

2020

GROUP ANNUAL FINANCIAL REPORT

we are one
**Sibanye
Stillwater**



Domiciled and headquartered in South Africa, Sibanye Stillwater Limited (Sibanye-Stillwater or the Group) is a unique, diversified, global precious metals producer, mining and processing platinum group metals (PGMs) and gold. Our geographically diverse portfolio of operations and projects in southern Africa (SA) and the United States (US) was recently supplemented by the acquisition of a 30% stake in Keliber Oy, developers of the Keliber lithium project in Finland.



Our 2020 reports

These reports cover the financial year from 1 January 2020 to 31 December 2020*

ABOUT OUR REPORTS

The 2020 suite of reports describes Sibanye-Stillwater's progress in delivering on our strategy and related strategic focus areas, and on our purpose and vision to create value, responsibly and sustainably, over the short, medium and long term. The Integrated Annual Report, the primary report in the suite, covers our financial, operational, environmental, social and governance performance.

In compiling our reports, we considered and/or complied with the following frameworks, standards, and guidelines:

International Integrated Reporting Framework assurance and validation procedure	Global Reporting Initiative (GRI) Standards	King Report on Corporate Governance for South Africa, 2016 (King IV)
International Council on Mining and Metals (ICMM)	Listed Company Requirements, including the Johannesburg Stock Exchange (JSE) and the New York Stock Exchange (NYSE)	Companies Act South Africa, 71 of 2008, as amended
United Nations Global Compact (UNGC) Principles and the Sustainable Development Goals (SDGs)	Mining Charter and related social and labour plans	International Financial Reporting Standards (IFRS)
Sustainability Accounting Standards Board (SASB) Metals and Mining	World Gold Council's (WGC) Responsible Mining Principles (RGMPs)	Task Force on Climate-Related Financial Disclosures (TCFD)

SUPPORTING FACT SHEETS AND SUPPLEMENTARY INFORMATION AVAILABLE ONLINE:

- Alignment to the UNGC and SDGs
- Biodiversity management
- Care for iMali: Taking care of personal finance
- Combatting illegal mining
- Definitions for sustainability/ESG indicators
- Environmental incidents 2020
- Generating clean energy: Beatrix methane project
- GRI Content Index
- ICMM self-assessment
- King IV Disclosure
- Marikana renewal
- Mining supports Montana
- Social and labour plans' summary
- Tailings management
- Working together: Good Neighbor Agreement

Note: All photographs used in this report were taken before the COVID-19 pandemic and do not reflect Sibanye-Stillwater's standard operating protocols that were implemented as a result of the pandemic.

INTEGRATED ANNUAL REPORT 2020



SUMMARISED REPORT AND NOTICE OF ANNUAL GENERAL MEETING 2020



GROUP ANNUAL FINANCIAL REPORT 2020



COMPANY FINANCIAL STATEMENTS 2020



MINERAL RESOURCES AND MINERAL RESERVES REPORT 2020



Online

All of our 2020 reports, together with supporting documents, are available on our website at:

www.sibanyestillwater.com/news-investors/reports/annual

* Includes pertinent post year-end information to April 2021 and forward-looking Statements

FORWARD-LOOKING STATEMENTS

The information in this report may contain forward-looking statements within the meaning of the “safe harbour” provisions of the United States Private Securities Litigation Reform Act of 1995. These forward-looking statements, including, among others, those relating to Sibanye Stillwater Limited’s (“Sibanye-Stillwater” or the “Group”) financial positions, business strategies, plans and objectives of management for future operations, are necessarily estimates reflecting the best judgment of the senior management and directors of Sibanye-Stillwater and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. As a consequence, these forward-looking statements should be considered in light of various important factors, including those set forth in this report.

All statements other than statements of historical facts included in this report may be forward-looking statements. Forward-looking statements also often use words such as “will”, “forecast”, “potential”, “estimate”, “expect”, “plan”, “anticipate” and words of similar meaning. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances and should be considered in light of various important factors, including those set forth in this disclaimer. Readers are cautioned not to place undue reliance on such statements.

