relative change in the Sibanye share price compared to the respective share prices of the individual companies within the peer group and with discretion allowed due to the small sample size. For any performance share award to be settled to executives, an internal company performance target is required to be met before the external relative measure is applied. The target performance criterion is set at 85% of Sibanye's expected gold production over the three-year measurement period as set out in the business plans of Sibanye as approved by the Board. Only once the internal measure has been achieved, will the external measure (Sibanye's share price performance measured against the abovementioned peer group) be applied to determine the scale of the vesting of awards of performance shares.

(ii) Bonus shares

The Committee makes an annual conditional award of shares to each executive director and senior executive. The size of the award depends on the individual's annual cash bonus, which is determined by actual performance against predetermined targets. Two-thirds of the annual bonus is allocated in the form of restricted Bonus Shares and the balance is paid out in cash. The Bonus Shares vest in two equal parts at 9 months and 18 months after the award date. Dividends are payable on the Bonus Shares during the holding period.

The Sibanye Gold Limited Phantom Share Scheme

On 14 May 2013 the Remuneration Committee approved a proposal to limit the issuance of share options under the SGL Share Plan to senior management only. For 2013, middle and certain senior management, who previously participated in the equity-settled share option scheme, participated in a new cash-settled share scheme, the Sibanye Gold 2013 Phantom Share Scheme (the SGL Phantom Scheme). Notwithstanding that the SGL Phantom Scheme is not subject to the JSE Listings Requirements (as it is a purely cash-settled remuneration scheme), the SGL Share Plan rules apply, in all material aspects, to the SGL Phantom Scheme, other than the issue of actual ordinary shares to participants.

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 60 in the contract). Sibanye can also terminate the executive director's employment summarily for any reason recognised by law as justifying summary termination.

The employment contracts also 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, and within 12 months of the change of control, the director is entitled to:

(i) payment of an amount equal to twice his GRP, or two and a half times in the case of the CEO;
(ii) payment of an amount equal to the average of the incentive bonuses paid to the executive director during the previous two completed financial years;
(iii) any other payments and/or benefits due under the contracts;
(iv) payment of any annual incentive bonus he has earned during the financial year notwithstanding that the financial year is incomplete;
(v) an entitlement, for two years after the date of termination, subject to the relevant rules of the Sibanye Gold Limited Incentive Scheme then in force, to retain and to exercise all share options vested to him; and
(vi) an entitlement to be settled restricted shares allocated and awarded to him, subject to the rules of the Sibanye Gold Limited Share Plan then in force.

The employment contracts further provide that these payments cover any compensation or damages the executive director may have under any applicable employment legislation.

A "change of control" for the above is defined as the acquisition by a third party or concert parties of 30% or more of Sibanye 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.

The Remuneration Committee resolved to discontinue the compensation entitlement in the event of change of control for senior executives appointed from 1 January 2013. The senior executives who are currently entitled to the change of control compensation benefits will be grandfathered.

Directors' and officers' disclosure of interests in contracts

During the year under review, no contracts were entered into in which directors and officers of the company had an interest and which significantly affected the business of the Group.

consolidated income statement

for the year ended 31 December 2013

US dollar		Figures in million		SA rand	
2012	**2013**		Notes	**2013**	2012
2,021.2	**2,013.7**	Revenue	3	**19,331.2**	16,553.5
(1,610.1)	**(1,570.5)**	Cost of sales	4	**(15,077.2)**	(13,186.6)
411.1	**443.2**	**Net operating profit**		**4,254.0**	3,366.9
12.9	**16.7**	Investment income	5	**160.3**	105.5
(21.6)	**(43.8)**	Finance expense	6	**(420.3)**	(176.7)
(32.2)	**(31.9)**	Share-based payments	7	**(305.8)**	(263.5)
11.4	**5.4**	Share of results of equity-accounted investees after taxation	14	**51.5**	93.1
1.7	**(0.5)**	(Loss)/gain on financial instruments		**(4.6)**	13.8
0.1	**6.7**	Gain on foreign exchange differences		**24.0**	1.2
30.1	**22.8**	Other income	8	**219.3**	247.2
(44.9)	**(32.8)**	Other costs		**(314.9)**	(368.5)
–	**(89.7)**	Impairment	12	**(821.0)**	–
0.3	**0.6**	Profit on disposal of property, plant and equipment		**5.5**	2.4
–	**(3.1)**	Loss on loss of control of subsidiary	13	**(30.2)**	–
–	**(1.0)**	Transaction costs		**(9.3)**	–
(15.2)	**(45.8)**	Restructuring costs		**(439.4)**	(124.1)
353.7	**246.8**	**Profit before royalties and taxation**		**2,369.1**	2,897.3
(34.4)	**(43.2)**	Royalties	9.1	**(414.6)**	(282.1)
319.3	**203.6**	**Profit before taxation**		**1,954.5**	2,615.2
44.6	**(26.7)**	Mining and income taxation	9.2	**(256.2)**	365.0
363.9	**176.9**	**Profit for the year**		**1,698.3**	2,980.2
		Attributable to:			
363.8	**176.3**	Owners of Sibanye		**1,692.4**	2,979.6
0.1	**0.6**	Non-controlling interests		**5.9**	0.6
		Earnings per share attributable to owners of Sibanye			
36,380,000	**27**	Basic earnings per share – cents	10.1	**260**	297,960,000
36,380,000	**27**	Diluted earnings per share – cents	10.2	**255**	297,960,000
8.19	**9.60**	Average exchange rate R/US$1			

The accompanying notes form an integral part of these consolidated financial statements.

The audited consolidated financial statements for the year ended 31 December 2013 have been prepared by the corporate accounting staff of Sibanye Gold Limited, headed by Pieter Henning, Vice President Corporate Finance. This process was supervised by Charl Keyter, the Group's CFO.

consolidated statement of comprehensive income

for the year ended 31 December 2013

US dollar		Figures in million	SA rand	
2012	**2013**		**2013**	2012
363.9	**176.9**	Profit for the year	**1,698.3**	2,980.2
69.6	**(111.0)**	Other comprehensive income net of taxation	**–**	–
69.6	**(111.0)**	Currency translation adjustments on convenience translation [1]	**–**	–
433.5	**65.9**	**Total comprehensive income for the year**	**1,698.3**	2,980.2
		Attributable to:		
433.4	**65.3**	Owners of Sibanye	**1,692.4**	2,979.6
0.1	**0.6**	Non-controlling interests	**5.9**	0.6
8.19	**9.60**	Average exchange rate R/US$1		

[1] The currency translation arises on the convenience translation of the SA rand amounts to US dollar. These gains/(losses) will never be reclassified to profit or loss.

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated financial statements

consolidated statement of financial position

as at 31 December 2013

US dollar		Figures in million		SA rand	
2012	**2013**		Notes	**2013**	2012
		ASSETS			
2,094.7	**1,672.2**	**Non-current assets**		**17,289.9**	17,950.6
1,911.0	**1,465.3**	Property, plant and equipment	12	**15,151.0**	16,376.1
25.5	**26.6**	Equity-accounted investments	14	**275.1**	218.6
0.2	**0.1**	Investments	15	**1.4**	1.5
155.3	**153.6**	Environmental rehabilitation obligation funds	16	**1,588.1**	1,331.1
–	**23.1**	Financial guarantee asset	17	**238.5**	–
2.7	**3.5**	Deferred taxation	23	**35.8**	23.3
203.9	**261.7**	**Current assets**		**2,705.0**	1,747.1
40.7	**18.1**	Inventories	18	**187.1**	348.9
65.2	**94.3**	Trade and other receivables	19	**973.8**	558.3
–	**5.0**	Current portion of financial guarantee asset	17	**51.7**	–
64.0	**–**	Related-party receivables	20	**–**	548.1
34.0	**144.3**	Cash and cash equivalents	21	**1,492.4**	291.8
2,298.6	**1,933.9**	**Total assets**		**19,994.9**	19,697.7
		EQUITY AND LIABILITIES			
(1,128.1)	**911.2**	Equity attributable to owners of Sibanye		**9,421.2**	(9,668.1)
–	**1,955.3**	Stated share capital[1]		**17,245.8**	–
767.6	**678.8**	Other reserves		**2,643.3**	2,429.9
(1,895.7)	**(1,722.9)**	Accumulated loss		**(10,467.9)**	(12,098.0)
(0.5)	**0.2**	Non-controlling interest		**2.2**	(4.6)
(1,128.6)	**911.4**	**Total equity**		**9,423.4**	(9,672.7)
926.9	**675.1**	**Non-current liabilities**		**6,980.0**	7,942.3
488.4	**361.3**	Deferred taxation	23	**3,735.4**	4,185.5
233.5	**144.2**	Borrowings	24	**1,491.4**	2,000.0
202.9	**160.6**	Environmental rehabilitation obligation	25	**1,660.7**	1,739.1
2.1	**1.6**	Post-retirement healthcare obligation	26	**16.3**	17.7
–	**7.4**	Share-based payment obligations	7	**76.2**	–
2,500.3	**347.4**	**Current liabilities**		**3,591.5**	21,428.1
206.6	**200.5**	Trade and other payables	27	**2,073.0**	1,769.6
22.8	**20.0**	Financial guarantee liability	17	**206.6**	196.4
11.2	**74.2**	Taxation and royalties payable		**767.2**	96.6
259.0	**48.3**	Current portion of borrowings	24	**499.5**	2,220.0
–	**4.4**	Current portion of share-based payment obligations	7	**45.2**	–
2 000.7	**–**	Related-party payables	28	**–**	17,145.5
2,298.6	**1,933.9**	**Total equity and liabilities**		**19,994.9**	19,697.7
8.57	**10.34**	Closing exchange rate R/US$1			

[1] Stated share capital as at 31 December 2012 is a nominal amount of R1,000 (US$157) and shown as zero due to rounding.

The accompanying notes form an integral part of these consolidated financial statements.

consolidated statement of changes in equity

for the year ended 31 December 2013

SA rand (Figures in million)	Stated share capital[1] (Note 22)	Foreign currency translation adjustment	Share-based payment reserve	Accumulated loss[2]	Equity attributable to owners of Sibanye	Non-controlling interests	Total equity
Balance at 31 December 2011	–	–	2,166.4	(14,136.1)	(11,969.7)	(5.9)	(11,975.6)
Total comprehensive income for the year	–	–	–	2,979.6	2,979.6	0.6	2,980.2
Profit for the year	–	–	–	2,979.6	2,979.6	0.6	2,980.2
Other comprehensive income	–	–	–	–	–	–	–
Share-based payments	–	–	263.5	–	263.5	–	263.5
Dividends paid	–	–	–	(731.3)	(731.3)	–	(731.3)
Transaction with non-controlling interests	–	–	–	–	–	0.7	0.7
Transaction with shareholder	–	–	–	(210.2)	(210.2)	–	(210.2)
Balance at 31 December 2012	**–**	**–**	**2,429.9**	**(12,098.0)**	**(9,668.1)**	**(4.6)**	**(9,672.7)**
Total comprehensive income for the year	–	–	–	1,692.4	1,692.4	5.9	1,698.3
Profit for the year	–	–	–	1,692.4	1,692.4	5.9	1,698.3
Other comprehensive income	–	–	–	–	–	–	–
Share-based payments	–	–	213.4	–	213.4	–	213.4
Share subscription	17,245.8	–	–	–	17,245.8	–	17,245.8
Dividends paid	–	–	–	(271.9)	(271.9)	–	(271.9)
Transaction with non-controlling interests	–	–	–	–	–	3.0	3.0
Loss of control of subsidiary (refer to note 13)	–	–	–	–	–	(2.1)	(2.1)
Transaction with shareholder	–	–	–	209.6	209.6	–	209.6
Balance at 31 December 2013	**17,245.8**	**–**	**2,643.3**	**(10,467.9)**	**9,421.2**	**2.2**	**9,423.4**
US dollar (Figures in million)							
Balance at 31 December 2011	–	369.7	296.1	(2,138.1)	(1,472.3)	(0.7)	(1,473.0)
Total comprehensive income for the year	–	69.6	–	363.8	433.4	0.1	433.5
Profit for the year	–	–	–	363.8	363.8	0.1	363.9
Other comprehensive income	–	69.6	–	–	69.6	–	69.6
Share-based payments	–	–	32.2	–	32.2	–	32.2
Dividends paid	–	–	–	(95.5)	(95.5)	–	(95.5)
Transaction with non-controlling interests	–	–	–	–	–	0.1	0.1
Transaction with shareholder	–	–	–	(25.9)	(25.9)	–	(25.9)
Balance at 31 December 2012	**–**	**439.3**	**328.3**	**(1,895.7)**	**(1,128.1)**	**(0.5)**	**(1,128.6)**
Total comprehensive income for the year	–	(111.0)	–	176.3	65.3	0.6	65.9
Profit for the year	–	–	–	176.3	176.3	0.6	176.9
Other comprehensive income	–	(111.0)	–	–	(111.0)	–	(111.0)
Share-based payments	–	–	22.2	–	22.2	–	22.2
Share subscription	1,955.3	–	–	–	1,955.3	–	1,955.3
Dividends paid	–	–	–	(27.1)	(27.1)	–	(27.1)
Transaction with non-controlling interests	–	–	–	–	–	0.3	0.3
Loss of control of subsidiary (refer to note 13)	–	–	–	–	–	(0.2)	(0.2)
Transaction with shareholder	–	–	–	23.6	23.6	–	23.6
Balance at 31 December 2013	**1,955.3**	**328.3**	**350.5**	**(1,722.9)**	**911.2**	**0.2**	**911.4**

[1] Stated share capital as at 31 December 2012 is a nominal amount of 1,000 shares of R1,000 (US$157) and shown as zero due to rounding.

[2] The distributable reserve, "Transactions with non-controlling interests" of R3,648.5 million (US$512.1 million) previously included in other reserves has been combined with Accumulated loss to indicate the nature of the reserve, with effect from 31 December 2011.

consolidated statement of cash flows

for the year ended 31 December 2013

US dollar		Figures in million		SA rand	
2012	**2013**		Notes	**2013**	2012
		CASH FLOWS FROM OPERATING ACTIVITIES			
668.8	**716.7**	Cash generated by operations	29	**6,840.0**	5,477.4
(0.1)	**(0.3)**	Post-retirement health care payments		**(2.7)**	(1.2)
–	**(0.4)**	Cash-settled share-based payments paid	7	**(3.9)**	–
(79.0)	**59.2**	Change in working capital	30	**568.7**	(648.0)
589.7	**775.2**	**Cash generated from operating activities**		**7,402.1**	4,828.2
4.3	**6.6**	Interest received		**63.3**	35.3
(14.3)	**(34.0)**	Interest paid		**(326.3)**	(116.9)
–	**5.0**	Guarantee fees received	17.1	**47.0**	–
(50.5)	**(25.9)**	Royalties paid	31	**(249.0)**	(413.7)
(119.7)	**(31.8)**	Taxation paid	32	**(304.8)**	(980.4)
(95.5)	**(27.1)**	Dividends paid		**(271.9)**	(731.3)
314.0	**668.0**	**Net cash from operating activities**		**6,360.4**	2,621.2
		CASH FLOWS FROM INVESTING ACTIVITIES			
(379.4)	**(302.2)**	Additions to property, plant and equipment	12	**(2,901.5)**	(3,106.9)
0.6	**0.7**	Proceeds on disposal of property, plant and equipment		**6.9**	5.2
(3.0)	**(17.9)**	Contributions to environmental rehabilitation obligation funds		**(172.3)**	(24.3)
–	**(1.1)**	Payment of environmental rehabilitation obligation		**(10.5)**	–
–	**0.6**	Cash flow on loss of control of subsidiary	13	**5.9**	–
(381.8)	**(319.9)**	**Net cash used in investing activities**		**(3,071.5)**	(3,126.0)
		CASH FLOWS FROM FINANCING ACTIVITIES			
–	**1,955.3**	Proceeds from shares issued on unbundling	12	**17,245.8**	–
–	**(1,025.0)**	Loans repaid		**(9,840.0)**	–
515.3	**793.8**	Loans raised		**7,620.0**	4,220.0
(521.7)	**(1,939.7)**	Related-party loans repaid		**(17,108.0)**	(4,272.4)
59.4	**–**	Related-party loans raised		**–**	486.2
–	**(0.9)**	Financing costs capitalised		**(9.1)**	–
–	**0.3**	Proceeds on shares issued to non-controlling interests		**3.0**	–
53.0	**(216.2)**	**Net cash (used in)/flows from financing activities**		**(2,088.3)**	433.8
(14.8)	**131.9**	Net increase/(decrease) in cash and cash equivalents		**1,200.6**	(71.0)
4.2	**(21.6)**	Effect of exchange rate fluctuation on cash held		**–**	–
44.6	**34.0**	Cash and cash equivalents at the beginning of the year		**291.8**	362.8
34.0	**144.3**	**Cash and cash equivalents at the end of the year**	21	**1,492.4**	291.8
8.19	**9.60**	Average exchange rate R/US$1			
8.57	**10.34**	Closing exchange rate R/US$1			

The accompanying notes form an integral part of these consolidated financial statements.

notes to the consolidated financial statements

for the year ended 31 December 2013

1. ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. Where an accounting policy is specific to a note, the policy is described in the note which it relates to. These policies have been consistently applied to all the periods presented, except for the adoption of new and revised standards and interpretations.

1.1 REPORTING ENTITY

Sibanye Gold Limited (Sibanye or the Company) is a South African focused gold producer, listed on the JSE Limited and New York Stock Exchange (NYSE), following the unbundling by Gold Fields Limited (Gold Fields), of its wholly-owned subsidiary, Sibanye on 18 February 2013 (the Unbundling date). Sibanye's principal operations are the Kloof, Driefontein and Beatrix Operations as well as a number of service company subsidiaries, collectively referred to as the Group.

Sibanye was a wholly-owned subsidiary of Gold Fields for the year ended 31 December 2012.

On 1 February 2013, Gold Fields subscribed for a further 731,647,614 shares in Sibanye at a subscription price of R17,246 million (US$1,955 million). Sibanye used R17,108 million (US$1,940 million) of the proceeds to repay the GFL Mining Services Limited (GFLMS) loan.

Sibanye began trading on 11 February 2013 on the JSE and the NYSE. The entire issued share capital of Sibanye was unbundled to existing Gold Fields shareholders on 18 February 2013, by way of a distribution in specie in accordance with section 46 of the Companies Act, section 46 of the Income Tax Act and the JSE Listings Requirements. The Sibanye shares were unbundled in a ratio of 1:1 with Gold Fields shares and resulted in Gold Fields' shareholders holding two separate shares; a Sibanye share as well as their original Gold Fields share. Subsequent to the unbundling Sibanye is an independent, publicly traded company with a new board of directors and management.

1.2 BASIS OF PREPARATION

The financial statements of the Group have been prepared on a going concern basis in accordance with International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, as well as the requirements of the South African Companies Act and JSE Listing Requirements. The consolidated financial statements have been prepared under the historical cost convention, except for available-for-sale financial assets, and financial assets and liabilities (including derivative instruments), which are measured at fair value through profit or loss or through the fair financial value adjustment reserve in equity.

Standards, interpretations and amendments to published standards effective for the year ended 31 December 2013

During the financial year, the following new and revised accounting standards and amendments to standards became effective and had no impact on the Group's financial statements:

Pronouncement	Title	Effective date
IAS 1 (Amendment)	Presentation of Financial Statements: Presentation of Items of Other Comprehensive Income	1 July 2012
IAS 19 (Amendment)	Employee Benefits: Defined Benefit Plans	1 January 2013
IAS 27 (Revision)	Separate Financial Statements (2011)	1 January 2013
IAS 28 (Amendment)	Investments in Associates and Joint Ventures (2011)	1 January 2013
IFRS 7 (Amendment)	Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
IFRS 11 (New Standard)	Joint Arrangements	1 January 2013
IFRS 13 (New Standard)	Fair Value Measurement	1 January 2013
IFRIC 20 (New Interpretation)	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

notes to the consolidated financial statements

continued

for the year ended 31 December 2013

1. ACCOUNTING POLICIES (continued)

1.2 BASIS OF PREPARATION (continued)

During the financial year, the following new and revised accounting standards and amendments to standards became effective and have an impact on the Group's financial statements:

Pronouncement	Title	Effective date
IFRS 10 (New Standard)	*Consolidated Financial Statements* • IFRS 10 introduces a new approach to determining which investees should be consolidated and provides a single model to be applied in the control analysis for all investees; • Control is reassessed as facts and circumstances change; and • IFRS 10 supersedes IAS 27 (2008) and SIC-12 Consolidation – Special Purpose Entities. Refer to note 13 for the Substantive loss of control over a 60% controlled subsidiary, Living Gold Proprietary Limited. Management's assessment has found that none of the other entities controlled by the Group have been impacted by the standard.	1 January 2013
IFRS 12 (New Standard)	*Disclosure of Interests in Other Entities* IFRS 12 contains the disclosure requirements for entities that have interests in subsidiaries, joint arrangements (i.e. joint operations or joint ventures), associates and/or unconsolidated structured entities, aiming to provide information to enable users to evaluate: • The nature of, and risks associated with, an entity's interests in other entities; and • The effects of those interests on the entity's financial position, financial performance and cash flows. The impacts have been incorporated in the notes to the financial statements.	1 January 2013
Amendments to IFRS 10, IFRS 11 and IFRS 12	*Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance* The amendment clarifies the transition guidance in IFRS 10 Consolidated Financial Statements. The impacts have been incorporated in the notes to the financial statements.	1 January 2013
Various IFRSs	Annual improvements project is a collection of amendments to IFRS and are the result of conclusions reached by the Board on proposals made at its annual improvements project. The impacts have been incorporated in the notes to the financial statements.	1 January 2013

1. ACCOUNTING POLICIES (continued)

1.2 BASIS OF PREPARATION (continued)

Standards, interpretations and amendments to published standards which are not yet effective

Certain new standards, amendments and interpretations to existing standards have been published that apply to the Group's accounting periods beginning on or after 1 January 2014 but have not been early adopted by the Group. Other than disclosure, the impact of these standards are not expected to be significant. These standards, amendments and interpretations are:

Pronouncement	Title	Effective date
IFRS 9 (New standard)	IFRS 9 Financial Instruments (2009) introduces new requirements for the classification and measurement of financial assets. Under IFRS 9 (2009), financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows.	1 January 2015
IFRS 9 (New standard)	IFRS 9 Financial Instruments (2010) introduces additions relating to financial liabilities. The IASB currently has an active project to make limited amendments to the classification and measurement requirements of IFRS 9 and add new requirements to address the impairment of financial assets and hedge accounting.	To be decided
IAS 19 (Amendment)	*Defined Benefit Plans: Employee Contributions* The amendments introduce relief that will reduce the complexity and burden of accounting for certain contributions from employees or third parties. Such contributions are eligible for practical expediency if they are: • set out in the formal terms of the plan; • linked to service; and • independent of the number of years of service.	1 January 2015
IAS 32 (Amendment)	*Offsetting Financial Assets and Financial Liabilities* The amendments clarify that an entity currently has a legally enforceable right to set-off if that right is: • Not contingent on a future event; and • Enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all counterparties.	1 January 2014
IAS 36 (Amendment)	*Recoverable Amount Disclosures for Non-Financial Assets* The amendments reverse the unintended requirement in IFRS 13 Fair Value Measurement to disclose the recoverable amount of every cash-generating unit to which significant goodwill or indefinite-lived intangible assets have been allocated. Under the amendments, the recoverable amount is required to be disclosed only when an impairment loss has been recognised or reversed.	1 January 2014
IAS 39 (Amendment)	*Novation of Derivatives and Continuation of Hedge Accounting* IAS 39 Financial Instruments: Recognition and Measurement requires an entity to discontinue hedge accounting if the derivative hedging instrument is novated to a clearing counterparty, unless the hedging instrument is being replaced as part of the entity's original documented hedging strategy.	1 January 2014

* Effective date refers to annual period beginning on or after said date.

notes to the consolidated financial statements

continued

for the year ended 31 December 2013

1. ACCOUNTING POLICIES (continued)

1.2 BASIS OF PREPARATION (continued)

Significant accounting judgements and estimates

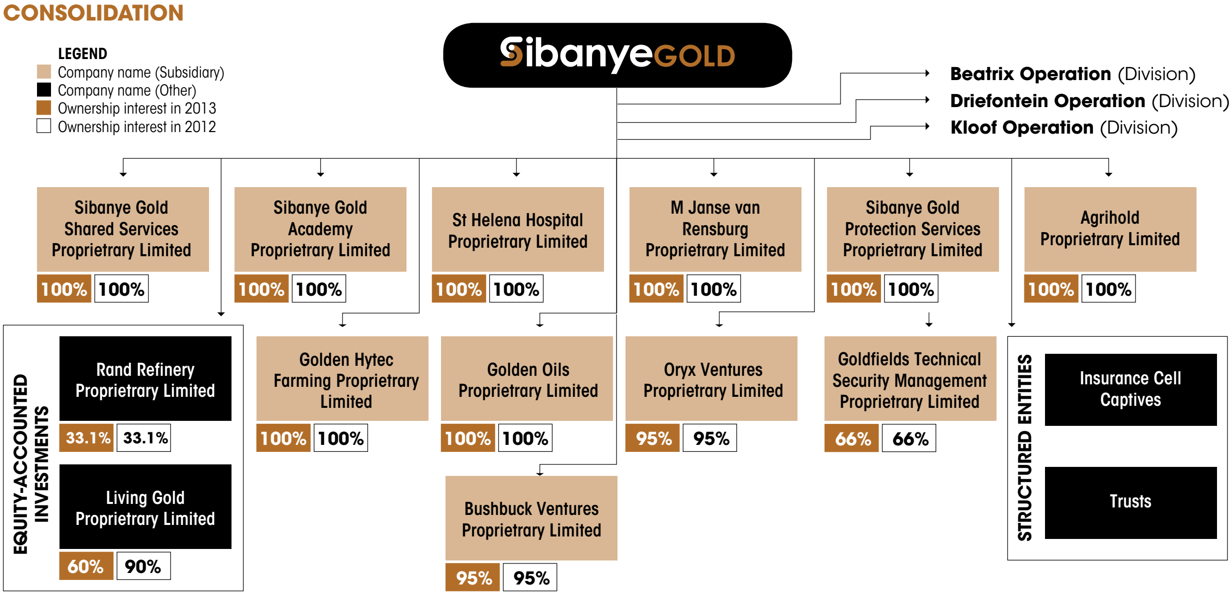
Use of estimates: The preparation of the financial statements requires the Group's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The determination of estimates requires the exercise of judgement based on various assumptions and other factors such as historical experience, current and expected economic conditions, and in some cases actuarial techniques. Actual results could differ from those estimates.

The more significant areas requiring the use of management estimates and assumptions relate to Mineral Reserves that are the basis of future cash flow estimates and unit-of-production depreciation, depletion and amortisation calculations; environmental, reclamation and closure obligations; asset impairments, write-downs of inventory to net realisable value; the fair value and accounting treatment of derivative financial instruments and deferred taxation.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the financial year are discussed under the relevant note of the item they affect.

1.3 CONSOLIDATION



(a) Beatrix, Driefontein and Kloof operations are divisions of Sibanye and not separate legal entities. These are also the Group's three main operating segments, refer to note 2.

(b) Although the Group owns 60% of Living Gold Proprietary Limited (Living Gold), the management of Living Gold have substantive control of the entity in terms of IFRS 10, refer to note 13.

(c) After the loss of control of Living Gold, refer to note 13, the R2.2 million (US$0.2 million) non-controlling interests in the statement of changes in equity relates to the attributable share of accumulated profits of Goldfields Technical Security Management Proprietary Limited.

(d) Sibanye has ceded and pledged its shares in Sibanye Gold Shared Services Proprietary Limited in favour of the lenders of the R4.5 billion Facilities as security, refer to note 24(a).

1. ACCOUNTING POLICIES (continued)

1.3 CONSOLIDATION (continued)

Business combinations

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a business is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. Subsequently, the carrying amount of non-controlling interest is the amount of the interest at initial recognition plus the non-controlling interest's share of the subsequent changes in equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit and loss.

Subsidiaries

Subsidiaries are all entities over which the Group exercises control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is obtained by the Group until the date on which control ceases.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Structured entities

Structured entities are those entities that have been designed so that voting (or similar) rights are not the dominant factor in deciding who controls the entity. Structured entities are consolidated by the Group.

Transactions with shareholders of Sibanye

Transactions with owners in the capacity as equity participants are not recognised in profit or loss, but instead are recognised in equity with a corresponding change in assets or liabilities.

Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests where control is not lost are also recorded in equity. Where control is lost over a subsidiary, the gains or losses are recognised in profit or loss.

1.4 FOREIGN CURRENCIES

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in South African Rand, which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement. Translation differences on available-for-sale equities are included in equity.

Additional US dollar information

The translation of the Group financial statements into US dollar is based on the average exchange rate for the year for the income statement and cash flow statement and the year-end closing exchange rate for statement of financial position items. Exchange differences on translation are accounted for in equity.

This information is provided as supplementary information only.

notes to the consolidated financial statements

continued

for the year ended 31 December 2013

1. ACCOUNTING POLICIES (continued)

1.5 COMPARATIVES

Where necessary, comparative periods may be adjusted to conform to changes in presentation.

The distributable reserve "Transactions with non-controlling interests" of R3,648.5 million (US$512.1 million) previously included in other reserves has been combined with Accumulated loss to indicate the nature of the reserve with effect from 31 December 2011.

With effect from 1 January 2013 the Group changed its classification of environmental rehabilitation inflation from operating costs to finance expenses to better reflect the nature of the expense as well as to align it with its peers. The previous comparative period has been reclassified to conform to the current year's presentation. This resulted in R49.8 million (US$6.1 million) for the year ended 31 December 2012 being reclassified from operating cost to finance expense. This reclassification had no effect on profit before royalties and taxation.

With effect from 1 January 2013 the Group has disclosed other income and other costs separately in order to enhance disclosure as they were previously disclosed as a net amount in other costs. The 31 December 2012 amount of R121.3 million (US$14.8 million), has been reclassified as other income R247.2 million (US$30.1 million) (refer to note 8) and other costs R368.5 million (US$44.9 million). This reclassification had no effect on profit before royalties and taxation.

The reclassifications have no impact on the opening balances of the statement of financial position, therefore no third statement of financial position has been prepared in terms of IAS 1.

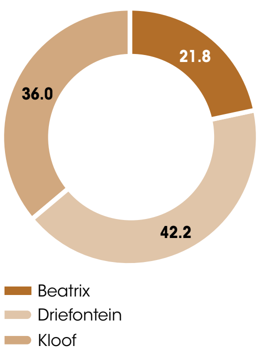
2. SEGMENT REPORTING

Accounting policy

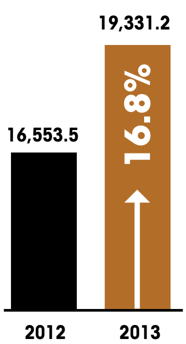
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker and is based on individual mining operations. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive committee that makes strategic decisions.

Subsequent to the unbundling from the Gold Fields group, management has presented the Driefontein and Kloof segments separately and not in aggregate as the Kloof Driefontein Complex (KDC), this is in line with how the information from these operations is reviewed by, and reported to the executive committee. The comparitive amounts for 2012, previously reported an aggregate of KDC has been split to conform to the current year's presentation.

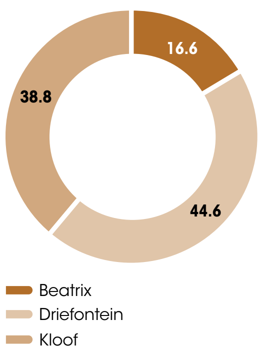
Revenue 2013 (%)



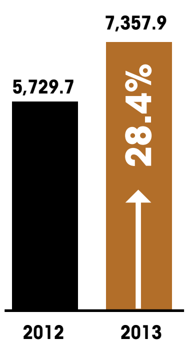
Revenue (R million)



Operating profit 2013 (%)



Operating profit (R million)



2. SEGMENT REPORTING (continued)

31 December 2012					SA rand	31 December 2013				
Corporate[1]	Beatrix	Kloof	Driefontein	Group	Figures in million	**Group**	**Driefontein**	**Kloof**	**Beatrix**	**Corporate[1]**
–	3,913.0	6,693.9	5,946.6	16,553.5	Revenue	**19,331.2**	**8,162.7**	**6,954.4**	**4,214.1**	**–**
–	(2,622.4)	(3,899.0)	(4,302.4)	(10,823.8)	Operating costs	**(11,973.3)**	**(4,881.2)**	**(4,100.7)**	**(2,991.4)**	**–**
–	1,290.6	2,794.9	1,644.2	5,729.7	**Operating profit**	**7,357.9**	**3,281.5**	**2,853.7**	**1,222.7**	**–**
(18.1)	(631.8)	(726.4)	(986.5)	(2,362.8)	Amortisation and depreciation	**(3,103.9)**	**(1,458.0)**	**(1,096.5)**	**(528.1)**	**(21.3)**
(18.1)	658.8	2 068.5	657.7	3,366.9	**Net operating profit**	**4,254.0**	**1,823.5**	**1,757.2**	**694.6**	**(21.3)**
11.2	19.3	36.8	38.2	105.5	Investment income	**160.3**	**55.0**	**47.4**	**27.5**	**30.4**
(5.3)	(29.9)	(78.5)	(63.0)	(176.7)	Finance expense	**(420.3)**	**(193.6)**	**(152.3)**	**(72.8)**	**(1.6)**
(105.6)	(42.3)	(43.5)	(72.1)	(263.5)	Share-based payments	**(305.8)**	**(61.1)**	**(47.2)**	**(41.8)**	**(155.7)**
164.5	(30.3)	(65.1)	(53.6)	15.5	Net other costs[2]	**(24.7)**	**(67.0)**	**(70.5)**	**(40.4)**	**153.2**
0.3	(8.0)	(58.4)	(84.3)	(150.4)	Non-recurring items[3]	**(1,294.4)**	**(159.5)**	**(125.6)**	**(900.1)**	**(109.2)**
–	(70.5)	(145.3)	(66.2)	(282.1)	Royalties	**(414.6)**	**(198.3)**	**(147.1)**	**(69.2)**	**–**
(24.4)	(121.5)	(306.3)	(22.6)	(474.8)	Current taxation	**(809.8)**	**(427.7)**	**(273.5)**	**(97.5)**	**(11.1)**
16.9	238.2	207.4	377.3	839.8	Deferred taxation	**553.6**	**174.0**	**18.3**	**336.3**	**25.0**
39.5	613.8	1,615.6	711.4	2,980.2	**Profit for the year**	**1,698.3**	**945.3**	**1,006.7**	**(163.4)**	**(90.3)**
					Profit/(loss) attributable to:					
38.9	613.8	1,615.6	711.4	2,979.6	Owners of the parent	**1,692.4**	**945.3**	**1,006.7**	**(163.4)**	**(96.2)**
0.6	–	–	–	0.6	Non-controlling interest holders	**5.9**	**–**	**–**	**–**	**5.9**
22.5	210.7	504.5	241.3	979.0	Sustaining capital expenditure	**1,018.5**	**320.2**	**459.8**	**200.6**	**37.9**
–	447.5	830.8	849.6	2,127.9	Ore reserve development	**1,883.0**	**702.8**	**843.8**	**336.4**	**–**
22.5	658.2	1,335.3	1,090.9	3,106.9	**Total capital expenditure**	**2,901.5**	**1,023.0**	**1,303.6**	**537.0**	**37.9**

Figures may not add as they are rounded independently.

[1] "Corporate" represents the items to reconcile segment data to consolidated financial statement totals. This does not represent a separate segment as it does not generate mining revenue.

[2] Net other costs consists of (loss)/gain on financial instruments; gain on foreign exchange differences; other income and other costs as detailed in the income statement. "Corporate" net other costs includes the share of results of equity-accounted investees after taxation of R51.5 million (2012: R93.1 million).

[3] Non-recurring items consists of impairment; profit on disposal of property, plant and equipment; loss on loss of control of subsidiary; transaction costs and restructuring costs as detailed in the income statement.

notes to the consolidated financial statements

continued

for the year ended 31 December 2013

2. SEGMENT REPORTING (continued)

31 December 2012					US dollar	31 December 2013				
Corporate[1]	Beatrix	Kloof	Driefontein	Group	Figures in million	Group	Driefontein	Kloof	Beatrix	Corporate[1]
–	477.8	817.3	726.1	2,021.2	Revenue	2,013.7	850.3	724.4	439.0	–
–	(320.2)	(476.1)	(525.3)	(1,321.6)	Operating costs	(1,247.2)	(508.4)	(427.2)	(311.6)	–
–	157.6	341.2	200.8	699.6	**Operating profit**	766.5	341.9	297.2	127.4	–
(2.3)	(77.1)	(88.7)	(120.5)	(288.5)	Amortisation and depreciation	(323.3)	(151.9)	(114.2)	(55.0)	(2.2)
(2.3)	80.5	252.5	80.3	411.1	**Net operating profit**	443.2	190.0	183.0	72.4	(2.2)
1.3	2.4	4.5	4.7	12.9	Investment income	16.7	5.7	4.9	2.9	3.2
(0.7)	(3.6)	(9.5)	(7.8)	(21.6)	Finance expense	(43.8)	(20.1)	(15.8)	(7.6)	(0.3)
(12.9)	(5.2)	(5.3)	(8.8)	(32.2)	Share-based payments	(31.9)	(6.4)	(4.9)	(4.4)	(16.2)
20.2	(3.7)	(8.0)	(6.6)	1.9	Net other costs[2]	1.6	(6.9)	(7.3)	–	15.8
–	(1.0)	(7.1)	(10.3)	(18.4)	Non-recurring items[3]	(139.0)	(16.6)	(13.1)	(98.0)	(11.3)
–	(8.6)	(17.7)	(8.1)	(34.4)	Royalties	(43.2)	(20.7)	(15.3)	(7.2)	–
(3.0)	(14.8)	(37.4)	(2.8)	(57.9)	Current taxation	(84.4)	(44.6)	(28.5)	(10.1)	(1.2)
2.0	29.1	25.3	46.1	102.5	Deferred taxation	57.7	18.2	1.9	35.0	2.7
4.7	74.9	197.3	86.9	363.9	**Profit for the year**	176.9	98.5	104.9	(17.0)	(9.5)
					Profit/(loss) attributable to:					
4.6	74.9	197.3	86.9	363.8	Owners of the parent	176.3	98.5	104.9	(17.0)	(10.1)
0.1	–	–	–	0.1	Non-controlling interest holders	0.6	–	–	–	0.6
2.7	25.7	61.6	29.5	119.6	Sustaining capital expenditure	106.1	33.4	47.9	20.9	3.9
–	54.7	101.4	103.7	259.8	Ore reserve development	196.1	73.2	87.9	35.0	–
2.7	80.4	163.0	133.2	379.4	**Total capital expenditure**	302.2	106.6	135.8	55.9	3.9

Figures may not add as they are rounded independently.

The average exchange rate for the year end 31 December 2013 was R9.60/US$ (2012: R8.19/US$).

[1] "Corporate" represents the items to reconcile segment data to consolidated financial statement totals. This does not represent a separate segment as it does not generate mining revenue.

[2] Net other costs consists of (loss)/gain on financial instruments; gain on foreign exchange differences; other income and other costs as detailed in the income statement. "Corporate" net other costs includes the share of results of equity-accounted investees after taxation of US$5.4 million (2012: US$11.4 million).

[3] Non-recurring items consists of Impairment; profit on disposal of property, plant and equipment; loss on loss of control of subsidiary; transaction costs and restructuring costs as detailed in the income statement.

3. REVENUE

Accounting policy

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Group and the amount of revenue can be reliably measured.

Revenue arising from gold sales is recognised at the fair value of the consideration received or receivable and the significant risks and rewards of ownership have passed to the buyer. These criteria are typically met when the gold is delivered to the refinery. The price of gold is determined by market forces.

US dollar		Figures in million	SA rand	
2012	**2013**		**2013**	2012
2,021.2	**2,013.7**	Revenue from mining activities	**19,331.2**	16,553.5
2,021.2	**2,013.7**	**Total revenue**	**19,331.2**	16,553.5

4. COST OF SALES

Accounting policy

The following accounting policies relate to costs that are included in cost of sales:

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be reliably estimated.

Pension and provident funds

The Group operates a defined contribution retirement plan and contributes to a number of industry-based defined contribution retirement plans. The retirement plans are funded by payments from employees and Group companies.