The important factors that could cause Sibanye-Stillwater’s actual results, performance or achievements to differ materially from estimates or projections contained in the forward-looking statements include, without limitation, Sibanye-Stillwater’s future financial position, plans, strategies, objectives, capital expenditures, projected costs and anticipated cost savings, financing plans, debt position and ability to reduce debt leverage; economic, business, political and social conditions in South Africa, Zimbabwe, the United States and elsewhere; plans and objectives of management for future operations; Sibanye-Stillwater’s ability to obtain the benefits of any streaming arrangements or pipeline financing; the ability of Sibanye-Stillwater to comply with loan and other covenants and restrictions and difficulties in obtaining additional financing or refinancing; Sibanye-Stillwater’s ability to service its bond instruments; changes in assumptions underlying Sibanye-Stillwater’s estimation of its current mineral reserves; any failure of a tailings storage facility; the ability to achieve anticipated efficiencies and other cost savings in connection with, and the ability to successfully integrate, past, ongoing and future acquisitions, as well as at existing operations; the ability of Sibanye-Stillwater to complete any ongoing or future acquisitions; the success of Sibanye-Stillwater’s business strategy and exploration and development activities; the ability of Sibanye-Stillwater to comply with requirements that it operate in ways that provide progressive benefits to affected communities; changes in the market price of gold and PGMs; the occurrence of hazards associated with underground and surface mining; any further downgrade of South Africa’s credit rating; a challenge regarding the title to any of Sibanye-Stillwater’s properties by claimants to land under restitution and other legislation; Sibanye-Stillwater’s ability to implement its strategy and any changes thereto; the occurrence of labour disruptions and industrial actions; the availability, terms and deployment of capital or credit; changes in the imposition of regulatory costs and relevant government regulations, particularly environmental, tax, health and safety regulations and new legislation affecting water, mining, mineral rights and business ownership, including any interpretation thereof which may be subject to dispute; the outcome and consequence of any potential or pending litigation or regulatory proceedings or environmental, health or safety issues; the concentration of all final refining activity and a large portion of Sibanye-Stillwater’s PGM sales from mine production in the United States with one entity; the identification of a material weakness in disclosure and internal controls over financial reporting; the effect of US tax reform legislation on Sibanye-Stillwater and its subsidiaries; the effect of South African Exchange Control Regulations on Sibanye-Stillwater’s financial flexibility; operating in new geographies and regulatory environments where Sibanye-Stillwater has no previous experience; power disruptions, constraints and cost increases; supply chain shortages and increases in the price of production inputs; the regional concentration of Sibanye-Stillwater’s operations; fluctuations in exchange rates, currency devaluations, inflation and other macro-economic monetary policies; the occurrence of temporary stoppages of mines for safety incidents and unplanned maintenance; Sibanye-Stillwater’s ability to hire and retain senior management or sufficient technically skilled employees, as well as its ability to achieve sufficient representation of historically disadvantaged South Africans in its management positions; failure of Sibanye-Stillwater’s information technology and communications systems; the adequacy of Sibanye-Stillwater’s insurance coverage; social unrest, sickness or natural or man-made disaster at informal settlements in the vicinity of some of Sibanye-Stillwater’s South African-based operations; and the impact of HIV, tuberculosis and the spread of other contagious diseases, such as the coronavirus disease (COVID-19). Further details of potential risks and uncertainties affecting Sibanye-Stillwater are described in Sibanye-Stillwater’s filings with the Johannesburg Stock Exchange and the United States Securities and Exchange Commission, including the Integrated Annual Report 2020 and the Annual Report on Form 20-F for the fiscal year ended 31 December 2020.

These forward-looking statements speak only as of the date of the content. Sibanye-Stillwater expressly disclaims any obligation or undertaking to update or revise any forward-looking statement (except to the extent legally required). These forward-looking statements have not been reviewed or reported on by the Group’s external auditors.