Contributions to defined contribution funds are expensed as incurred.

US dollar		Figures in million	SA rand	
2012	**2013**		**2013**	2012
(707.1)	**(641.2)**	Salaries and wages	**(6,155.9)**	(5,790.8)
(314.6)	**(283.4)**	Consumable stores	**(2,720.7)**	(2,576.2)
(258.3)	**(241.2)**	Utilities	**(2,315.4)**	(2,115.2)
(114.3)	**(96.7)**	Mine contracts	**(928.2)**	(936.5)
(187.1)	**(180.8)**	Other	**(1,736.1)**	(1,533.0)
259.8	**196.1**	Ore reserve development costs capitalised[1]	**1,883.0**	2,127.9
(1,321.6)	**(1,247.2)**	**Operating costs**	**(11,973.3)**	(10,823.8)
(288.5)	**(323.3)**	Amortisation and depreciation	**(3,103.9)**	(2,362.8)
(1,610.1)	**(1,570.5)**	**Total cost of sales**	**(15,077.2)**	(13,186.6)

[1]Ore Reserve Development (ORD) costs are capitalised and amortised over the period that the Group expects to consume the economic benefits relating to the ORD. ORD is all off-reef development that allows access to reserves that are economically recoverable in the future. ORD includes, but is not limited to, crosscuts, footwalls, return airways and box holes.

All employees are members of various defined contribution retirement plans. The cost of providing retirement benefits for the year amounted to R548.6 million (US$57.2 million) (2012: R514.7 million (US$62.8 million)).

notes to the consolidated financial statements

continued

for the year ended 31 December 2013

5. INVESTMENT INCOME

Accounting policy

Investment income comprises interest income on funds invested; unwinding of the financial guarantee asset and dividend income from listed and unlisted investments.

Interest income is recognised on a time proportion basis taking account of the principal outstanding and the effective interest method over the period to maturity.

Cash flows from dividends and interest received are classified under operating activities in the statement of cash flows.

US dollar		Figures in million	SA rand	
2012	**2013**		**2013**	2012
		Interest income on:		
8.6	**8.8**	Environmental rehabilitation obligation funds	**84.7**	70.2
4.3	**6.6**	Cash balances	**63.3**	35.3
–	**1.3**	Financial guarantee asset	**12.3**	–
12.9	**16.7**	**Total investment income**	**160.3**	105.5

6. FINANCE EXPENSE

Accounting policy

Finance expense comprises interest on borrowings, post-retirement healthcare obligation and environmental rehabilitation obligation offset by interest capitalised on qualifying assets.

Interest payable on borrowings is recognised in the income statement over the term of the borrowings using the effective interest method.

Cash flows from interest paid are classified under operating activities in the statement of cash flows.

US dollar		Figures in million	SA rand	
2012	**2013**		**2013**	2012
		Interest charge on:		
(13.9)	**(33.3)**	Borrowings	**(319.4)**	(114.2)
(7.0)	**(9.7)**	Environmental rehabilitation obligation	**(92.7)**	(57.7)
(0.3)	**(0.1)**	Post-retirement healthcare obligation	**(1.3)**	(2.1)
(0.4)	**(0.7)**	Other	**(6.9)**	(2.7)
(21.6)	**(43.8)**	**Total finance expense**	**(420.3)**	(176.7)

7. SHARE-BASED PAYMENTS

Significant accounting judgements and estimates

Equity-settled share-based payments

The Group issues equity-settled share-based payments to certain employees. These instruments are measured at fair value at grant date, using the Monte Carlo simulation valuation model, which require assumptions regarding the estimated term of the option, share price volatility and expected dividend yield. While Sibanye's management believes that these assumptions are appropriate, the use of different assumptions could have a material impact on the fair value of the option grant and the related recognition of share-based compensation expense in the consolidated income statement. Sibanye's options have characteristics significantly different from those of traded options and therefore fair values may also differ.

Cash-settled share-based payments

The Group also issues cash-settled share-based payments to certain employees which are valued on the same assumptions as used for the equity-settled instruments mentioned above. In addition to the expense of these cash-settled instruments, the share-based payment obligation of these instruments is valued at the fair value of the instruments at year end. This fair value adjustment also takes into account the potential vesting percentage of the cash-settled instruments, based on the actual ranking of the Company versus the peer group at the reporting date and management's assessment of the possibility to maintain that ranking at the vesting date.

Accounting policy

The Group operates an equity-settled compensation plan in which certain employees of the Group participate. The fair value of the equity-settled instruments is measured by reference to the fair value of the equity instrument granted.

Fair value is based on market prices of the equity-settled instruments granted, if available, taking into account the terms and conditions upon which those equity-settled instruments were granted. Fair value of equity-settled instruments granted is estimated using appropriate valuation models and appropriate assumptions at the grant date. Non-market vesting conditions (service period prior to vesting) are not taken into account when estimating the fair value of the equity-settled instruments at grant date. Market conditions are taken into account in determining the fair value at grant date.

The grant date fair value of the equity-settled instruments is recognised as an employee benefit expense over the vesting period based on the Group's estimate of the number of instruments that will eventually vest, with a corresponding increase in the share-based payment reserve. Vesting assumptions for non-market conditions are reviewed at each reporting date to ensure they reflect current expectations.

The Group also operates a cash-settled compensation plan in which certain employees of the Group participate. The grant date fair value of the cash-settled instruments is equal to the value of the equity-settled instrument granted on the same grant date.

The grant date fair value of the cash-settled instruments is recognised as an employee benefit expense over the vesting period based on the Group's estimate of the number of instruments that will eventually vest, with a corresponding increase in the share-based payment obligation. At each reporting date the obligation is remeasured to the fair value of the instrument, to reflect the potential out flow of cash resources to settle the liability, with a corresponding adjustment to gain or loss on financial instrument in profit and loss. Vesting assumptions for non-market conditions are reviewed at each reporting date to ensure they reflect current expectations.

Where the terms of an equity-settled or a cash-settled award are modified, the originally determined expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification, which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the participant as measured at the date of the modification.

notes to the consolidated financial statements

continued

for the year ended 31 December 2013

7. SHARE-BASED PAYMENTS (continued)

In terms of the previously existing Gold Fields Share Plans, all Gold Fields shares vested pro rata ("no fault termination" rules applied) to Sibanye employees following the unbundling of Sibanye. The proportionate unvested options under the Gold Fields Share Plans on date of unbundling were replaced with Sibanye instruments to the equivalent value, under the Sibanye Gold 2013 Share Plan (SGL Share Plan).

US dollar		Figures in million	SA rand	
2012	**2013**		**2013**	2012
		(a) Sibanye Gold Limited 2013 Share Plan		
–	**(16.0)**	Performance shares	**(154.3)**	–
–	**(1.8)**	Bonus shares	**(17.8)**	–
		(b) Sibanye Gold Limited Phantom Share Scheme		
–	**(4.4)**	Performance shares	**(41.9)**	–
–	**(5.0)**	Bonus shares	**(48.2)**	–
–	**(0.3)**	Phantom share dividends	**(2.3)**	–
		(c) Gold Fields Limited 2012 Share Plan		
(7.6)	**(1.5)**	Performance shares	**(13.1)**	(62.3)
(5.0)	**(0.3)**	Bonus shares	**(2.9)**	(40.6)
		(d) Gold Fields Limited 2005 Share Plan		
(17.9)	**(2.4)**	Performance vesting restricted shares	**(23.1)**	(146.7)
(1.7)	**(0.2)**	Performance allocated share appreciation rights	**(2.2)**	(13.9)
(32.2)	**(31.9)**	**Total share-based payments**	**(305.8)**	(263.5)

(a) Sibanye Gold Limited 2013 Share Plan

On 21 November 2012 the shareholder of Sibanye approved the adoption of the SGL Share Plan with effect from the date of listing. The SGL Share Plan provides for two methods of participation, namely the Performance Share (PS) Method and the Bonus Share (BS) Method. This plan seeks to attract, retain, motivate and reward participating employees on a basis which seeks to align the interests of such employees with those of the shareholders. For further details of the SGL Share Plan refer to the remuneration report on page 91.

Details of the options granted under this plan to employees are detailed below:

Performance shares (PS)		Number of instruments	Bonus Shares (BS)	
2012	**2013**		**2013**	2012
		Movement during the year:		
–	**28,568,317**	Granted to replace Gold Fields Share Plans	**702,915**	–
–	**4,118,870**	Granted during the year	**1,135,455**	–
–	**(1,523,111)**	Exercised and released	**(638,086)**	–
–	**(3,080,373)**	Forfeited	**(64,829)**	–
–	**28,083,703**	**Outstanding at end of the year**	**1,135,455**	–

The fair value of the above PS equity instruments granted during the year were valued using the Monte Carlo Simulation model. For the BS equity instruments, a future trading model is used to estimate the loss in value to the holders of bonus shares due to trading restrictions. The actual valuation is developed using a Monte Carlo analysis of the future share price of Sibanye.

7. **SHARE-BASED PAYMENTS** (continued)

(a) **Sibanye Gold Limited 2013 Share Plan** (continued)

Performance shares (PS)		Monte Carlo simulation	Bonus Shares (BS)	
2012	**2013**		**2013**	2012
		The inputs to the models for options granted during the year were as follows:		
–	**64.6%**	– weighted average historical volatility (based on a statistical analysis of the share price on a weighted moving average basis for the expected term of the option)	**64.6%**	–
–	**3**	– expected term (years)	**n/a**	–
–	**n/a**	– expected term (months)	**9 – 18**	–
–	**2.5%**	– expected dividend yield	**2.5%**	–
–	**6.0%**	– weighted average three-year risk-free interest rate (based on SA interest rates)	**6.0%**	–
–	**n/a**	– marketability discount	**3.0%**	–
–	**12.55**	– weighted average fair value	**8.34**	–

The compensation cost of awards that were issued to replace the historical instruments issued by Gold Fields will mirror the costs that would have been expensed in future periods under the Gold Fields Limited Share Plans had they still been in place.

The compensation cost related to awards not yet recognised under the above plan at 31 December 2013 amounts to R184.0 million (US$17.8 million) and is to be spread over three years.

At the Annual General Meeting (AGM) the directors of Sibanye were authorised to issue and allot all or any of such shares required for the plans, but in aggregate all plans may not exceed 70,619,126 (10%) of the total issued ordinary shares capital of the Company. An individual participant may also not be awarded an aggregate of shares from all or any such plans exceeding 7,061,913 (1%) of the Company's total issued ordinary share capital. The unexercised options and shares under all plans represented 29,219,158 (4%) of the total issued ordinary share capital of Sibanye Gold Limited at 31 December 2013.

(b) **Sibanye Gold Limited Phantom Share Scheme**

On 14 May 2013 Sibanye's Remuneration committee limited the issuance of share options for the 2013 allocation under the SGL Share Plan to senior management only. Middle and certain senior management, who previously participated in the equity-settled share option scheme, now participate in a cash-settled share scheme, the Sibanye Gold 2013 Phantom Share Scheme (the "SGL Phantom Scheme"). Notwithstanding that the SGL Phantom Scheme is not subject to compliance with the JSE Listings Requirements as it is a purely cash-settled remuneration scheme, the SGL Share Plan rules apply, in all material aspects, to the SGL Phantom Scheme, other than the issue of new shares to participants.

Details of the phantom shares granted under this scheme to employees are detailed below:

Performance shares (PS)		Number of instruments	Bonus Shares (BS)	
2012	**2013**		**2013**	2012
		Movement during the year:		
–	**17,539,440**	Granted during the year	**7,002,146**	–
–	**(55,393)**	Vested and paid	**(68,007)**	–
–	**(1,054,281)**	Forfeited	**(404,735)**	–
–	**16,429,766**	**Outstanding at end of the year**	**6,529,404**	–

The grant date fair value of the above PS and BS cash-settled instruments granted during the year were valued using the Monte Carlo Simulation model and a future trading model, respectively, as with the equity settled instruments above. As the cash and equity instruments are issued on the same day the grant date fair value assumptions of the cash-settled instruments is the same as for the equity-settled instruments as tabled in (a).

The fair value of the cash-settled instruments at reporting date, used to value the share-based payment obligation, is determined using the same assumptions as for the grant date valuation. However, the respective models take into account the actual share data of the peer group for the period from the grant date to the reporting date.

notes to the consolidated financial statements

continued

for the year ended 31 December 2013

7. SHARE-BASED PAYMENTS (continued)

(b) Sibanye Gold Limited Phantom Share Scheme (continued)

The compensation cost related to awards not yet recognised under the above scheme at 31 December 2013 amounts to R196.3 million (US$19.0 million) and is to be spread over three years.

Reconciliation of the share-based payment obligation:

US dollar		Figures in million	SA rand	
2012	**2013**		**2013**	2012
–	**–**	Balance at beginning of the year	**–**	–
–	**9.7**	Share-based payments expensed	**92.5**	–
–	**3.4**	Fair value adjustment of obligation[1]	**32.8**	–
–	**(0.4)**	Payments made[2]	**(3.9)**	–
–	**(0.9)**	Translation adjustment	**–**	–
–	**11.8**	**Balance at end of the year**	**121.4**	–
		Reconciliation of the non-current and current portion of the share-based payments obligation:		
–	**7.4**	Share-based payment obligations	**76.2**	–
–	**4.4**	Current portion of share-based payment obligations	**45.2**	–
–	**11.8**	**Total share-based payments obligation**	**121.4**	–

[1] The fair value adjustment at reporting date is included in (loss)/gain on financial instruments in the income statement and not as part of share-based payment expense.

[2] Payments made during the year relates to the proportionate vesting of shares to employees that have left the Group in good faith. BS options under the SGL Share Plan are issued on grant date and thus get paid dividends when the Company declares a dividend. Similarly the BS holders under the SGL Phantom Scheme received share-based payments to the equivalent of dividends paid, which were also paid during the year.

(c) Gold Fields Limited 2012 Share Plan

At the Gold Fields AGM on 14 May 2012 Gold Fields shareholders approved the adoption of the Gold Fields Limited 2012 Share Plan (the "2012 Plan") to replace the Gold Fields Limited 2005 Share Plan. The 2012 Plan provided for two methods of participation, namely the PS Method and the BS Method. This plan seeked to attract, retain, motivate and reward participating employees on a basis which seeks to align the interests of such employees with those of the Gold Fields share owners.

As a result of the unbundling all unvested options on the date of the unbundling were converted to instruments under the SGL Share Plan as described in (a). Sibanye employees had to exercise all options that vested proportionately up to the date of unbundling.

Details of the options granted under this scheme to Sibanye employees are detailed below:

Performance shares (PS)		Number of instruments	Bonus Shares (BS)	
2012	**2013**		**2013**	2012
–	**1,537,383**	Outstanding at beginning of the year	**256,451**	–
		Movement during the year:		
1,638,684	**312,546**	Granted during the year	**–**	489,748
–	**(496,303)**	Exercised and released	**(137,265)**	(216,715)
(73,889)	**–**	Forfeited	**–**	(16,582)
(27,412)	**(77,386)**	Transferred within the Gold Fields group	**(31,337)**	–
–	**(1,276,240)**	Converted to Sibanye options	**(87,849)**	–
1,537,383	**–**	**Outstanding at end of the year**	**–**	256,451

7. **SHARE-BASED PAYMENTS** (continued)

(c) **Gold Fields Limited 2012 Share Plan** (continued)

The shares that were granted during 2013 were a result of the unbundling and took into account the current share prices and vesting percentage at the date of unbundling. The valuation was not done according to the Monte Carlo Simulation as in 2012 for options granted in the ordinary course of business.

The fair value of the PS equity instruments granted during the year ended 31 December 2012 were valued using the Monte Carlo Simulation model. For the BS equity instruments a future trading model was used to estimate the loss in value to the holders of BS due to trading restrictions. The actual valuation was developed using a Monte Carlo analysis of the future share price of Gold Fields.

Performance shares (PS)		Monte Carlo Simulation	Bonus Shares (BS)	
2012	**2013**		**2013**	2012
		The inputs to the models for options granted during the year were as follows:		
36.4%	–	– weighted average historical volatility (based on a statistical analysis of the share price on a weighted moving average basis for the expected term of the option)	–	29.4%
3.0	–	– expected term (years)	–	n/a
n/a	–	– expected term (months)	–	9 – 18
1.6%	–	– historical dividend yield	–	2.7%
0.7%	–	– weighted average three-year risk-free interest rate (based on US interest rates)	–	n/a
n/a	–	– weighted average three-year risk-free interest rate (based on SA interest rates)	–	5.5%
n/a	–	– marketability discount	–	1.5%
162.31	–	– weighted average fair value	–	115.74

(d) **Gold Fields Limited 2005 Share Plan**

At the Gold Fields annual general meeting on 17 November 2005 shareholders approved the adoption of the Gold Fields Limited 2005 Share Plan (the "2005 Plan") to replace the GF Management Incentive Scheme approved in 1999. The 2005 plan provided for two methods of participation, namely the Performance Allocated Share Appreciation Rights (SARS) Method and the Performance Vesting Restricted Share (PVRS) Method. This plan seeked to attract, retain, motivate and reward participating employees on a basis which seeked to align the interests of such employees with those of the Gold Fields share owners. No further allocations of options under this plan were made due to the introduction of the 2012 Plan.

As a result of the unbundling all unvested options on the date of the unbundling were converted to instruments under the SGL Share Plan as described in (a). Sibanye employees had to exercise all options that vested proportionately up to the date of unbundling.

The following information details the options granted under this scheme to Sibanye employees:

31 December 2012				**31 December 2013**		
PVRS	SARS	Average instrument price (cps)		**PVRS**	**SARS**	**Average instrument price (cps)**
3,290,075	1,211,778	107.79	Outstanding at beginning of the year	**2,230,586**	**921,506**	**106.82**
			Movement during the year:			
–	–	–	Granted during the year	**466,253**	**171,643**	**106.82**
(829,266)	(70,119)	105.98	Exercised and released	**(2,153,455)**	**(484,908)**	**106.82**
(213,581)	(131,068)	116.62	Forfeited	**–**	**–**	**–**
(16,642)	(89,085)	106.21	Transferred within the Gold Fields group	**(2,605)**	**(4,077)**	**106.82**
–	–	–	Converted to Sibanye options	**(540,779)**	**(604,164)**	**106.82**
2,230,586	921,506	106.82	**Outstanding at end of the year**	**–**	**–**	**–**

Consolidated financial statements

notes to the consolidated financial statements

continued

for the year ended 31 December 2013

8. OTHER INCOME

Accounting policy

Revenue from services is recognised over the period the services are rendered and is accrued in the consolidated financial statements.

The service entities that form part of "Corporate" in the segment report (refer to note 2) mainly provide services to the mines. These service costs to the mines are included in the cost of sales of the Group.

Some of the service entities provide services to related parties or third parties and are classified as other income. These services can be categorised as below:

US dollar		Figures in million	SA rand	
2012	**2013**		**2013**	2012
8.5	**3.5**	Administration services[1]	**33.2**	69.6
3.5	**3.6**	Security services[2]	**34.2**	29.0
3.3	**3.1**	Training services[3]	**30.0**	27.0
14.8	**12.6**	Medical services[4]	**121.9**	121.6
30.1	**22.8**	**Total service revenue**[5]	**219.3**	247.2

[1] Sibanye Gold Shared Services Proprietary Limited (Shared Services), provides administration services to the Group and historically to certain entities of the Gold Fields group (refer to note 38 for further details of these related party transactions). Shared Services acts as a service provider on behalf of the companies of the Group in facilitating the acquisition of consumables, paying creditors, collecting debtors and payroll payments. All cost paid on behalf of a group company are immediately recovered from the applicable entity with an administration fee charged on that.

[2] Sibanye Gold Protection Services Proprietary Limited provides security services to the Group and to certain entities of the Gold Fields group (refer to note 38 for further details of these related party transactions).

[3] Sibanye Gold Academy Proprietary Limited provides training services to the Group, certain members of the public and historically to certain entities of the Gold Fields group (refer to note 38 for further details of these related party transactions).

[4] St Helena Hospital Proprietary Limited (FS Hospital) and M janse van Rensburg Proprietary Limited (Pharmacies) and Leslie Williams Private Hospital (WW Hospital), a division of Sibanye, provides health services to the Group, certain members of the public and historically to certain entities of the Gold Fields group (refer to note 38 for further details of these related party transactions). The Pharmacies provide medical supplies to the FS hospital, WW Hospital and the general public.