CONTENTS

OVERVIEW

- 5 Four-year financial performance
- 9 Management's discussion and analysis of the financial statements

ACCOUNTABILITY

- 32 Statement of responsibility by the Board of Directors
- 33 Chief Executive Officer and Chief Financial Officer responsibility statement
- 33 Company secretary's confirmation
- 34 Report of the Audit Committee
- 38 Directors' report
- 46 Report of independent registered public accounting firm

CONSOLIDATED FINANCIAL STATEMENTS

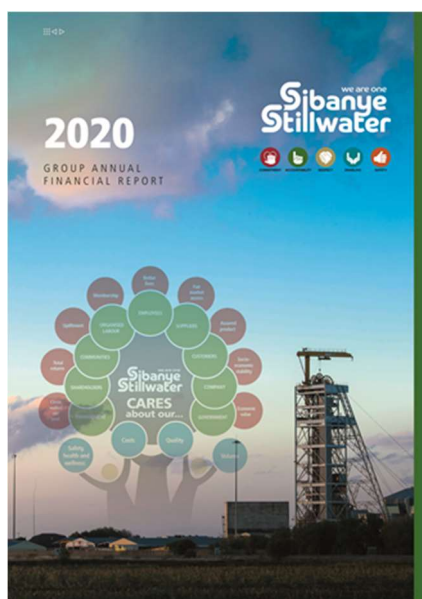
- 50 Consolidated income statement
- 50 Consolidated statement of other comprehensive income
- 51 Consolidated statement of financial position
- 52 Consolidated statement of changes in equity
- 53 Consolidated statement of cash flows
- 54 Notes to the consolidated financial statements

The audited consolidated financial statements for the year ended 31 December 2020 have been prepared by Sibanye-Stillwater's group financial reporting team headed by Jacques le Roux. This process was supervised by the Group's CFO, Charl Keyter and authorised for issue by Sibanye-Stillwater's Board of Directors on 22 April 2021.

ANCILLARY INFORMATION

- 129 Shareholder information
- 132 Administration and corporate information

On 24 February 2020, Sibanye Stillwater Limited and Sibanye Gold Limited implemented a scheme of arrangement in terms of section 114 of the South African Companies Act, 2008, which resulted in, amongst other things, Sibanye Gold Limited's operations being reorganised under Sibanye Stillwater Limited, which became the parent company of the group (the Reorganisation). See *Consolidated financial statements—Notes to the consolidated financial statements—Note 1.1 Reporting Entity*. The historical financial statements included in this report are those of Sibanye Stillwater Limited. See *—Historical consolidated financial statements*. Accordingly, in this annual financial report, references to "Sibanye-Stillwater" shall include Sibanye Gold Limited and its subsidiaries prior to the implementation of the Reorganisation and, Sibanye Stillwater Limited and its subsidiaries, subsequent to the implementation of the Reorganisation, as the context requires.