[5] The cost of sales related to the services revenue is included in other costs as disclosed in the income statement.

9. ROYALTIES, MINING AND INCOME TAXATION

Significant accounting judgements and estimates

The Group is subject to income taxes in South Africa. Significant judgement is required in determining the liability for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The Group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the Group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the reporting date could be impacted.

The mining operations are taxed on a variable rate that increases as the profitability of the operation increases. The deferred tax rate used to calculate deferred tax is based on the current estimate of future profitability when the temporary differences will reverse based on tax rates and laws that have been enacted at the reporting date. Depending on the profitability of the operations, the deferred tax rate can consequently be significantly different from year to year. Calculating the future profitability of the operations is inherently uncertain and could materially change over time

Additionally, future changes in tax laws in South Africa could limit the ability of the Group to obtain tax deductions in future periods.

9. ROYALTIES, MINING AND INCOME TAXATION (continued)

Accounting policy

Income taxation comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is measured on taxable income at the applicable statutory rate enacted or substantively enacted at the reporting date.

Deferred taxation is provided on temporary differences existing at each reporting date between the tax values of assets and liabilities and their carrying amounts. Substantively enacted tax rates are used to determine future anticipated effective tax rates which in turn are used in the determination of deferred taxation.

Deferred tax is not recognised for:
- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

These temporary differences are expected to result in taxable or deductible amounts in determining taxable profits for future periods when the carrying amount of the asset is recovered or the liability is settled. The principal temporary differences arise from depreciation of property, plant and equipment, provisions, unutilised capital allowances and tax losses carried forward.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets relating to the carry forward of unutilised tax losses and/or unutilised capital allowances are recognised to the extent it is probable that future taxable profit will be available against which the unutilised tax losses and/or unutilised capital allowances can be recovered. Deferred tax assets are reviewed at each reporting date and are adjusted if recovery is no longer probable.

No provision is made for any potential taxation liability on the distribution of retained earnings by Group companies.

9.1 ROYALTIES

The Mineral and Petroleum Resource Royalty Act 2008 (Royalty Act) was promulgated on 24 November 2008 and became effective from 1 March 2010. The Royalty Act imposes a royalty on refined (mineral resources that have undergone a comprehensive level of beneficiation such as smelting and refining as defined in Schedule 1 of the Royalty Act) and unrefined (mineral resources that have undergone limited beneficiation as defined in Schedule 2 of the Royalty Act) minerals payable to the State. The royalty in respect of refined minerals (which include gold refined to 99.5% and above and platinum) is calculated by dividing earnings before interest and taxes (EBIT) by the product of 12.5 times gross revenue calculated as a percentage, plus an additional 0.5%. EBIT refers to taxable mining income (with certain exceptions such as no deduction for interest payable and foreign exchange losses) before assessed losses but after capital expenditure. A maximum royalty of 5% has been introduced on refined minerals. The effective rate of royalty tax payable for the year ended 31 December 2013 was approximately 2.1% of mining revenue (2012: 1.7%).

US dollar		Figures in million	SA rand	
2012	**2013**		**2013**	2012
(34.4)	**(43.2)**	Current year charge	**(414.6)**	(282.1)
(34.4)	**(43.2)**	**Total royalties**	**(414.6)**	(282.1)

notes to the consolidated financial statements

continued

for the year ended 31 December 2013

9. ROYALTIES, MINING AND INCOME TAXATION (continued)

9.2 MINING AND INCOME TAXATION

The components of mining and income taxation are the following:

US dollar		Figures in million	SA rand	
2012	2013		2013	2012
(52.2)	**(80.4)**	Mining tax	**(771.0)**	(428.3)
(1.0)	**(2.9)**	Non-mining tax	**(27.7)**	(8.1)
(2.8)	**(1.3)**	Company and capital gain tax	**(12.7)**	(22.8)
(1.9)	**0.2**	Prior year adjustment current tax	**1.6**	(15.6)
(57.9)	**(84.4)**	Total current tax	**(809.8)**	(474.8)
102.5	**57.7**	Deferred tax	**553.6**	839.8
44.6	**(26.7)**	**Total mining and income taxation**	**(256.2)**	365.0

Reconciliation of the Group's income tax to the maximum South African statutory mining tax rate of 34.0% (2012: 34%):

US dollar		Figures in million	SA rand	
2012	2013		2013	2012
		South African statutory tax rates		
		Mining tax[1]	**Y=34-170/X**	Y=34-170/X
		Non-mining tax[2]	**28.0%**	28.0%
		Company tax rate	**28.0%**	28.0%
(108.6)	**(69.2)**	Tax on profit before taxation at maximum South African statutory mining tax rate	**(664.5)**	(889.2)
34.5	**34.3**	South African mining tax formula rate adjustment	**329.6**	282.4
2.0	**(6.6)**	Rate adjustment to reflect the company tax rate of 28%	**(63.7)**	16.6
(10.9)	**(7.6)**	Non-deductible share-based payments	**(72.6)**	(89.6)
5.1	**0.1**	Net non-taxable income and non-deductible expenditure	**1.4**	41.3
122.5	**22.3**	Deferred tax release on reduction of rate[3,4]	**213.6**	1,003.5
44.6	**(26.7)**	**Mining and income taxation**	**(256.2)**	365.0

[1] Mining tax on mining income is determined according to a formula which takes into account the profit and revenue from mining operations. Mining taxable income is determined after the deduction of all mining capital expenditure, with the proviso that this cannot result in an assessed loss. Capital expenditure amounts not deducted are carried forward as unredeemed capital expenditure to be deducted from future mining income. Accounting depreciation is ignored for the purpose of calculating mining taxation. In the formula above, Y is the percentage rate of tax payable and X is the ratio of mining profit, after the deduction of redeemable capital expenditure, to mining revenue expressed as a percentage.

[2] Non-mining income consists primarily of interest income

[3] The change in the estimated long term deferred tax rate at which the temporary differences will reverse amounted to a tax credit of R213.6 million (US$22.3 million) during 2013.

[4] During the budget speech in February 2012, the minister of finance announced that secondary tax on companies (STC) will be abolished resulting in the abolishment of the STC inclusive mining tax formula. The result was that there is now only one mining tax formula, which resulted in a deferred tax credit of R1,003.5 million (US$122.5 million) during 2012.

9. ROYALTIES, MINING AND INCOME TAXATION (continued)

9.2 MINING AND INCOME TAXATION (continued)

At 31 December 2013, the Group had the following estimated amounts available for set-off against future income:

US dollar		Figures in million	SA rand	
2012	2013		2013	2012
		Tax losses		
17.1	–	Living Gold Proprietary Limited (refer to note 13)	–	146.4
1.2	0.9	Golden Oils Proprietary Limited	9.7	10.1
18.3	0.9	**Total gross tax losses**	9.7	156.5
		Deferred tax assets not recognised		
4.8	–	Living Gold Proprietary Limited (refer to note 13)	–	41.0
0.3	0.3	Golden Oils Proprietary Limited	2.7	2.8
5.1	0.3	**Total net tax losses**	2.7	43.8

These deductions are available to be utilised against income generated by the relevant tax entity and do not expire unless the tax entity concerned ceases to operate for a period of longer than one year. Under South African mining tax ring-fencing legislation, each tax entity is treated separately and as such these deductions can only be utilised by the tax entities in which the deductions have been generated. South African tax losses have no expiration date.

10. EARNINGS PER SHARE

Accounting policy

Earnings per share is calculated based on the profit attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue during the period. A diluted earnings per share is presented when the inclusion of ordinary shares that may be issued in the future has a dilutive effect on earnings per share.

10.1 BASIC EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year.

US dollar		Weighted average number of shares ('000)	SA rand	
2012	2013		2013	2012
1	735,079	Ordinary shares in issue	735,079	1
–	(84,458)	Adjustment for weighting of ordinary shares in issue	(84,458)	–
1	650,621	**Weighted average number of shares**	650,621	1
363.8	176.3	**Profit attributable to owners of Sibanye ('million)**	1,692.4	2,979.6
36,380,000	27	**Basic earnings per share – cents**	260	297,960,000

10.2 DILUTED EARNINGS PER SHARE

Diluted earnings per share is calculated by dividing the profit attributable to ordinary shareholders by the diluted number of ordinary shares in issue during the year.

Dilutive shares are the number of potentially dilutive ordinary shares that could be issued as a result of share options granted to employees under the share option schemes referred to in note 7.

US dollar		Weighted average number of shares ('000)	SA rand	
2012	2013		2013	2012
1	650,621	Weighted average number of shares	650,621	1
–	13,667	Potential ordinary shares	13,667	–
1	664,288	**Diluted weighted average number of shares**	664,288	1
36,380,000	27	**Diluted earnings per share – cents**	255	297,960,000

notes to the consolidated financial statements

continued

for the year ended 31 December 2013

10. EARNINGS PER SHARE (continued)

10.3 HEADLINE EARNINGS PER SHARE

Headline earnings per share is calculated by dividing the headline earnings attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year.

US dollar		Figures in million	SA rand	
Gross	Net of tax	31 December 2013	Net of tax	Gross
		Reconciliation of profit attributable to owners of Sibanye to headline earnings:		
	176.3	Profit attributable to owners of Sibanye	1,692.4	
(0.6)	(0.4)	Profit on disposal of property, plant and equipment	(3.9)	(5.5)
89.7	64.6	Impairment	591.1	821.0
3.1	3.1	Loss on loss of control of subsidiary	30.2	30.2
	243.6	**Headline earnings**	2,309.8	
	37	**Headline earnings per share – cents**	355	

US dollar		Figures in million	SA rand	
Gross	Net of tax	31 December 2012	Net of tax	Gross
		Reconciliation of profit attributable to owners of Sibanye to headline earnings:		
	363.8	Profit attributable to owners of Sibanye	2,979.6	
(0.3)	(0.2)	Profit on disposal of property, plant and equipment	(1.7)	(2.4)
	363.6	**Headline earnings**	2,977.9	
	36,360,000	**Headline earnings per share – cents**	297,790,000	

10.4 DILUTED HEADLINE EARNINGS PER SHARE

Diluted headline earnings per share is calculated by dividing the headline earnings attributable to ordinary shareholders by the diluted weighted average number of ordinary shares in issue during the year.

US dollar			SA rand	
2012	2013		2013	2012
36,360,000	37	**Diluted headline earnings per share – cents**	348	297,790,000

11. DIVIDENDS

Accounting policy

Dividends are recognised only when such dividends are declared.

Cash flows from dividends paid are classified under operating activities in the statement of cash flows.

On 12 September 2013 an interim dividend of 37 cents per share was declared by the board of directors.

On 19 February 2014 a final dividend in respect of the financial period ended 31 December 2013 of 75 cents per share was approved by the Board payable on 17 March 2014. This dividend is not reflected in these financial statements. The final dividend will be subject to Dividend Withholding Tax that was introduced with effect from 1 April 2012.

11. DIVIDENDS (continued)

US dollar		Figures in million	SA rand	
2012	2013		2013	2012
95.5	–	Pre-unbundling dividend paid to Sibanye's then only shareholder, Gold Fields	–	731.3
–	27.1	Dividend declared and paid	271.9	–
9,550,000	4	Dividend per share – cents	37	73,130,000

12. PROPERTY, PLANT AND EQUIPMENT

Significant accounting judgements and estimates

Carrying value of property, plant and equipment

All mining assets are amortised using the units-of-production method where the mine operating plan calls for production from proved and probable Mineral Reserves.

Mobile and other equipment are depreciated over the shorter of the estimated useful life of the asset or the estimate of mine life based on proved and probable Mineral Reserves.

The calculation of the units-of-production rate of amortisation could be impacted to the extent that actual production in the future is different from current forecast production based on proved and probable Mineral Reserves. This would generally result from the extent that there are significant changes in any of the factors or assumptions used in estimating mineral reserves.

These factors could include:
- Changes in proved and probable Mineral Reserves;
- Differences between actual commodity prices and commodity price assumptions;
- Unforeseen operational issues at mine sites;
- Changes in capital, operating, mining, processing and reclamation costs, discount rates and foreign exchange rates; and
- Changes in Mineral Reserves could similarly impact the useful lives of assets depreciated on a straight-line basis, where those lives are limited to the life of the mine.

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair value less cost to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the gold price assumption may change which may then impact the Group estimated life of mine determinant and may then require a material adjustment to the carrying value of property, plant and equipment.

The Group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable by comparing expected future cash flows to these carrying values. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows of each group of assets. Expected future cash flows used to determine the value in use and fair value less costs to sell of property, plant and equipment are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including Reserves and production estimates, together with economic factors such as spot and future gold prices, discount rates, foreign currency exchange rates, estimates of costs to produce Reserves and future capital expenditure.

Pre-production

The Group assesses the stage of each mine construction project to determine when a mine moves into the production stage. The criteria used to assess the start date are determined based on the unique nature of each mine construction project. The Group considers various relevant criteria to assess when the mine is substantially complete, ready for its intended use and moves into the production stage. Some of the criteria would include, but are not limited to the following:
- the level of capital expenditure compared to the construction cost estimates;
- ability to produce metal in saleable form (within specifications); and
- ability to sustain commercial levels of production of metal.

notes to the consolidated financial statements

continued

for the year ended 31 December 2013

12. PROPERTY, PLANT AND EQUIPMENT (continued)

Significant accounting judgements and estimates (continued)

When a mine construction project moves into the production stage, the capitalisation of certain mine construction costs ceases and costs are expensed, except for capitalisable costs related to mining asset additions or improvements, underground mine development or ore reserve development.

Mineral Reserves estimates

Mineral Reserves are estimates of the amount of product that can be economically and legally extracted from the Group's properties. In order to calculate the Reserves, estimates and assumptions are required about a range of geological, technical and economic factors, including but not limited to quantities, grades, production techniques, recovery rates, production costs, transport costs, commodity demand, commodity prices and exchange rates.

Estimating the quantity and grade of the Mineral Reserves requires the size, shape and depth of orebodies to be determined by analysing geological data such as the logging and assaying of drill samples. This process may require complex and difficult geological judgements and calculations to interpret the data.

The Group is required to determine and report on, *inter alia*, the Mineral Reserves in accordance with the South African Mineral Resource Committee (SAMREC) code.

Estimates of mineral reserves may change from period to period due to the change in economic assumptions used to estimate Mineral Reserves and due to additional geological data becoming available during the course of operations. Changes in reported proven and probable Reserves may affect the Group's financial results and position in a number of ways, including the following:
- Asset carrying values may be affected due to changes in estimated cash flows;
- Depreciation and amortisation charges to the income statement may change as these are calculated on the units-of-production method, or where the useful economic lives of assets change;
- Decommissioning site restoration and environmental provisions may change where changes in ore reserves affect expectations about the timing or cost of these activities; and
- The carrying value of deferred tax assets may change due to changes in estimates of the likely recovery of the tax benefits.

Accounting policy

Mineral and surface rights

Mineral and surface rights are recorded at cost less accumulated amortisation and accumulated impairment losses. When there is little likelihood of a mineral right being exploited, or the carrying amount has exceeded its recoverable amount, impairment is recognised in the income statement in the year that such determination is made.

Mine development and infrastructure

Mining assets, including mine development and infrastructure costs and mine plant facilities, are recorded at cost less accumulated depreciation and accumulated impairment losses.

These costs include the purchase price of assets used in the construction of the mine, expenditure incurred to evaluate and develop new ore bodies, to define mineralisation in existing ore bodies and to establish or expand productive capacity, is capitalised until commercial levels of production are achieved, at which times the costs are amortised as set out below.

Development of ore bodies includes the development of shaft systems and waste rock removal that allows access to reserves that are economically recoverable in the future. Subsequent to this, costs are capitalised if the criteria for recognition as an asset are met. Access to individual orebodies exploited by the Group is limited to the time span of the respective mining leases.

Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of assets requiring a substantial period of time to prepare for their intended future use are capitalised to the date that the assets are substantially completed.

Land

Land is shown at cost and is not depreciated.

12. PROPERTY, PLANT AND EQUIPMENT (continued)

Accounting policy (continued)

Other assets

Non-mining assets are recorded at cost less accumulated depreciation and accumulated impairment losses. These assets include the assets of the mining operations not included in mine development and infrastructure, borrowing costs, mineral and surface rights, land and all the assets of the non-mining operations.

Amortisation and depreciation of mining assets

Amortisation and depreciation is determined to give a fair and systematic charge in the income statement taking into account the nature of a particular ore body and the method of mining that ore body. To achieve this, the following calculation methods are used:

- Mining assets, including mine development and infrastructure costs, mine plant facilities and evaluation costs, are amortised over the life of the mine using the units-of-production method, based on estimated proved and probable ore reserves above infrastructure.
- Proved and probable Mineral Reserves reflect estimated quantities of economically recoverable reserves, which can be recovered in future from known mineral deposits.
- Certain mining plant and equipment included in mine development and infrastructure is depreciated on a straight-line basis over their estimated useful lives.

Depreciation of non-mining assets

Non-mining assets are recorded at cost and depreciated on a straight-line basis over their current expected useful lives to their residual values as follows:

- Vehicles, 20%
- Computers, 33.3%
- Furniture and equipment, 10%

The assets' useful lives, depreciation methods and residual values are reassessed at each reporting date and adjusted if appropriate.

Impairment

Recoverability of the carrying values of long-term assets or cash-generating units (CGU) of the Group are reviewed whenever events or changes in circumstances indicate that such carrying value may not be recoverable. To determine whether a long-term asset or CGU may be impaired, the higher of "value in use" (defined as: "the present value of future cash flows expected to be derived from an asset or CGU") or "fair value less costs to sell" (defined as: "the price that would be received to sell an asset in an orderly transaction between market participants at the measured rate, less the costs of disposal") is compared to the carrying value of the asset/unit.

A CGU is defined by the Group as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Generally for the Group this represents an individual operating mine, including mines which are part of a larger mine complex. The costs attributable to individual shafts of a mine are impaired if the shaft is closed.

Impairment losses are recognised in profit and loss. Impairment recognised in respect of a CGU is allocated to the individual assets in the CGU.

When any infrastructure is closed down or placed on care and maintenance during the year, any carrying value attributable to that infrastructure is impaired. Expenditure incurred on care and maintenance is recognised in profit and loss.

Gain or loss on disposal

Any gain or loss on disposal on an item of property plant and equipment (calculated as the net proceeds from disposal and the carrying amount of the item) is recognised in profit and loss.

Mining exploration

Exploration expenditure to define mineralisation at existing ore bodies is considered mine development costs and is capitalised until commercial levels of production are achieved.

notes to the consolidated financial statements

continued

for the year ended 31 December 2013

12. PROPERTY, PLANT AND EQUIPMENT (continued)

US dollar			Figures in million	SA rand		
Land, mineral rights and rehabilitation	Mine development, infrastructure and other	Total	31 December 2013	Total	Mine development, infrastructure and other	Land, mineral rights and rehabilitation
			Cost			
178.0	4,648.5	**4,826.5**	Balance at beginning of the year	**41,362.3**	39,837.7	1,524.6
–	302.2	**302.2**	Additions	**2,901.5**	2,901.5	–
(16.7)	–	**(16.7)**	Change in estimates of rehabilitation assets	**(160.6)**	–	(160.6)
–	(1.6)	**(1.6)**	Disposals	**(15.2)**	(15.2)	–
–	(11.3)	**(11.3)**	Loss of control of subsidiary	**(117.2)**	(117.2)	–
(29.4)	(817.2)	**(846.6)**	Translation adjustment	**–**	–	–
131.9	4,120.6	**4,252.5**	**Balance at end of the year**	**43,970.8**	42,606.8	1,364.0
			Accumulated depreciation and impairment losses			
87.3	2,828.2	**2,915.5**	Balance at beginning of the year	**24,986.2**	24,238.0	748.2
8.9	314.4	**323.3**	Amortisation and depreciation	**3,103.9**	3,018.7	85.2
4.9	84.8	**89.7**	Impairment	**821.0**	776.6	44.4
–	(1.4)	**(1.4)**	Disposals	**(13.8)**	(13.8)	–
–	(7.5)	**(7.5)**	Loss of control of subsidiary	**(77.5)**	(77.5)	–
(16.2)	(516.2)	**(532.4)**	Translation adjustment	**–**	–	–
84.9	2,702.3	**2,787.2**	**Balance at end of the year**	**28,819.8**	27,942.0	877.8
47.0	1,418.3	**1,465.3**	**Carrying value at end of the year**	**15,151.0**	14,664.8	486.2

Impairment

An underground fire during February 2013 at Beatrix West affected approximately 38% of the planned production area, impacting on the commercial viability of the Beatrix West Section. As a result, a decision was taken during the six months ended 30 June 2013 to impair Beatrix West's mining assets by R821.0 million (US$89.7 million). This impairment was based on cash flow projections for the remainder of the life of mine.