FOUR-YEAR FINANCIAL PERFORMANCE

		2020	2019	2018	2017
Group operating statistics					
US PGM operations¹					
Production					
Ore milled	'000t	1,487	1,411	1,339	855
Platinum produced	'000 2Eoz	135	133	134	85
Palladium produced	'000 2Eoz	468	460	459	291
PGM produced	'000 2Eoz	603	594	593	376
PGM sold	'000 2Eoz	594	578	594	355
PGM recycled	'000 2Eoz	840	853	687	517
Price and costs					
Average basket price	R/2Eoz	31,373	20,287	13,337	12,330
	US\$/2Eoz	1,906	1,403	1,007	927
Operating cost ²	R/t	5,203	4,200	3,353	3,081
	US\$/t	316	290	253	232
	R/2Eoz	12,829	9,978	7,576	7,001
	US\$/2Eoz	779	690	572	526
Adjusted EBITDA ³	Rm	13,083	7,291	4,152	2,143
Adjusted EBITDA margin ⁴		29	27	26	23
All-in sustaining cost ⁵	R/2Eoz	14,385	11,337	8,994	8,707
	US\$/2Eoz	874	784	677	651
All-in sustaining cost margin ⁶	%	56	45	37	29
All-in cost ⁵	R/2Eoz	18,339	14,763	11,651	11,097
	US\$/2Eoz	1,114	1,021	880	821
All-in cost margin ⁶	%	44	29	18	10
Capital expenditure					
Total capital expenditure	Rm	4,419	3,393	2,833	1,654
SA PGM operations					
Production					
Ore milled	'000t	32,416	31,624	25,841	26,196
Platinum produced	'000 4Eoz	939	948	685	695
Palladium produced	'000 4Eoz	471	489	364	372
PGM produced	'000 4Eoz	1,577	1,608	1,176	1,194
PGM sold	'000 4Eoz	1,576	1,306	1,176	1,194
Price and costs⁷					
Average basket price	R/4Eoz	36,651	19,994	13,838	12,534
	US\$/4Eoz	2,227	1,383	1,045	942
Operating cost ²	R/t	870	724	474	467
	US\$/t	53	50	36	35
	R/4Eoz	18,543	14,699	11,019	10,831
	US\$/4Eoz	1,127	1,017	832	814
Adjusted EBITDA ³	Rm	29,075	8,796	2,882	1,594
Adjusted EBITDA margin ⁴		53	32	19	12
All-in sustaining cost ⁵	R/4Eoz	18,280	14,857	10,417	10,399
	US\$/4Eoz	1,111	1,027	787	782
All-in sustaining cost margin ⁶	%	46	20	28	16
All-in cost ⁵	R/4Eoz	18,317	14,875	10,472	10,401
	US\$/4Eoz	1,113	1,029	791	782
All-in cost margin ⁶	%	46	20	27	16
Capital expenditure					
Total capital expenditure	Rm	2,197	2,248	1,000	1,035

FOUR-YEAR FINANCIAL PERFORMANCE continued

		2020	2019	2018	2017
SA gold operations					
Production					
Ore milled	'000t	41,226	41,498	27,199	19,030
Gold produced	kg	30,561	29,009	36,600	43,634
	'000oz	983	933	1,177	1,403
Gold sold	kg	30,136	28,743	36,489	43,763
	'000oz	969	924	1,173	1,407
Price and costs					
Gold price	R/kg	924,764	648,662	535,929	536,378
	US\$/oz	1,747	1,395	1,259	1,254
Operating cost ²	R/t	470	446	648	937
	US\$/t	29	31	49	70
	R/kg	634,596	637,681	490,209	408,773
	US\$/oz	1,199	1,372	1,151	956
Adjusted EBITDA ³	Rm	7,770	(969)	1,362	5,309
Adjusted EBITDA margin ⁴	%	28	(5)	7	23
All-in sustaining cost ⁵	R/kg	743,967	717,966	557,530	482,693
	US\$/oz	1,406	1,544	1,309	1,128
All-in sustaining cost margin ⁶	%	20	(11)	(4)	10
All-in cost ⁵	R/kg	756,351	735,842	583,409	501,620
	US\$/oz	1,429	1,583	1,370	1,173
All-in cost margin ⁶	%	18	(13)	(9)	6
Capital expenditure					
Total capital expenditure	Rm	2,997	2,066	3,248	3,410

¹ The US PGM operations' underground production is converted to metric tonnes and kilograms, and performance is translated into SA rand. In addition to the US PGM operations' underground production, the operation processes recycling material which is excluded from the 2E PGM production, average basket price, operating cost, All-in sustaining cost and All-in cost statistics shown. PGM recycling represents palladium, platinum, and rhodium ounces fed to the furnace

² Operating cost is the average cost of production, and operating cost per tonne is calculated by dividing the cost of sales, before amortisation and depreciation and change in inventory in a period by the tonnes milled in the same period, and operating cost per kilogram and ounce is calculated by dividing the cost of sales, before amortisation and depreciation and change in inventory in a period by the gold or platinum group metals (PGM) produced in the same period

³ The Group reports adjusted earnings before interest, taxes, depreciation and amortisation (EBITDA) based on the formula included in the facility agreements for compliance with the debt covenant formula. Adjusted EBITDA may not be comparable to similarly titled measures of other companies. Adjusted 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. For a reconciliation of profit/(loss) before royalties and tax to adjusted EBITDA, see –Consolidated financial statements–Notes to the consolidated financial statements–Note 28.9: Capital management