Management's decision to impair all of the assets of Beatrix West Section, excluding plant, was taken based on the fact that negative cash flows were projected using a average gold price of R425,000/kg.

Security

Refer to note 24 for further details relating to assets pledged as security under the R4.5 billion Facilities.

12. PROPERTY, PLANT AND EQUIPMENT (continued)

US dollar			Figures in million	SA rand		
Land, mineral rights and rehabilitation	Mine development, infrastructure and other	**Total**	31 December 2012	**Total**	Mine development, infrastructure and other	Land, mineral rights and rehabilitation
			Cost			
155.0	4,517.6	**4,672.6**	Balance at beginning of the year	**37,988.0**	36,727.7	1,260.3
–	379.4	**379.4**	Additions	**3,106.9**	3 106.9	–
32.3	–	**32.3**	Change in estimates of rehabilitation assets	**264.3**	–	264.3
–	(1.1)	**(1.1)**	Disposals	**(8.6)**	(8.6)	–
–	1.4	**1.4**	Other	**11.7**	11.7	–
(9.3)	(248.8)	**(258.1)**	Translation adjustment	**-**	–	–
178.0	4,648.5	**4,826.5**	**Balance at end of the year**	**41,362.3**	39,837.7	1,524.6
			Accumulated depreciation and impairment losses			
87.9	2,695.5	**2,783.4**	Balance at beginning of the year	**22,629.2**	21,914.6	714.6
4.1	284.4	**288.5**	Amortisation and depreciation	**2,362.8**	2,329.2	33.6
–	(0.7)	**(0.7)**	Disposals	**(5.8)**	(5.8)	–
(4.7)	(151.0)	**(155.7)**	Translation adjustment	**-**	–	–
87.3	2,828.2	**2,915.5**	**Balance at end of the year**	**24,986.2**	24,238.0	748.2
90.7	1,820.3	**1,911.0**	**Carrying value at end of the year**	**16,376.1**	15,599.7	776.4

13. LOSS ON LOSS OF CONTROL OF SUBSIDIARY

Accounting policy

Loss of control

When the Group loses its power to govern the financial and operating policies of a subsidiary, it derecognises the assets and liabilities of that subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Living Gold, was a subsidiary of Sibanye until 31 December 2013. Living Gold's management acquired a 30% interest in Living Gold from Sibanye in 2013 (2012: 10%) and exercised its option to acquire a further 10% during March 2014 to give Living Gold's management a 50% interest in Living Gold. This allows the management of Living Gold to appoint 50% of the directors and manage the entity. Sibanye has assessed that the management of Living Gold substantively control the entity in terms of IFRS 10, even before the final 10% was taken up. As a result of the loss of control, Living Gold was de-recognised as
a subsidiary, and accounted for as an equity-accounted investment, refer to note 14.2.

Figures in million	SA rand	US dollar
	2013	**2013**
Total assets and liabilities derecognised on loss of control	**(37.3)**	**(3.4)**
Derecognition of non-controlling interest on loss of control	**2.1**	**(0.2)**
Net asset value attributable to Sibanye derecognised on loss of control	**(35.2)**	**(3.6)**
Fair value of investment transferred to equity-accounted investments (refer to note 14)	**5.0**	**0.5**
Loss on loss of control of subsidiary	**(30.2)**	**(3.1)**

notes to the consolidated financial statements

continued

for the year ended 31 December 2013

14. EQUITY-ACCOUNTED INVESTMENTS

Significant accounting judgments and estimates

The share of results of equity-accounted investees after taxation amounting to R51.5 million (US$5.4 million), relates to Sibanye's 33.1% interest in Rand Refinery Proprietary Limited (Rand Refinery). Rand Refinery has not issued its audited results for its year ended 30 September 2013 and therefore Sibanye's share of results has been based on unaudited management accounts.

Rand Refinery implemented a new Enterprise Resource Planning ("ERP") system on 1 April 2013 to conduct its financial and management accounting. Since the implementation of the ERP software, the customisation of the software has been problematic with the result that Rand Refinery has not been able to fully reconcile certain accounts at 30 September 2013. Rand Refinery's management team is currently resolving the problems encountered with the ERP software and is in the process of investigating the transactions processed from 1 April 2013 on the ERP system to determine if any adjustments to their current financial records are required. At this stage, the Rand Refinery management team cannot be certain that the results in its management accounts are accurate. Accordingly there is uncertainty around the results of the associate after tax in Sibanye's results.

Any share of potential adjustments from the unaudited management accounts to be recognised will be limited to the current carrying value of its investment in Rand Refinery as no guarantees were provided to Rand Refinery.

Accounting policy

The equity method of accounting is used for investments in associates and joint ventures.

An associate is an investment over which the Group exercises significant influence, but not control. A joint venture is an agreement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement. Associates and joint ventures are equity accounted from the date that significant influence or joint control is obtained to the date that the Group ceases to have significant influence or joint control.

Results of associates and joint ventures are equity accounted using the results of their most recent audited annual financial statements or unaudited interim financial statements. Any losses from associates or joint ventures are brought to account in the consolidated financial statements until the interest in such associates is written down to zero. Thereafter, losses are accounted for only insofar as the Group is committed to providing financial support to such associates or joint ventures.

The carrying value of an equity-accounted investment represents the cost of the investment, including goodwill, the proportionate share of the post-acquisition retained earnings and losses, any other movements in reserves and any impairment losses. The carrying value is assessed annually for existence of indicators of impairment and if such exist, the carrying amount is compared to the recoverable amount, being the higher of value in use or fair value less costs to sell. If an impairment in value has occurred, it is recognised in the period in which the impairment arose.

The Group holds the following equity-accounted investments:

US dollar		Figures in million	SA rand	
2012	**2013**		**2013**	2012
25.5	**26.1**	Rand Refinery	**270.1**	218.6
–	**0.5**	Living Gold	**5.0**	–
25.5	**26.6**	**Balance at end of the year**	**275.1**	218.6

14. EQUITY-ACCOUNTED INVESTMENTS (continued)

14.1 RAND REFINERY

Sibanye has a 33.1% interest in Rand Refinery, a company incorporated in the Republic of South Africa, which is involved in the refining of bullion and by-products sourced from, inter alia, South African and foreign gold producing mining companies. The investment has been equity accounted since 1 July 2002.

The movement for the year is as follows:

US dollar		Figures in million	SA rand	
2012	**2013**		**2013**	2012
16.2	**25.5**	Balance at the beginning of the year	**218.6**	125.5
11.4	**5.4**	Share of results of equity-accounted investee after taxation[1]	**51.5**	93.1
(2.1)	**(4.8)**	Translations adjustment	**–**	–
25.5	**26.1**	**Balance at end of the year**	**270.1**	218.6

[1] Rand Refinery has a 30 September year end and equity accounting is based on unaudited results to 30 November.

The Group's interest in the summarised financial statements of Rand Refinery are:

US dollar		Figures in million	SA rand	
2012	**2013**		**2013**	2012
110.8	**80.8**	Total revenue of associate	**776.0**	907.4
34.4	**16.2**	Total comprehensive income of associate	**155.7**	281.6
121.4	**141.1**	Total assets	**1,459.1**	1,039.7
28.9	**49.4**	Total liabilities	**511.1**	247.4
92.5	**91.7**	**Net assets**	**947.9**	792.3

Reconciliation of the total investment in associate with attributable net assets:

US dollar		Figures in million	SA rand	
2012	**2013**		**2013**	2012
30.6	**30.3**	Net assets	**313.8**	262.3
(1.4)	**(0.8)**	Dividend received	**(8.2)**	(8.2)
(3.7)	**(3.4)**	Fair value adjustment[1]	**(35.5)**	(35.5)
25.5	**26.1**	**Total Investment in associate**	**270.1**	218.6

[1] The investment in associate was fair valued at 1 July 2001, the date when significant influence was obtained.

14.2 LIVING GOLD

Sibanye has a 60% interest in Living Gold Proprietary Limited (Living Gold), a company incorporated in the Republic of South Africa, which is involved in growing and processing agricultural products. The investment has been equity-accounted since 31 December 2013 after losing effective control of the subsidiary, refer to note 13.

The movement for the year is as follows:

US dollar		Figures in million	SA rand	
2012	**2013**		**2013**	2012
–	**0.5**	Reclassification on loss of control of subsidiary	**5.0**	–
–	**–**	Translations adjustment	**–**	–
–	**0.5**	**Balance at end of the year**	**5.0**	–

Consolidated financial statements

notes to the consolidated financial statements

continued

for the year ended 31 December 2013

14. EQUITY-ACCOUNTED INVESTMENTS (continued)

14.2 LIVING GOLD (continued)

The Group's interest in the summarised financial statements of Living Gold are:

US dollar		Figures in million	SA rand	
2012	**2013**		**2013**	2012
–	**–**	Total revenue of associate[1]	**–**	–
–	**–**	Total profit of associate[1]	**–**	–
–	**5.2**	Total assets	**53.3**	–
–	**1.5**	Total liabilities	**16.0**	–
–	**3.7**	**Net assets**	**37.3**	–

[1] All profits and revenues of living gold were consolidated until 31 December 2013 when control was lost. Refer to note 13.

Reconciliation of the total investment in associate with attributable net assets:

US dollar		Figures in million	SA rand	
2012	**2013**		**2013**	2012
–	**2.2**	Net assets	**22.5**	–
–	**(1.7)**	Fair value adjustment[2]	**(17.5)**	–
–	**0.5**	**Total investment in associate**	**5.0**	–

[2] The investment in associate was fair valued at 31 December 2013, the date control was lost.

15. INVESTMENTS

Accounting policy

Investments comprise investments in unlisted companies which are accounted for at directors' valuation adjusted for impairments where appropriate.

US dollar		Figures in million	SA rand	
2012	**2013**		**2013**	2012
		Unlisted		
0.2	**0.1**	Carrying value and directors' valuation	**1.4**	1.5
0.2	**0.1**	Total investments	**1.4**	1.5

16. ENVIRONMENTAL REHABILITATION OBLIGATION FUNDS

Accounting policy

Annual contributions are made to dedicated environmental rehabilitation obligation funds to fund the estimated cost of rehabilitation during and at the end of the life of the relevant mine. The amounts contributed to these funds are included under non-current assets and are measured at fair value. Interest earned on monies paid to rehabilitation funds is accrued on a time-proportion basis and is recorded as interest income.

In addition, bank guarantees are provided for funding shortfalls of the environmental rehabilitation obligations.

16. ENVIRONMENTAL REHABILITATION OBLIGATION FUNDS (continued)

US dollar		Figures in million	SA rand	
2012	**2013**		**2013**	2012
		Environmental rehabilitation obligation funds		
152.1	**155.3**	Balance at beginning of the year	**1,331.1**	1,236.6
3.0	**17.9**	Contributions	**172.3**	24.3
8.6	**8.8**	Interest earned	**84.7**	70.2
(8.4)	**(28.4)**	Translations adjustment	**–**	–
155.3	**153.6**	**Balance at end of the year**	**1,588.1**	1,331.1
		Environmental rehabilitation obligation funds comprise of the following:		
5.7	**7.1**	Guarantees	**73.5**	49.2
149.6	**146.5**	Funds	**1,514.6**	1,281.9

The proceeds from this fund are intended to fund environmental rehabilitation obligations of the Group's mines and they are not available for general purposes of the Group. All income from this asset is reinvested or spent to meet these obligations, refer to note 25.

17. FINANCIAL GUARANTEE

Accounting policy

Financial guarantee contracts are accounted for as financial instruments and are recognised initially at fair value and are subsequently measured at the higher of the amount determined in accordance with IAS 37 (Provisions, contingent liabilities and assets), and the initial amount recognised less cumulative amortisation.

As of 18 February 2013, the Gold Fields group is no longer guaranteeing any debt of Sibanye, similarly Sibanye has been released from all of its obligations as guarantor under Gold Fields group debt, except, Sibanye remains a joint guarantor of the US$1 billion 4.875% guaranteed notes (the Notes) issued by Gold Fields Orogen Holding (BVI) Limited (Orogen), a subsidiary of Gold Fields, on 30 September 2010 maturing on 7 October 2020. Interest on these notes is due and payable semi-annually on 7 April and 7 October in arrears. The payment of all amounts due in respect of the Notes is unconditionally and irrevocably guaranteed by Gold Fields, Sibanye, Gold Fields Operations Limited (GFO) and Gold Fields Holdings Company (BVI) Limited (GF Holdings) (collectively "the Guarantors"), on a joint and several basis. The Notes and guarantees constitute direct, unsubordinated and unsecured obligations of Orogen and the Guarantors, respectively, and rank equally in right of payment among themselves and with all other existing and future unsubordinated and unsecured obligations of Orogen and the Guarantors, respectively.

An indemnity agreement (the "Indemnity Agreement") has been entered into between the Guarantors, pursuant to which the Guarantors (other than Sibanye) hold Sibanye harmless from and against any and all liabilities and expenses which may be incurred by Sibanye under or in connection with the Notes, including any payment obligations by Sibanye to the note holders or the trustee of the Notes pursuant to the guarantee of the Notes, all on the terms and subject to the conditions contained therein. The Indemnity Agreement will remain in place for as long as Sibanye's guarantee obligations under the Notes remain in place.

The Group initially recognised the financial guarantee liability at fair value of the guarantee in connection with the Notes. The liability is amortised over the remaining period of the Notes and should facts and circumstances change on the ability of the Gold Fields group's ability to meet its obligation under the Notes, the liability will be re-valued accordingly.

As of 18 February 2013, the Group raised a receivable under the financial guarantee asset for the future guarantee fee income that Orogen is obliged to pay bi-annually to Sibanye until it has been released as a guarantor under the Notes (Guarantee Fee Agreement).

Sibanye has ceded all of its rights, title and interest in and to the Indemnity Agreement and Guarantee Fee Agreement in favour of the lenders of the R4.5 billion facilities, jointly and severally, as security for its obligations under the facilities.

notes to the consolidated financial statements

continued

for the year ended 31 December 2013

17. FINANCIAL GUARANTEE (continued)

17.1 FINANCIAL GUARANTEE ASSET

US dollar		Figures in million	SA rand	
2012	**2013**		**2013**	2012
–	**–**	Balance at beginning of the year	**–**	–
–	**31.8**	Initial recognition at fair value	**282.3**	–
–	**(5.0)**	Guarantee fee received	**(47.0)**	–
–	**1.3**	Interest earned	**12.3**	–
–	**–**	Foreign exchange gain	**42.6**	–
–	**28.1**	**Balance at end of the year**	**290.2**	–
		Reconciliation of the non-current and current portion of the guarantee asset:		
–	**28.1**	Financial guarantee asset	**290.2**	–
–	**(5.0)**	Current portion of financial guarantee asset	**(51.7)**	–
–	**23.1**	**Long-term potion of financial guarantee asset**	**238.5**	–

The financial guarantee asset was discounted to a present value at 5.38%, which is a reflection of the interest rate of the Notes adjusted for risk factors.

17.2 FINANCIAL GUARANTEE LIABILITY

US dollar		Figures in million	SA rand	
2012	**2013**		**2013**	2012
–	**22.8**	Balance at beginning of the year	**196.4**	–
25.9		Initial recognition at fair value		210.2
(3.1)	**(2.8)**	Amortisation of guarantee liability[1]	**(28.2)**	(24.1)
–	**–**	Foreign exchange loss	**38.4**	10.3
22.8	**20.0**	**Balance at end of the year**	**206.6**	196.4

[1] The amortisation charge of the guarantee liability is disclosed as part of the (loss)/gain on financial instruments on the face of the income statement.

18. INVENTORIES

Accounting policy

Inventories are valued at the lower of cost and net realisable value. The Group's inventories comprise consumable stores and are valued at weighted average cost, after appropriate provision for surplus and slow-moving items. The Group values gold-in-process when it can be reliably measured.

US dollar		Figures in million	SA rand	
2012	**2013**		**2013**	2012
40.7	**18.1**	Consumable stores	**187.1**	348.9
40.7	**18.1**	**Total inventories**	**187.1**	348.9

The cost of consumable stores consumed during the year and included in operating cost amounted to R2,720.7million (US$283.4 million) (2012: R2,576.2 million (US$314.6 million)).

19. TRADE AND OTHER RECEIVABLES

Accounting policy

Trade and other receivables are initially recognised at fair value and subsequently carried at amortised cost less allowance for impairment. Estimates made for impairment are based on a review of all outstanding amounts at period end. Irrecoverable amounts are written off during the period in which they are identified.

US dollar		Figures in million	SA rand	
2012	**2013**		**2013**	2012
24.8	**45.8**	Trade receivables – gold sales	**473.3**	212.6
5.8	**8.9**	Other trade receivables	**91.8**	49.6
9.0	**11.3**	Prepayments	**116.7**	76.8
13.7	**19.1**	Value added tax	**197.2**	117.2
6.2	**5.3**	Payroll debtors	**54.9**	52.9
5.7	**3.9**	Other	**39.9**	49.2
65.2	**94.3**	**Total trade and other receivables**	**973.8**	558.3

Sibanye has ceded its accounts receivables in favour of the lenders of the R4.5 billion Facilities as security, refer to note 24(a).

20. RELATED-PARTY RECEIVABLES

US dollar		Figures in million	SA rand	
2012	**2013**		**2013**	2012
64.0	**–**	Related-party receivables	**–**	548.1
64.0	**–**	**Total related-party receivables**	**–**	548.1

Gold Fields Limited and its subsidiaries were related parties until the unbundling date of 18 February 2013. Refer to note 38 for further details of the Group's related parties.

21. CASH AND CASH EQUIVALENTS

Accounting policy

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value and are measured at amortised cost which is deemed to be fair value as they have a short-term maturity.

Bank overdrafts are included within current liabilities in the statement of financial position.

US dollar		Figures in million	SA rand	
2012	**2013**		**2013**	2012
34.0	**104.7**	Cash at the bank and on hand	**1,082.4**	291.8
–	**39.6**	Restricted cash[1]	**410.0**	–
34.0	**144.3**	**Total cash and cash equivalents**	**1,492.4**	291.8

[1] At 31 December 2013 R410.0 million was in an escrow account, being the consideration for the Witwatersrand Consolidated Gold Resources Limited acquisition. Refer to note 35 for further details relating to the transaction.

Sibanye has ceded certain of its bank accounts in favour of the lenders of the R4.5 billion Facilities as security, refer to note 24(a).

notes to the consolidated financial statements

continued

for the year ended 31 December 2013

22. STATED SHARE CAPITAL

Accounting policy

Ordinary share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

US dollar		Number of shares in thousands	SA rand	
2012	2013		2013	2012
1,000,000	**1,000,000**	**Authorised number of shares ('000)**	**1,000,000**	1,000,000
		Reconciliation of issued number of shares ('000)		
1	**1**	Number of shares in issue at beginning of the year	**1**	1
–	**731,648**	Shares issued on unbundling	**731,648**	–
–	**3,430**	Shares issued under SGL Share Plan	**3,430**	–
1	**735,079**	**Number of shares in issue at end of the year ('000)**	**735,079**	1

There was no change to the authorised share capital during the year. The authorised and issued shared capital of the Company was converted from par value to no par value shares and the authorised share capital was increased during 2012 by the creation of an additional 999,999,000 no par value ordinary shares.

In terms of the general authority granted by the shareholders of the Company on 13 May 2013, the Board may issue authorised but unissued ordinary share capital representing not more than 5% of the issued share capital of the Company as at 11 February 2013 in accordance with the memorandum of incorporation and the Companies Act.

On 5 November 2013 the shareholders of the Company approved the issue of 150 million ordinary shares, or such number of shares that represent 17% of the issued share capital, on a fully diluted basis for the acquisition of the Cooke Operations. Refer to note 35.

All the Sibanye ordinary shares rank pari passu in all respects, there being no conversion or exchange rights attached thereto, and all of the ordinary shares will have equal rights to participate in capital, dividend and profit distributions by the Company.

23. DEFERRED TAXATION

Accounting policy

Refer to note 9 for details of the accounting policy on deferred taxation.

The detailed components of the net deferred taxation liability which results from the differences between the amounts of assets and liabilities recognised for financial reporting and taxation purposes in different accounting periods are:

US dollar		Figures in million	SA rand	
2012	2013		2013	2012
		Deferred taxation liabilities		
514.2	**372.3**	Mining assets	**3,849.7**	4,407.1
42.5	**40.1**	Environmental rehabilitation obligation funds	**414.9**	364.4
1.8	**10.6**	Other	**109.9**	15.3
558.5	**423.0**	**Gross deferred taxation liabilities**	**4,374.5**	4,786.8
		Deferred taxation assets		
(56.8)	**(42.3)**	Environmental rehabilitation obligation	**(437.8)**	(487.0)
(15.6)	**(19.5)**	Other provisions	**(202.0)**	(133.4)
(0.5)	**(0.4)**	Taxation losses	**(4.4)**	(4.2)
–	**(3.0)**	Other	**(30.7)**	–
(72.9)	**(65.2)**	**Gross deferred taxation assets**	**(674.9)**	(624.6)
485.6	**357.8**	**Net deferred taxation liabilities**	**3,699.6**	4,162.2
		Included in the statement of financial position as follows:		
(2.7)	**(3.5)**	Deferred taxation assets	**(35.8)**	(23.3)
488.4	**361.3**	Deferred taxation liabilities	**3,735.4**	4,185.5
485.7	**357.8**	**Net deferred taxation liabilities**	**3,699.6**	4,162.2
		Reconciliation of the deferred taxation balance		
615.2	**485.7**	Balance at beginning of the year	**4,162.2**	5,002.0
(102.5)	**(57.7)**	Recognised in profit or loss	**(553.6)**	(839.8)
–	**8.9**	Recognised in equity (refer to note 17.1)	**79.1**	–
–	**1.2**	Loss of control of subsidiary (refer to note 13)	**11.9**	–
(27.0)	**(80.3)**	Translations adjustment	**–**	–
485.7	**357.8**	**Balance at end of the year**	**3,699.6**	4,162.2

Refer to note 9 for unrecognised tax assets.

notes to the consolidated financial statements

continued

for the year ended 31 December 2013

24. BORROWINGS

Accounting policy

Borrowings are recognised initially at fair value, net of transaction costs incurred, where applicable and subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(a) R4.5 billion Facilities

On 13 December 2013, Sibanye cancelled and replaced the Bridge Loan Facilities by drawing R2 billion under the R4.5 billion Facilities (the R4.5 billion Facilities), the balance may be applied to ongoing capital expenditure, working capital and general corporate expenditure requirements, where required.

Terms of the R4.5 billion Facilities

Facility:	– R2.5 billion revolving credit facility (RCF) – R2.0 billion term loan facility (Term Loan)
Interest rate:	JIBAR (Quoted at 5.22% at year–end)
Interest rate margin:	– RCF: 2.85% (Repricing possible if Sibanye is released as guarantor under the Notes, refer to note 17) – Term Loan: 2.75% (Repricing possible if Sibanye is released as guarantor under the Notes, refer to note 17)
Term of loan:	Three years
Repayment period:	The Term Loan will be repaid in equal six-monthly instalments of R250 million, with the R750 million balance due for settlement on final maturity, being 13 December 2016.
Security:	Sibanye have lodged and registered a security package for its obligation under the R4.5 billion Facilities. The security package includes a cession over certain bank accounts, accounts receivables, certain insurance policies proceeds, material contracts, shares in material subsidiaries and a general notarial bond over movable assets on the mine properties. Sibanye will also have to register mortgage bonds over substantially all of the properties (excluding mining rights) covering the Driefontein mining operation and special notarial bonds over the gold plants and main infrastructure of the Driefontein mining operation.

US dollar		Figures in million	SA rand	
2012	2013		2013	2012
–	208.3	Loans advanced	2,000.0	–
–	(0.9)	Financing costs capitalised	(9.1)	–
–	(14.9)	Translations adjustment	–	–
–	192.5	**Balance at end of the year**	1,990.9	–
		Reconciliation of facilities:		
–	192.5	Term loan	1,990.9	–
–	–	RCF	–	–
–	192.5	**Total facilities utilised**	1,990.9	–

24. BORROWINGS (continued)

(b) Bridge Loan Facilities

On 28 November 2012, Sibanye entered into a R6.0 billion term loan and RCF (the "Bridge Loan Facilities") reducing to R5.0 billion as detailed below.

Terms of the Bridge Loan Facilities

Facility:	– R2.0 billion RCF (Facility A) increased to R3.0 billion after it was amended in July 2013 – R4.0 billion term loan facility (Facility B) reduced to R3.0 billion after it was amended in July 2013 – Facility A and B would have reduced to R2.5 billion on the earliest of the Group declaring a final dividend in respect of 2013 or 12 months after the unbundling date
Interest rate:	JIBAR
Interest rate margin:	– 3.0% for 12 months after unbundling – 3.5% for last six months of the facilities – If Sibanye was not released as guarantor under the Notes within six months of unbundling, being 18 August 2013, the margin would have increased to 3.25% and 3.75% for the seven to 12 month and 13 to 18 month periods after unbundling, respectively
Term of loan:	18 months after the unbundling date.
Repayment period:	Full payment of the outstanding amount on maturity of the loan, being 18 August 2014
Cancellation:	These facilities were cancelled and repaid on 13 December 2013

US dollar		Figures in million	SA rand	
2012	**2013**		**2013**	2012
–	**–**	Balance at beginning of the year	**–**	–
–	**476.0**	Loans advanced	**4,570.0**	–
–	**(476.0)**	Loans repaid	**(4,570.0)**	–
–	**–**	Translation adjustment	**–**	–
–	**–**	**Balance at end of the year**	**–**	–

(c) Short-term credit facilities

Sibanye utilised uncommitted loan facilities from some of the major banks to fund the capital expenditure and working capital requirements at its operations.

These facilities had no fixed terms, were short-term in nature and interest rates were market related. Borrowings under these facilities were guaranteed by Gold Fields.

On the date of unbundling, these facilities were refinanced by drawing down under the Bridge Loan Facilities as detailed in (b).

US dollar		Figures in million	SA rand	
2012	**2013**		**2013**	2012
–	**142.4**	Balance at beginning of the year	**1,220.0**	–
149.0	**57.3**	Loans advanced	**550.0**	1,220.0
–	**(184.4)**	Loans repaid	**(1,770.0)**	–
(6.6)	**(15.3)**	Translation adjustment	**–**	–
142.4	**–**	**Balance at end of the year**	**–**	1,220.0

notes to the consolidated financial statements

continued

for the year ended 31 December 2013

24. BORROWINGS (continued)

(d) Long-term credit facilities

Sibanye and GFO (collectively the "Borrowers") entered into various RCFs with some of the major banks in South Africa with tenors between three and five years. The purpose of these facilities was to finance capital expenditure, general corporate and working capital requirements and to refinance existing borrowings.

Terms of the revolving credit facilities

Facility:	– R1.0 billion RCF entered into on 9 December 2009 – R500.0 million RCF entered into on 8 March 2010 – R2.0 billion RCF entered into on 15 December 2011
Interest rate:	JIBAR
Interest rate margin:	– R1.0 billion RCF: 3.00% – R500.0 million RCF: 2.85% – R2.0 billion RCF: 1.95%
Term of loan:	– R1.0 billion RCF matures on 30 June 2013, being 3.5 years – R500.0 million RCF maturing on 10 March 2013, being three years – R2.0 billion RCF maturing on 19 December 2016, being five years
Repayment period:	Full payment of outstanding amounts were due on maturity
Guarantors:	Gold Fields and certain of its subsidiaries: GF Holdings, GFO, Orogen, Newshelf 899 Proprietary Limited (Newshelf) and Sibanye
Cancellation:	These facilities were cancelled and repaid on 18 February 2013

US dollar		Figures in million	SA rand	
2012	**2013**		**2013**	2012
–	**350.1**	Balance at beginning of the year	**3,000.0**	–
366.3	**52.1**	Loans advanced	**500.0**	3,000.0
–	**(364.6)**	Loans repaid	**(3,500.0)**	–
(16.2)	**(37.6)**	Translation adjustment	**–**	–
350.1	**–**	**Balance at end of the year**	**–**	3,000.0

Summary

US dollar		Figures in million	SA rand	
2012	**2013**		**2013**	2012
–	**192.5**	(a) R4.5 billion Facilities	**1,990.9**	–
–	**–**	(b) Bridge Loan Facilities	**–**	–
142.4	**–**	(c) Short-term credit facilities	**–**	1,220.0
350.1	**–**	(d) Long-term credit facilities	**–**	3,000.0
492.5	**192.5**	**Gross borrowings**	**1,990.9**	4,220.0
(259.0)	**(48.3)**	Current portion of borrowings	**(499.5)**	(2,220.0)
233.5	**144.2**	**Non-current borrowings**	**1,491.4**	2,000.0

24. BORROWINGS (continued)

US dollar		Figures in million	SA rand	
2012	**2013**		**2013**	2012
		The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates at the reporting dates are as follows:		
142.4	**–**	Six months or less	**–**	1,220.0
350.1	**192.5**	Floating rate with exposure to change in JIBAR	**1,990.9**	3,000.0
492.5	**192.5**	**Non-current borrowings**	**1,990.9**	4,220.0
		The Group has the following undrawn borrowing facilities:		
788.3	**241.8**	Committed [1]	**2,500.0**	6,756.1
–	**48.3**	Uncommitted	**499.7**	–
788.3	**290.1**	**Total undrawn facilities**	**2,999.7**	6,756.1
		All of the above facilities have floating rates. The uncommitted facilities have no expiry dates. The undrawn committed facilities have the following expiry dates:		
58.3	**–**	– within one year	**–**	500.0
–	**241.8**	– later than two years and not later than three years	**2,500.0**	–
730.0	**–**	– later than three years and not later than five years	**–**	6,256.1
788.3	**241.8**		**2,500.0**	6,756.1

[1] During 2012, Sibanye was also a borrower under two Gold Fields group RCFs totalling US$1.5 billion. Sibanye never utilised these facilities and they were cancelled on 15 February 2013.

25. ENVIRONMENTAL REHABILITATION OBLIGATION

Significant accounting judgements and estimates

The Group's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The Group recognises management's best estimate for asset retirement obligations in the period in which they are incurred. Actual costs incurred in future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of this provision.

Accounting policy

Provisions are recognised when the Group has a present obligation, legal or constructive resulting from past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Long-term environmental obligations are based on the Group's environmental management plans, in compliance with applicable environmental and regulatory requirements.

The estimated costs of rehabilitation are reviewed annually and adjusted as appropriate for changes in legislation, technology or other circumstances. Cost estimates are not reduced by the potential proceeds from the sale of assets or from plant clean up at closure.

notes to the consolidated financial statements

continued

for the year ended 31 December 2013

25. ENVIRONMENTAL REHABILITATION OBLIGATION (continued)

Accounting policy (continued)

Based on disturbances to date, the net present value of expected rehabilitation cost estimates is recognised and provided for in full in the financial statements. The estimates are reviewed annually and are discounted using a pre-tax risk-free rate that is adjusted to reflect the current market assessments of the time value of money and the risks specific to the obligation.

Annual changes in the provision consist of finance costs relating to the change in the present value of the provision and inflationary increases in the provision estimate, as well as changes in estimates, Changes in estimates are capitalised reversed against the relevant asset. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in the income statement. The present vaue of environmental disturbances created are capitalised to mining assets against an increase in the environmental rehabilitation obligation.

Rehabilitation projects undertaken, included in the estimates are charged to the provision as incurred. The cost of ongoing current programmes to prevent and control environmental disturbances is charged against income as incurred. The unwinding of the discount due to the passage of time is recognised as finance cost, and the capitalised cost is amortised over the remaining lives of the mines.

US dollar		Figures in million	SA rand	
2012	**2013**		**2013**	2012
174.3	**202.9**	Balance at beginning of the year	**1,739.1**	1,417.1
32.3	**(16.7)**	Change in estimates[1]	**(160.6)**	264.3
7.0	**9.7**	Interest charge[2]	**92.7**	57.7
–	**(1.1)**	Payments made	**(10.5)**	–
(10.7)	**(34.2)**	Translations adjustment	**–**	–
202.9	**160.6**	**Balance at end of the year**	**1,660.7**	1,739.1

[1] Changes in estimates are defined as changes in reserves and corresponding changes in life of mine as well as changes in laws and regulations governing environmental matters.

[2] The provision is calculated based on the discount rates of 7.2% – 8.2% (2012: 5.2% – 7.0%).

The Group's mining operations are required by law to undertake rehabilitation works as part of their on-going operations. The Group makes contributions into environmental rehabilitation obligation funds (refer to note 16) and holds guarantees to partly secure the estimated costs.

26. POST-RETIREMENT HEALTHCARE OBLIGATION

Accounting policy

Medical cover is provided through a number of different schemes. The Group has an obligation to provide medical benefits to certain of its pensioners and dependants of ex-employees. These liabilities have been provided in full, calculated on an actuarial basis. These liabilities are unfunded. Periodic valuation of these obligations is carried out by independent actuaries using appropriate mortality tables, long-term estimates of increases in medical costs and appropriate discount rates.

Actuarial gains/losses and service costs are recognised in other comprehensive income and profit and loss, respectively, when they are incurred.

The Group has certain liabilities to subsidise the contributions payable by certain pensioners and dependants of ex-employees on a pay-as-you-go basis in terms of a defined benefit plan. The remaining obligation was actuarially valued at 31 December 2013 and the outstanding contributions will be funded over the lifetime of these pensioners and dependants.

26. POST-RETIREMENT HEALTHCARE OBLIGATION (continued)

The following table sets forth the funded status and amounts recognised for post-retirement healthcare obligation:

US dollar		Figures in million	SA rand	
2012	**2013**		**2013**	2012
2.1	**1.6**	Actuarial present value	**16.3**	17.7
–	**–**	Plan assets at fair value	**–**	–
2.1	**1.6**	Accumulated benefit obligation in excess of plan assets	**16.3**	17.7
–	**–**	Unrecognised prior service costs	**–**	–
–	**–**	Unrecognised actuarial (gains)/losses	**–**	–
2.1	**1.6**	**Post-retirement healthcare obligation**	**16.3**	17.7
		Benefit obligation reconciliation:		
2.1	**2.1**	Balance at beginning of the year	**17.7**	16.8
0.3	**0.1**	Interest charge	**1.3**	2.1
(0.1)	**(0.3)**	Payments during the year	**(2.7)**	(1.2)
(0.2)	**(0.3)**	Translations adjustment	**–**	–
2.1	**1.6**	**Balance at end of the year**	**16.3**	17.7

The obligation has been valued using the projected unit credit funding method on past service liabilities. The valuation assumes a healthcare cost inflation rate of 7.5% per annum (2012: 7.5%) and a discount rate of 8.0% per annum (2012: 8.0%). Assumed healthcare cost trend rates have a significant impact on the amounts reported for the healthcare plans.

A one percentage point increase in assumed healthcare trend rates would have increased the interest charge for the period to December 2013 by R0.1 million (10.1%) (2012: R0.2 million (11.0%)). The effect of the change on the accumulated post-retirement healthcare benefit obligation at 31 December 2013 would have been an increase of R1.7 million (10.1%) (2012: R1.8 million (10.6%)).

A one percentage point decrease in assumed healthcare trend rates would have decreased interest cost for the period to 31 December 2013 by R0.1 million (8.6%) (2012: R0.1 million (9.3%)). The effect of this change on the accumulated post-retirement healthcare benefit obligation at 31 December 2012 would have been a decrease of R1.4 million (9.5%) (2012: R1.6 million (9.0%)).

27. TRADE AND OTHER PAYABLES

Accounting policy

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

US dollar		Figures in million	SA rand	
2012	**2013**		**2013**	2012
52.2	**51.2**	Trade creditors	**529.4**	447.3
83.8	**70.7**	Accruals and other creditors	**730.7**	718.4
21.2	**38.9**	Payroll creditors	**402.1**	182.1
46.7	**38.8**	Leave pay accrual	**401.4**	400.6
2.7	**0.9**	Other	**9.4**	21.2
206.6	**200.5**	**Total trade and other payables**	**2,073.0**	1,769.6

notes to the consolidated financial statements

continued

for the year ended 31 December 2013

28. RELATED-PARTY PAYABLES

US dollar		Figures in million	SA rand	
2012	**2013**		**2013**	2012
		Other trade payables		
4.4	–	Related-party payables	–	37.5
		Loans		
1,996.3	–	GFL Mining Services Limited	–	17,108.0
2,000.7	–	**Total related-party payables**	–	17,145.5

Gold Fields and its subsidiaries were related parties until the unbundling date of 18 February 2013. Refer to note 38 for further details relating to related-party balances.

29. CASH GENERATED BY OPERATIONS

US dollar		Figures in million	SA rand	
2012	**2013**		**2013**	2012
363.9	**176.9**	Profit for the year	**1,698.3**	2,980.2
34.4	**43.2**	Royalties	**414.6**	282.1
(44.6)	**26.7**	Mining and income taxation	**256.2**	(365.0)
21.6	**43.8**	Finance expense	**420.3**	176.7
(12.9)	**(16.7)**	Investment income	**(160.3)**	(105.5)
362.4	**273.9**	**Profit before interest and taxation**	**2,629.1**	2,968.5
		Non-cash and other adjusting items:		
288.5	**323.3**	Amortisation and depreciation	**3,103.9**	2,362.8
–	**89.7**	Impairment	**821.0**	–
–	**3.1**	Loss on loss of control of subsidiary	**30.2**	–
32.2	**31.9**	Share-based payments	**305.8**	263.5
(11.4)	**(5.4)**	Share of results of equity-accounted investees after taxation	**(51.5)**	(93.1)
(2.9)	**0.2**	Other	**1.5**	(24.3)
668.8	**716.7**	**Total cash generated by operations**	**6,840.0**	5,477.4

30. CHANGE IN WORKING CAPITAL

US dollar		Figures in million	SA rand	
2012	**2013**		**2013**	2012
(11.8)	**16.9**	Inventories	**161.8**	(97.0)
(42.6)	**13.8**	Trade, related and other receivables	**132.6**	(349.3)
(24.6)	**27.6**	Trade, related and other payables	**265.9**	(201.7)
–	**0.9**	Living Gold working capital	**8.4**	–
(79.0)	**59.2**	**Total change in working capital**	**568.7**	(648.0)

31. ROYALTIES PAID

US dollar		Figures in million	SA rand	
2012	**2013**		**2013**	2012
(25.3)	**(8.7)**	Balance at beginning of the year	**(74.4)**	(206.0)
(34.4)	**(43.2)**	Royalties	**(414.6)**	(282.1)
0.5	**2.8**	Translation adjustment	**–**	–
8.7	**23.2**	Amount owing at end of the year	**240.0**	74.4
(50.5)	**(25.9)**	**Total royalties paid**	**(249.0)**	(413.7)

32. TAXATION PAID

US dollar		Figures in million	SA rand	
2012	**2013**		**2013**	2012
(64.9)	**(2.6)**	Balance at beginning of the year	**(22.2)**	(527.8)
(57.9)	**(84.4)**	Current tax	**(809.8)**	(474.8)
0.5	**4.2**	Translation adjustment	**–**	–
2.6	**51.0**	Amount owing at end of the year	**527.2**	22.2
(119.7)	**(31.8)**	**Total taxation paid**	**(304.8)**	(980.4)

33. COMMITMENTS

US dollar		Figures in million	SA rand	
2012	**2013**		**2013**	2012
		Capital expenditure		
506.5	**406.7**	– authorised	**4,206.3**	4,340.7
229.5	**178.7**	Kloof	**1,847.6**	1,966.1
171.5	**134.1**	Driefontein	**1,387.1**	1,470.1
104.8	**93.3**	Beatrix	**965.0**	897.9
0.7	**0.6**	Other	**6.6**	6.6
59.7	**27.7**	– contracted for	**286.9**	511.4
0.5	**0.4**	Other guarantees	**4.1**	4.1

Commitments will be funded from internal sources and to the extent necessary from borrowings. This expenditure primarily relates to hostel upgrades, mining activities and infrastructure. Also refer to note 17 for debt guarantees provided by the Group.

notes to the consolidated financial statements

continued

for the year ended 31 December 2013

34. CONTINGENT LIABILITIES

Significant accounting judgements and estimates

Contingencies can be either possible assets or possible liabilities arising from past events which, by their nature, will only be resolved when one or more future events not wholly within the control of the Group occur or fail to occur. The assessment of such contingencies inherently involves the exercise of significant judgement and estimates of the outcome of future events.

Occupational healthcare services

The Group provides occupational healthcare services to its employees through its existing facilities at the various operations. There is a risk that the cost of providing such services could increase in the future depending upon changes in the nature of underlying legislation and the profile of employees. Any such increased cost has not yet been quantified. The Group is monitoring developments in this regard.

The principal health risks associated with Sibanye's mining operations in South Africa arise from occupational exposure to silica dust, noise, heat and certain hazardous chemicals. The most significant occupational diseases affecting Sibanye's workforce include lung diseases (such as silicosis, tuberculosis, a combination of the two and chronic obstructive airways disease (COAD) as well as noise induced hearing loss (NIHL). The Occupational Diseases in Mines and Works Act, 78 of 1973, or ODMWA, governs the compensation paid to mining employees who contract certain illnesses, such as silicosis. Recently, the South African Constitutional Court ruled that a claim for compensation under ODMWA does not prevent an employee from seeking compensation from its employer in a civil action under common law (either as individuals or as a class). While issues, such as negligence and causation, need to be proved on a case by case basis, it is possible that such ruling could expose Sibanye to claims related to occupational hazards and diseases (including silicosis), which may be in the form of a class or similar group action. If Sibanye were to face a significant number of such claims and the claims were suitably established against it, the payment of compensation for the claims could have a material adverse effect on Sibanye's results of operations and financial condition. In addition, Sibanye may incur significant additional costs arising out of these issues, including costs relating to the payment of fees, levies or other contributions in respect of compensatory or other funds established (if any) and expenditures arising out of its efforts to resolve any outstanding claims or other potential action.

On 21 August 2012, a court application was served on a group of respondents that included Sibanye (the August Respondents). On 21 December 2012, a further court application was issued and was formally served on a number of respondents, including Sibanye (the December Respondents and, together with the August Respondents, the Respondents), on 10 January 2013, on behalf of classes of mine workers, former mine workers and their dependants who were previously employed by, or who are currently employed by, amongst others, Sibanye and who allegedly contracted silicosis and/or other occupational lung diseases (the "Classes"). The court application of 21 August 2012 and the court application of 21 December 2012 are together referred to below as the "Applications".

These Applications request that the court certify a class action to be instituted by the applicants on behalf of the Classes. The Applications are the first and preliminary steps in a process where, if the court were to certify the class action, the applicants may, in a second stage, bring an action wherein they will attempt to hold the Respondents liable for silicosis and other occupational lung diseases and resultant consequences. In the second stage, the Applications contemplate addressing what the applicants describe as common legal and factual issues regarding the claim arising from the allegations of the entire Classes. If the applicants are successful in the second stage, they envisage that individual members of the Classes could later submit individual claims for damages against the respective Respondents. The Applications do not identify the number of claims that may be instituted against the Respondents or the quantum of damages the applicants may seek.

With respect to the Applications Sibanye has filed a notice of its intention to oppose the Applications and has instructed its attorneys to defend the claims. Sibanye and its attorneys are engaging with the applicants' attorneys in both Applications to try to establish a court-sanctioned process to agree the timelines, (including the date by which Sibanye must file its papers opposing the Applications) and the possible consolidation of the separate applications.

The two class actions were consolidated into one action during 2013 and the attorneys for the Applicants in those matters have now applied to the court for a case management procedure in order to set times in which the parties have to comply with various legal processes and timeframes in terms of the application. Sibanye has entered notices to oppose the various actions and its attorneys are currently considering the opposition in detail. Accordingly, Sibanye cannot quantify its potential liability from these actions.

34. CONTINGENT LIABILITIES (continued)

Acid mine drainage

The Group has identified a risk of potential long-term Acid Mine Drainage (AMD), on certain of its operations. AMD relates to the acidification and contamination of naturally occurring water resources by pyrite-bearing ore contained in underground mines and in rock dumps, tailings dams and pits on the surface. The Group has not been able to reliably determine the financial impact that AMD might have on the Group, however, the Group has adopted a proactive approach by initiating projects such as Sibanye Amanzi (long-term water management strategy), and the identification of mine rehabilitation to focus on AMD risk management. The Group also conducts acid base accounting to obtain a more detailed understanding of where the key potential AMD risks are located at identified operations, thereby better informing appropriate long-term mitigation strategies.

Financial Guarantee

Refer to note 17.

35. EVENTS AFTER THE REPORTING DATE

There were no events that could have a material impact on the financial results of the Group after 31 December 2013, other than those disclosed below.

Final dividend declared

The Board approved a maiden final dividend of 75 cents per share (ZAR) for the six months ended 31 December 2013, resulting in a total dividend of 112 cents per share (ZAR) in 2013, on 19 February 2014.

Cooke operations acquisition

Sibanye announced on 21 August 2013, that it had entered into an agreement with Gold One International Limited (Gold One) to acquire its Cooke underground and surface operations (Cooke Operations). The consideration for the acquisition will be approximately 150 million new Sibanye ordinary shares, or such number of shares that represents 17% of Sibanye's issued share capital, on a fully diluted basis on the closing of the transaction, refer to note 22. The transaction is subject to the fulfilment of various conditions precedent and is likely to be concluded during 2014.

In terms of the Interim Management and Funding Agreement between Gold One and Sibanye, Sibanye has been appointed, effective 1 March 2014, to manage the business and mining activities of the Cooke Operations. Sibanye will be entitled to make available loan facilities to the Cooke Operations to fund working capital requirements. The loans are repayable in the event that the acquisition is terminated and not implemented. In such an event the loans are guaranteed by Gold One.

Witwatersrand Consolidated Gold Resources Limited Acquisition

Sibanye announced on 11 December 2013 that it had offered to acquire the entire issued share capital of Witwatersrand Consolidated Gold Resources Limited (Wits Gold) for a cash consideration of approximately R407 million (US$39 million) (the Scheme Consideration). The transaction was subject to the fulfilment of various conditions precedent and was completed on 14 April 2014.

Sibanye was required to deposit the full Scheme Consideration into an escrow account to comply with regulations 111(4) and 111(5) of the Companies Act Regulations, 2011. As at 31 December 2013, R410 million (US$40 million) was held in the escrow account and forms part of the Group's cash and cash equivalents balance as reported, refer to note 21.

On 13 March 2014 at the Wits Gold shareholders meeting, the shareholders of Wits Gold approved the proposed transaction by voting in favour of the various resolutions to give effect to the transaction.

On 14 April 2014, Sibanye paid the Scheme Consideration to Wits Gold shareholders and obtained control (100%) of Wits Gold. Wits Gold is not a business as defined in IFRS and thus the acquisition is considered to be outside the scope of IFRS 3 Business Combinations. The acquisition was accounted for as an asset acquisition in which the consideration paid for the acquisition is allocated to the individual identifiable assets acquired and liabilities assumed based on their relative fair values.

notes to the consolidated financial statements

continued

for the year ended 31 December 2013

35. EVENTS AFTER THE REPORTING DATE (continued)

On 5 July 2013, Wits Gold announced to its shareholders that it had submitted a final binding offer (the Offer) to Mr Peter van den Steen, the business rescue practitioner of Southgold Exploration Proprietary Limited (Southgold), to acquire Southgold, the sole owner of the Burnstone gold mine and assets (Burnstone) located in South Africa's Mpumalanga Province. The Offer was included in the business rescue plan that was approved by the creditors of Southgold on 11 July 2013.

Sibanye has successfully concluded its detailed due diligence investigation in relation to Southgold and took the final decision to proceed with the acquisition of Southgold subject to the fulfilment of certain outstanding conditions precedent listed below.

Summary of the key terms of the Offer:

- Wits Gold will acquire all of the issued share capital of Southgold together with all shareholder and inter-group loans against Southgold for a purchase price of R100.
- Reduction of Southgold total debt to US$177.3 million (the Southgold Debt) on the following terms:
  - Upfront payment of US$7.25 million on transaction completion;
  - Back-ranked to new funding to be injected by Wits Gold and to be repaid from the Burnstone mine's free cash flow;
  - Moratorium on interest and capital repayments for 36 months from transaction completion;
  - Southgold Debt attracts interest at LIBOR +4%;
  - Option to settle outstanding balances at any time without penalty; and
  - Southgold Debt ring-fenced to Southgold.
- Wits Gold to provide up to R950 million of new funding by means of a loan (Wits Gold Loan), over time, as working capital to support the production plan:
  - Wits Gold Loan attracts interest at JIBAR +4%;
  - Wits Gold Loan to be repaid first:
    # 90% free cash to Wits Gold Loan; 10% to Southgold Debt
  - On settlement of the Wits Gold Loan and interest, Southgold Debt will be repaid from free cash flow:
    # 70% to Wits Gold; 30% to Southgold Debt

The Offer is still conditional upon the fulfilment of, or waiver by Wits Gold of conditions precedent standard to a transaction of this nature, including but not limited to signature of all definitive transaction agreements, obtaining all necessary regulatory approvals, including, amongst others, the approval of the of the Department of Mineral Resources and Wits Gold confirming that the acquisition of Southgold does not give rise to any adverse tax consequences for Wits Gold and/or Southgold.

36. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Significant accounting judgements and estimates

The estimated fair value of financial instruments is determined at discrete points in time, based on the relevant market information. The fair value is calculated with reference to market rates using industry valuation techniques and appropriate models. If a financial instrument does not have a quoted market price and the fair value cannot be measured reliably, it will be stated at cost. This exemption only applies to investments in equity instruments classified as available for sale.

Accounting policy

Financial instruments recognises in the statement of financial position include cash and cash equivalents, investments, trade and other receivables, related party receivables, borrowings, trade and other payables, related party payables and derivative financial instruments.

The Group initially recognises loans and receivables on the date they originate. All other financial assets (including assets designated at fair value through profit and loss) are recognised initially on trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument. The Group derecognises a financial asset when the contractual rights to the cash flows in a transaction in which substantially all the risks and rewards of the ownership of the financial asset are transferred. The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired. Any interest in such transferred financial asset that is created or retained by the Group is recognised as a separate asset or liability. The particular recognition and measurement methods adopted are disclosed in the individual policy statements associated with each item.

36. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

A financial asset not classified at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and those event(s) had an impact on the estimated future cash flows of that asset, that can be estimated reliably.

On derecognition of a financial asset or liability, the difference between the carrying amount of the asset or liability and the sum of the consideration received and cumulative gains recognised in equity is recognised in profit and loss.

Refer to the relevant notes for the accounting policies of the following financial assets and financial liabilities:
– Investments
– Cash and cash equivalents
– Trade and other receivables
– Trade and other payables
– Financial guarantees
– Borrowings
– Environmental Rehabilitation Obligation funds

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

Trade and other receivables/payables, related-party receivables/payables and cash and cash equivalents
The carrying amounts approximate fair values due to the short maturity of these instruments.

Investments, environmental rehabilitation obligation funds and borrowings
The fair value of publicly traded instruments is based on quoted market values. The environmental rehabilitation obligation funds are stated at fair value based on the nature of the fund's investments. The fair value of borrowings approximates its carrying amounts as the impact of credit risk is included in the measurement of carrying amounts.

Financial instruments
The fair value of financial instruments is estimated based on ruling market prices, volatilities and interest rates at 31 December 2013. All derivatives are carried on the statement of financial position at fair value.

notes to the consolidated financial statements

continued

for the year ended 31 December 2013

36. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: unadjusted quoted prices in active markets for identical asset or liabilities;

Level 2: inputs other than quoted prices in level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Carrying value				Fair value			
SA rand (Figures in millions)	Loans and other receivables	Available for sale	Other financial liabilities	**Total**	Level 1	Level 2	Level 3	**Total**
31 December 2013								
Financial assets								
Not measured at fair value:								
– Cash and cash equivalents	**1,492.4**	**–**	**–**	**1,492.4**				
– Trade and other receivables	**659.9**	**–**	**–**	**659.9**				
– Financial guarantee asset	**290.2**	**–**	**–**	**290.2**				
Measured at fair value:								
– Environmental rehabilitation obligation funds	**1,588.1**	**–**	**–**	**1,588.1**	**1,588.1**	**–**	**–**	**1,588.1**
– Investments	**–**	**1.4**	**–**	**1.4**	**–**	**–**	**1.4**	**1.4**
Financial liabilities								
Not measured at fair value:								
– Trade and other payables	**–**	**–**	**1,671.6**	**1,671.6**				
– Financial guarantee liability	**–**	**–**	**206.6**	**206.6**				
– Borrowings	**–**	**–**	**1,990.9**	**1,990.9**				
31 December 2012								
Financial assets								
Not measured at fair value:								
– Cash and cash equivalents	291.8	–	–	291.8				
– Trade and other receivables	364.3	–	–	364.3				
– Related-party receivables	548.1	–	–	548.1				
Measured at fair value:								
– Environmental rehabilitation obligation funds	1,331.1	–	–	1,331.1	1,073.9	257.2	–	1,331.1
– Investments	–	1.5	–	1.5	–	–	1.5	1.5
Financial liabilities								
Not measured at fair value:								
– Trade and other payables	–	–	1,369.0	1,369.0				
– Financial guarantee liability	–	–	196.4	196.4				
– Borrowings	–	–	4,220.0	4,220.0				
– Related-party payables	–	–	17,145.5	17,145.5				

36. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

US dollar (Figures in millions)	Carrying value				Fair value			
	Loans and other receivables	Available for sale	Other financial liabilities	**Total**	Level 1	Level 2	Level 3	**Total**
31 December 2013								
Financial assets								
Not measured at fair value:								
– Cash and cash equivalents	**144.3**	**–**	**–**	**144.3**				
– Trade and other receivables	**63.8**	**–**	**–**	**63.8**				
– Financial guarantee asset	**28.1**	**–**	**–**	**28.1**				
Measured at fair value:								
– Environmental rehabilitation obligation funds	**153.6**	**–**	**–**	**153.6**	**153.6**	**–**	**–**	**153.6**
– Investments	**–**	**0.1**	**–**	**0.1**	**–**	**–**	**0.1**	**0.1**
Financial liabilities								
Not measured at fair value:								
– Trade and other payables	**–**	**–**	**161.7**	**161.7**				
– Financial guarantee liability	**–**	**–**	**20.0**	**20.0**				
– Borrowings	**–**	**–**	**192.5**	**192.5**				
31 December 2012								
Financial assets								
Not measured at fair value:								
– Cash and cash equivalents	34.0	–	–	34.0				
– Trade and other receivables	42.5	–	–	42.5				
– Related-party receivables	64	–	–	64.0				
Measured at fair value:								
– Environmental rehabilitation obligation funds	155.3	–	–	155.3	125.3	30.0	–	155.3
– Investments	–	0.2	–	0.2	–	–	0.2	0.2
Financial liabilities								
Not measured at fair value:								
– Trade and other payables	–	–	159.7	159.7				
– Financial guarantee liability	–	–	22.9	22.9				
– Borrowings	–	–	492.4	492.4				
– Related-party payables	–	–	2,000.6	2,000.6				

Environmental rehabilitation obligation funds

Comprises interest-bearing short-term investments valued using quoted market prices.

Unlisted investments

Comprise investments in unlisted companies which are accounted for at directors' valuation adjusted for impairments where appropriate.

notes to the consolidated financial statements

continued

for the year ended 31 December 2013

37. RISK MANAGEMENT ACTIVITIES

In the normal course of its operations, the Group is exposed to commodity price, currency, interest rate, liquidity and credit risk. In order to manage these risks, the Group has developed a comprehensive risk management process to facilitate control and monitoring of these risks.

Controlling and managing risk in the Group

Sibanye has policies in areas such as counterparty exposure, hedging practices and prudential limits which have been approved by Sibanye's Board of Directors (the Board). Management of financial risk is centralised at Sibanye's treasury department (Treasury), which acts as the interface between Sibanye's operations and counterparty banks. Treasury manages financial risk in accordance with the policies and procedures established by the Board and Executive Committee.

The Board has approved dealing limits for money market, foreign exchange and commodity transactions, which Treasury is required to adhere to. Among other restrictions, these limits describe which instruments may be traded and demarcate open position limits for each category as well as indicating counterparty credit-related limits. The dealing exposure and limits are checked and controlled each day and reported to the Chief Financial Officer.

The objective of Treasury is to manage all financial risks arising from the Group's business activities in order to protect profit and cash flows. Treasury activities of Sibanye and its subsidiaries are guided by the Treasury Policy, the Treasury Framework as well as domestic and international financial market regulations. Treasury activities are currently performed within the Treasury Framework with appropriate resolutions from the Board, which are reviewed and approved annually by the Audit Committee.

The financial risk management objectives of the Group are defined as follows:

- **Liquidity risk management:** the objective is to ensure that the Group is able to meet its short-term commitments through the effective and efficient management of cash and usage of credit facilities.
- **Currency risk management:** the objective is to maximise the Group's profits by minimising currency fluctuations.
- **Funding risk management:** the objective is to meet funding requirements timeously and at competitive rates by adopting reliable liquidity management procedures.
- **Investment risk management:** the objective is to achieve optimal returns on surplus funds.
- **Interest rate risk management:** the objective is to identify opportunities to prudently manage interest rate exposures.
- **Counterparty exposure:** the objective is to only deal with approved counterparts that are of a sound financial standing and who have an official credit rating. The Group is limited to a maximum investment of 2.5% of the financial institutions' equity, which is dependent on the institutions' credit rating. The credit rating used is Fitch Ratings' short-term credit rating for financial institutions.
- **Commodity price risk management:** commodity risk management takes place within limits and with counterparts as approved in the treasury framework.
- **Operational risk management:** the objective is to implement controls to adequately mitigate the risk of error and/or fraud.
- **Banking relations management:** the objective is to maintain relationships with credible financial institutions and ensure that all contracts and agreements related to risk management activities are co-ordinated and consistent throughout the Group and that they comply where necessary with all relevant regulatory and statutory requirements.

37. **RISK MANAGEMENT ACTIVITIES** (continued)

Credit risk

Credit risk represents risk that an entity will suffer a financial loss due to the other party of a financial instrument not discharging its obligation.

The Group has reduced its exposure to credit risk by dealing with a number of counterparties. The Group approves these counterparties according to its risk management policy and ensures that they are of good credit quality.

Trade receivables are reviewed on a regular basis and an allowance for impairment is raised when they are not considered recoverable.

The combined maximum credit risk exposure is as follows:

US dollar		Figures in million	SA rand	
2012	**2013**		**2013**	2012
155.3	**153.6**	Environmental rehabilitation obligation funds	**1,588.1**	1,331.1
42.5	**63.9**	Trade and other receivables	**659.9**	364.3
64.0	**–**	Related-party receivables	**–**	548.1
34.0	**144.3**	Cash and cash equivalents	**1,492.4**	291.8
–	**28.1**	Financial Guarantee asset	**290.2**	–

Trade receivables comprise banking institutions purchasing gold bullion. These receivables are in a sound financial position and no impairment has been recognised.

Trade and other receivables above exclude VAT and pre-payments.

Receivables that are past due but not impaired total R10.4 million (US$1.0 million) (2012: R7.3 million (US$0.9 million)). At 31 December 2013, receivables of R11.2 million (US$1.1 million) (2012: R12.5 million (US$1.5 million)) are considered impaired and are provided for.

Concentration of credit risk on cash and cash equivalents and non-current assets is considered minimal due to the abovementioned investment risk management and counterparty exposure risk management policies.

Liquidity risk

In the ordinary course of business, the Group receives cash proceeds from its operations and is required to fund working capital and capital expenditure requirements. The cash is managed to ensure surplus funds are invested to maximise returns whilst ensuring that capital is safeguarded to the maximum extent possible by investing only with top financial institutions.

Uncommitted borrowing facilities are maintained with several banking counterparties to meet the Group's normal and contingency funding requirements.

notes to the consolidated financial statements

continued

for the year ended 31 December 2013

37. RISK MANAGEMENT ACTIVITIES (continued)

The following are contractually due, undiscounted cash flows resulting from maturities of financial liabilities including interest payments:

US dollar					SA rand			
After five years	Between one and five years	Within one year	Total		Total	Within one year	Between one and five years	After five years
				31 December 2013				
–	–	161.7	161.7	Trade and other payables	1,671.6	1,671.6	–	–
–	–	1,000.0	1,000.0	Financial guarantee[1]	10,340.0	10,340.0	–	–
–	–	–	–	Related-party payables	–	–	–	–
				Borrowings[2]				
–	145.1	48.4	193.5	– Capital	2,000.0	500.0	1,500.0	–
–	17.5	14.9	32.4	– Interest	334.8	153.6	181.2	–
–	162.6	1,225.0	1,387.6	**Total**	14,346.4	12,665.2	1,681.2	–
				31 December 2012				
–	–	159.9	**159.9**	Trade and other payables	**1,369.0**	1,369.0	–	–
–	–	1,770.0	**1,770.0**	Financial guarantees[1]	**15,168.9**	15,168.9	–	–
–	–	2,000.6	**2,000.6**	Related-party payables	**17,145.5**	17,145.5	–	–
				Borrowings[2]				
–	233.4	259.0	**492.4**	– Capital	**4,220.0**	2,220.0	2,000.0	–
–	48.3	20.5	**68.8**	– Interest	**590.0**	176.1	413.9	–
–	281.7	4,210.0	**4,491.7**	**Total**	**38,493.4**	36,079.5	2,413.9	–

[1] Financial guarantee relates to Sibanye's gross exposure in respect of Gold Fields group drawn borrowings at 31 December 2013 and 2012.

[2] Borrowings – JIBAR at 31 December 2013 adjusted by specific facility agreement between 4.94% and 5.22%.

Market risk

The Group is exposed to market risks, including foreign currency, commodity price, equity securities price and interest rate risk associated with underlying assets, liabilities and anticipated transactions. Following periodic evaluation of these exposures, the Group may enter into derivative financial instruments to manage some of these exposures.

Sensitivity analysis

The sensitivity analysis shows the effects of reasonable possible changes of relevant risk variables on profit and loss or shareholders' equity. The Group is exposed to commodity price, currency and interest rate risks. The effects are determined by relating the hypothetical change in the risk variable to the balance of financial instruments at period end date.

The amounts generated from the sensitivity analyses are forward-looking estimates of market risks assuming certain adverse or favourable market conditions occur. Actual results in the future may differ materially from those projected results and therefore should not be considered a projection of likely future events and gains/losses.

Foreign currency sensitivity

General and policy

In the ordinary course of business, the Group enters into transactions, such as gold sales, denominated in foreign currencies, primarily US dollar. Although this exposes the Group to transaction and translation exposure from fluctuations in foreign currency exchange rates, the Group does not generally hedge this exposure, although it could be considered for significant expenditures based in foreign currency or those items which have long lead times to production or delivery. Also, the Group on occasion undertakes currency hedging to take advantage of favourable short-term fluctuations in exchange rates when management believes exchange rates are at unsustainably high levels.

Currency risk only exists on account of financial instruments being denominated in a currency that is not the functional currency and being of a monetary nature.

37. RISK MANAGEMENT ACTIVITIES (continued)

Foreign currency hedging experience (continued)

As at 31 December 2013 and 2012 there were no material foreign currency contract positions.

Commodity price sensitivity

Gold

The market price of gold has a significant effect on the results of operations of the Group and the ability of the Group to pay dividends and undertake capital expenditures. The gold price has historically fluctuated widely and is affected by numerous industry factors over which the Group does not have any control. The aggregate effect of these factors on the gold price, all of which are beyond the control of the Group, is impossible for the Group to predict.

Commodity price hedging policy

Gold

As a general rule, the Group does not enter into forward sales, derivatives or other hedging arrangements to establish a price in advance for future gold production. Gold hedging could, however, be considered in future under one or more of the following circumstances: to protect cash flows at times of significant capital expenditure; financing projects or to safeguard the viability of higher cost operations.

To the extent that it enters into commodity hedging arrangements, the Group seeks to use different counterparty banks consisting of local and international banks to spread risk. None of the counterparties is affiliated with, or related to parties of, the Group.

Commodity price hedging experience

As at 31 December 2013 and 2012 there were no commodity price contracts.

Interest rate sensitivity

General

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest rate risk arises from long-term borrowings.

As of 31 December 2013, the Group's total borrowings amounted to R1,990.9 million (2012: R4,220.0 million). The Group generally does not undertake any specific action to cover its exposure to interest rate risk, although it may do so in specific circumstances. Refer to note 24 for all the borrowings and the relevant interest rates per facility.

The portion of Sibanye's interest-bearing debt at period end that is exposed to interest rate fluctuations is R1,990.9 million (2012: R4,220.0 million). This debt is normally rolled for periods between one and three months and is therefore exposed to the rate changes in this period.

R1,990.9 million (2012: R4,220.0 million), the total debt at the end of the period is exposed to changes in the JIBAR rate. The relevant interest rates for each facility are described in note 24.

The table below summarises the effect of a change in finance expense on the Group's profit and loss had JIBAR differed as indicated. The analysis is based on the assumption that the applicable interest rate increased/decreased with all other variables held constant. All financial instruments with fixed interest rates that are carried at amortised cost are not subject to the interest rate sensitivity analysis.

Interest rate sensitivity analysis

US dollar		Figures in million	SA rand	
2012	**2013**		**2013**	2012
		Sensitivity to JIBAR interest rates		
		Change in interest for a:		
2.6	**5.7**	1.5% Increase in JIBAR	**54.6**	20.9
1.7	**3.8**	1.0% Increase in JIBAR	**36.4**	13.9
0.9	**1.9**	0.5% Increase in JIBAR	**18.2**	7.0
(0.9)	**(1.9)**	0.5% Decrease in JIBAR	**(18.2)**	(7.0)
(1.7)	**(3.8)**	1.0% Decrease in JIBAR	**(36.4)**	(13.9)
(2.6)	**(5.7)**	1.5% Decrease in JIBAR	**(54.6)**	(20.9)

notes to the consolidated financial statements

continued

for the year ended 31 December 2013

38. RELATED-PARTY TRANSACTIONS

Sibanye entered into related-party transactions with Rand Refinery, Gold Fields and its subsidiaries during the year as detailed below.

After the unbundling Gold Fields and its subsidiaries are no longer considered to be related parties of the Group, notwithstanding a transitional services agreement entered into before the unbundling.

The transactions with these related parties are generally conducted with terms comparable to transactions with third parties, however in certain circumstances such as related-party loans, the transactions were not at arm's length.

Refer to the Remuneration Report for key management remuneration.

Gold Fields group

As indicated in the accounting policies, Sibanye was a wholly owned subsidiary of Gold Fields up to the unbundling date, thus transactions with the Gold Fields group prior to the unbundling, as well as transactions per the transitional services agreement that was entered into with the Gold Fields group prior to the unbundling to continue providing services up to a certain date after the unbundling are considered to be related-party transactions.

Transactions that were related-party transactions up to the unbundling and per the transitional services agreement have stopped, been cancelled and settled. These services by the Group to Gold Fields and by Gold Fields Group Services Proprietary Limited (GFGS) to the Group included corporate functions and infrastructure support, purchasing, administration, security, training, medical, corporate communications, human resources and benefit management, treasury and finance, investor relations, corporate controller, internal audit, legal and tax advice, compliance regarding internal controls and information technology functions, on a transitional basis up to November 2013.

During 2012 up to unbundling GFGS charged a management fee (corporate expenditure) relating to the provision of corporate services such as financial reporting, treasury, tax and legal services, secretarial, technical services and human resources. Corporate expenditure costs were determined based on the time spent by the Gold Fields corporate staff on providing the above mentioned services to the Group.

Refer to note 17 for details relating to the Gold Fields guarantee and fees received for the guarantee.

Rand Refinery

Rand Refinery, in which Sibanye holds a 33.1% interest, has an agreement with the Group whereby it refines all the Group's gold production. No dividends were received during the years ended 31 December 2013 and 2012.

The table below details the transactions and balances between the Group and it's related-parties:

US dollar		Figures in million	SA rand	
2012	**2013**		**2013**	2012
		Income from services rendered to Gold Fields group companies (refer to note 8)		
8.5	**3.5**	– Administration services	**33.2**	69.6
3.5	**3.6**	– Security services	**34.2**	28.9
1.8	**1.7**	– Training services	**16.0**	14.8
2.0	**2.0**	– Medical services	**19.0**	16.5
		Expenditure		
(8.1)	**(1.3)**	Management fees paid to Gold Fields Group Services	**(12.5)**	(66.7)
(1.6)	**(1.3)**	Refining fees paid to Rand Refinery	**(12.1)**	(12.9)
		Accounts receivable from Gold Fields group companies		
15.7	**-**	Gold Fields Group Services	**-**	134.9
33.9	**-**	South Deep Mine	**-**	290.8
6.9	**-**	Gold Fields Ghana	**-**	59.2
7.4	**-**	Other Gold Fields group companies	**-**	63.2
		Accounts payable to Gold Fields group companies		
15.7	**-**	Gold Fields Group Services	**-**	37.6
		Loans payable to Gold Fields group companies		
1,996.3	**-**	GFLMS Loan[1]	**-**	17,108.0

[1] This loan was unsecured, interest-free and had no fixed terms of repayment. Refer to note 1 where this loan was repaid as part of the unbundling.

39. CAPITAL MANAGEMENT

The Group's primary objective with regards to managing its capital is to ensure that there is sufficient capital available to support the funding requirements of the Group, including capital expenditure, in a way that: optimises the cost of capital; maximises shareholders' returns; and ensures that the Group remains in a sound financial position.

There were no changes to the Group's overall capital management approach during the current year.

The Group manages and makes adjustments to the capital structure as and when borrowings mature or as and when funding is required. This may take the form of raising equity, market or bank debt or hybrids thereof. Opportunities in the market are also monitored closely to ensure that the most efficient funding solutions are implemented.

The Group monitors capital using the ratio of net external debt to earnings (operating profit) before interest, taxes, depreciation and amortisation (EBITDA), but does not set absolute limits for this ratio. The Group is comfortable with a ratio of net debt to EBITDA of one times or lower.

US dollar		Figures in million	SA rand	
2012	**2013**		**2013**	2012
492.4	**192.5**	Borrowings excluding related-party loans[1]	**1,990.9**	4,220.0
34.0	**144.3**	Cash and cash equivalents	**1,492.4**	291.8
458.4	**48.2**	Net debt[2]	**498.5**	3,928.2
699.5	**766.5**	EBITDA	**7,357.9**	5,729.7
0.66	**0.06**	Net debt[2] to EBITDA (Ratio)	**0.07**	0.69

[1] All related-party loans were repaid during February 2013 (refer to note 1).

[2] Net debt excludes related-party loans

40. LIQUIDITY

The Group's current liabilities exceeded its current assets by R887 million (US$86 million) as at 31 December 2013. Current liabilities at year end include the financial guarantee liability of R207 million (US$20 million) (refer to note 17) which does not reflect the true liquidity of Sibanye per se, as Sibanye believes that Gold Fields is currently in the position to meet its obligations under the Notes (as defined under note 17).

With the Bridge Loan Facilities refinanced (as detailed in note 24), the Group was in a position to actively manage its debt position and as a result repaid an additional R500 million (US$52.1 million) debt in December 2013, effectively applying cash, a current asset, to reduce long-term borrowings.

The Directors believe that the cash generated by its operations and the remaining balance of the Group's revolving credit facility will enable the Group to continue to meet its obligations as they fall due.

shareholders' information

ANALYSIS OF SHAREHOLDERS AT 31 DECEMBER 2013

Shareholder spread	Number of shareholders	%	Number of shares	%
1 – 1,000 shares	13,837	81.42	2,280,623	0.31
1,001 – 10,000 shares	2,334	13.73	7,530,683	1.02
10,001 – 50,000 shares	389	2.29	8,707,403	1.18
50,001 – 100,000 shares	92	0.54	6,469,908	0.88
100,001 – 500,000	183	1.08	44,381,857	6.04
500,001 – 1,000,000	58	0.34	40,260,751	5.48
1,000,001 shares and over	102	0.60	625,447,806	85.09
Total	**16,995**	**100.00**	**735,079,031**	**100.00**

Distribution of shareholders	Number of shareholders	%	Number of shares	%
American Depositary Receipts	72	0.42	221,559,298	30.14
Unit Trusts/Mutual Funds	138	0.81	174,047,078	23.67
Pension Funds	173	1.02	141,717,170	19.27
Other Managed Funds	101	0.59	68,840,845	9.36
Sovereign Wealth	8	0.05	23,879,405	3.25
Custodians	71	0.42	20,459,478	2.78
Private Investors	133	0.78	17,951,748	2.44
Insurance Companies	18	0.11	16,369,262	2.23
Trading	16	0.09	14,832,734	2.02
Exchange-Traded Fund	4	0.02	5,629,866	0.77
University	7	0.04	3,789,725	0.52
Hedge Fund	5	0.03	2,393,235	0.33
Corporate	2	0.01	1,286,961	0.18
Investment Trust	4	0.02	867,916	0.12
Charity	3	0.02	520,584	0.07
Local Authority	1	0.01	483,252	0.07
Foreign Government	2	0.01	71,000	0.01
Stock Brokers	2	0.01	66,839	0.01
Remainder	16,235	95.54	20,312,635	2.76
Total	**16,995**	**100.00**	**735,079,031**	**100.00**

Public/non-public shareholders	Number of shareholdings	%	Number of shares	%
Non-public shareholders				
Directors	4	0.02	162,940	0.02
Share trust	1	0.01	13,525,394	1.85
Own holding	1	0.01	1,201,425	0.16
Public shareholders	16,989	99.96	720,189,272	97.97
Total	**16,995**	**100.00**	**735,079,031**	**100.00**

shareholders' information continued

Beneficial shareholders holding of 3% or more	Number of shares	%
Allan Gray Proprietary Limited	108,218,598	14.72
Investec Asset Management Holdings Proprietary Limited	103,985,030	14.15
Van Eck Associates Corporation	43,326,036	5.89
Dimensional Fund Advisors	35,337,505	4.81
PIC	34,470,776	4.69
First Eagle Investment Management	26,043,384	3.54
Blackrock Inc	24,731,965	3.36

Foreign custodian shareholders holding of 3% or more	Number of shares	%
BNY Mellon Depositary Receipts	220,005,324	29.93
Chase Nominees Limited	29,840,815	4.06
State Street Bank and Trust Company	25,561,750	3.48

shareholders' diary

2014	
18 February	Board Meeting
20 February	December 2013 quarter and full-year results announcement
24 April	March 2014 quarter operating update announcement
16 May	Board Meeting
17 June	Annual General meeting
29 July	Board Meeting
31 July	June 2014 quarter and half year results announcement
23 October	September 2014 quarter operating update announcement
6 November	Board Meeting

glossary of terms and acronyms

ABET	Adult basic education and training
ADR	American Depositary Receipt
AGM	Annual general meeting
AMCU	Association of Mineworkers and Construction Union
BAP	Biodiversity Action Plan
BEE	Black Economic Empowerment
CDM	Clean Development Mechanism
CEO	Chief executive officer
CIP	Carbon in pulp
CIL	Carbon in leach
CMS	Carbon Management Strategy
CO_2	Carbon dioxide
COAD	Chronic obstructive airways disease
CRTB	Cardio-respiratory tuberculosis
CSI	Corporate social investment
CSP	Concentrated solar power
dBA	Decibel
DEA	Department of Environmental Affairs
DMR	Department of Mineral Resources
DoE	Department of Education
DoH	Department of Health
DoL	Department of Labour
DWA	Department of Water Affairs
EMP	Environmental Management Programme
EMS	Environmental management system
ESOP	Employee Share Ownership Plan
ETF	Exchange-traded fund
Exco	Executive committee
FIFR	Fatal injury frequency rate
GHG	Greenhouse gas
GRI	Global Reporting Initiative
HAART	Highly active anti-retroviral treatment
HDSA	Historically disadvantaged South African
HIV/AIDS	Human immunodeficiency virus/Acquired immunodeficiency syndrome
IDP	Integrated Development Plan

IECMS	Integrated Energy and Carbon Management Strategy
IFRS	International Financial Reporting Standards
IIRC	International Integrated Reporting Council
IWUL	Integrated water use licence
JSE	Previously the Johannesburg Stock Exchange and the JSE Securities Exchange
King III	The Code of and Report on Governance Principles for South Africa, issued by the King Committee on Corporate Governance
KPI	Key performance indicator
LBMA	London Bullion Market Association
LED	Local economic development
LOA	Living-out allowance
LTIFR	Lost time injury frequency rate
MPRDA	Minerals and Petroleum Resources Development Act, 2002 (Act No 28 of 2002)
MVR	Middelvlei Reef
NIHL	Noise-induced hearing loss
NNR	National Nuclear Regulator
NUM	National Union of Mineworkers
NYSE	New York Stock Exchange
sag	Semi-autogenous grinding
SAMREC	South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves
SLP	Social and labour plan
SRD	Surface rock dump
SRI	Socially Responsible Investment
TB	Tuberculosis
TSF	Tailings storage facility
UASA	United Association of South Africa
VCT	Voluntary counselling and testing
WRTRP	West Rand Tailings Treatment Project
WUL	Water use licence

administrative and corporate information

Investor enquiries
James Wellsted
Head of corporate affairs
Sibanye Gold Limited
Tel: +27 83 453 4014
+27 11 278 9656
E-mail: james.wellsted@sibanyegold.co.za

Corporate Secretary
Cain Farrel
Tel: +27 10 001 1122
Fax: +27 11 278 9863
E-mail: cain.farrel@sibanyegold.co.za

Registered office
Libanon Business Park
1 Hospital Street
(off Cedar Avenue)
Libanon
Westonaria
1780
South Africa

Private Bag X5
Westonaria
1780
South Africa
Tel: +27 11 278 9600
Fax: +27 11 278 9863

Sibanye Gold Limited
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
www.sibanyegold.co.za

Directors
M Sello Moloko* (Chairman)
Neal J Froneman (CEO)
Charl Keyter (CFO)
Timothy J Cumming*
Barry E Davison*
Richard P Menell*
Nkosemntu G Nika*
Keith A Rayner*
Zola ST Skweyiya*
Susan C van der Merwe*
Jerry S Vilakazi*
Cain Farrel (Company Secretary)
*Independent non-executive

JSE sponsor
JP Morgan Equities South Africa (Proprietary) Limited
(Registration number: 1995/011815/07)
1 Fricker Road, Illovo
Johannesburg, 2196
Private Bag X9936, Sandton, 2196,
South Africa

Office of the United Kingdom secretaries
London
St James's Corporate Services Limited
Suite 31, Second Floor
107 Cheapside
London
EC2V 6DN
United Kingdom
Tel: +44 20 7796 8644
Fax: +44 20 7796 8645

American Depositary Receipt transfer agent
BNY Mellon Shareowner Services
PO Box 358516
Pittsburgh, PA 15252-8516
US Toll Free: +1 888 269 2377
Tel: +1 201 680 6825
Email: shrrelations@bnymellon.com
Kim Schwarz
Vice President, Relationship Manager
BNY Mellon
Depositary Receipts
Direct Line: +1 212 815 2852
Mobile: +1 347 515 0068
Fax: +1 212 571 3050
Email:
kimberly.schwarz@bnymellon.com

Transfer secretaries South Africa
Computershare Investor Services (Proprietary) Limited
Ground Floor
70 Marshall Street
Johannesburg
2001

PO Box 61051
Marshalltown
2107
Tel: +27 11 370 5000
Fax: +27 11 688 5248

Transfer secretaries United Kingdom
Capita Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU
England
Tel: 0871 664 0300 (calls cost 10p a minute plus network extras, lines are open 8:30 to 17:00, Monday to Friday) or
+44 20 8639 3399 (overseas)
Fax: +44 20 8658 3430
E-mail: ssd@capitaregistrars.com

Auditors
KPMG Inc.
KPMG Crescent
85 Empire Road
Parktown 2193
Johannesburg
South Africa
Tel: +27 11 647 7111
Fax: +27 11 647 8000

RUSSELL AND ASSOCIATES 7321/13