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

⁵ Sibanye-Stillwater presents the financial measures "All-in sustaining costs", "All-in costs", "All-in sustaining cost per kilogram", "All-in sustaining cost per ounce", "All-in cost per kilogram" and "All-in cost per ounce", which were introduced during the year ended 31 December 2013 by the World Gold Council (the Council). Despite not being a member of the Council at the time, Sibanye-Stillwater adopted the principles prescribed by the Council. The Council is a non-profit association of the world's leading gold mining companies established in 1987 to promote the use of gold from industry, consumers and investors and is not a regulatory organisation. The Council has worked with its member companies to develop a metric that expands on International Financial Reporting Standards (IFRS) measures such as cost of goods sold and currently accepted non-IFRS measures to provide relevant information to investors, governments, local communities and other stakeholders in understanding the economics of gold mining operations related to expenditures, operating performance and the ability to generate cash flow from operations. 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 metric

All-in sustaining costs, All-in costs, All-in sustaining cost per kilogram, All-in sustaining cost per ounce, All-in cost per kilogram and All-in cost per ounce metrics are intended to provide additional information only, do not have any standardised meaning prescribed by IFRS and should not be considered in isolation or as alternatives to cost of sales, profit before tax, profit for the year, cash from operating activities or any other measure of financial performance presented in accordance with IFRS. All-in sustaining costs, All-in costs, All-in sustaining cost per kilogram, All-in sustaining cost per ounce, All-in cost per kilogram and All-in cost per ounce as presented in this document may not be comparable to other similarly titled measures of performance of other companies. Other companies may calculate these measures differently as a result of differences in the underlying accounting principles, policies applied and accounting frameworks such as in US GAAP. Differences may also arise related to definitional differences of sustaining versus development capital activities based upon each company's internal policies

All-in costs 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 costs is made up of All-in sustaining costs, being the cost to sustain current operations, given as a sub-total in the All-in costs calculation, together with corporate and major capital expenditure growth

For a reconciliation of cost of sales, before amortisation and depreciation to All-in costs, see –Overview–Management's discussion and analysis of the financial statements–2020 financial performance compared with 2019–Cost of sales–All-in costs

⁶ All-in sustaining cost margin is defined as revenue minus All-in sustaining costs divided by revenue. All-in cost margin is defined as revenue minus All-in costs divided by revenue

⁷ The total SA PGM operations unit cost benchmarks (including capital expenditure) exclude the financial results of Mimosa, which is equity accounted, and excluded from revenue and cost of sales

FOUR-YEAR FINANCIAL PERFORMANCE continued

		2020	2019	2018	2017
Group financial statistics¹					
Income statement					
Revenue	Rm	127,392	72,925	50,656	45,912
Cost of sales, before amortisation and depreciation	Rm	75,776	56,100	41,515	36,483
Amortisation and depreciation	Rm	(7,592)	(7,214)	(6,614)	(5,700)
Profit/(loss) for the year	Rm	30,622	433	(2,521)	(4,433)
Profit/(loss) for the year attributable to owners of Sibanye-Stillwater	Rm	29,312	62	(2,500)	(4,437)
Basic earnings per share	cents	1,074	2	(110)	(229)
Diluted earnings per share	cents	1,055	2	(110)	(229)
Headline earnings per share	cents	1,068	(40)	(1)	(12)
Dividend per share	cents	321	-	-	60
Weighted average number of shares	'000	2,728,891	2,507,583	2,263,857	1,933,850
Diluted weighted average number of shares	'000	2,777,952	2,578,955	2,263,857	1,933,850
Number of shares in issue at end of period	'000	2,923,571	2,670,029	2,266,261	2,168,721
Statement of financial position					
Property, plant and equipment	Rm	60,600	57,480	54,558	51,445
Cash and cash equivalents	Rm	20,240	5,619	2,549	2,062
Total assets	Rm	134,103	101,072	84,923	76,072
Net assets	Rm	70,716	31,138	24,724	23,998
Stated share capital	Rm	30,150	40,662	34,667	34,667
Borrowings ²	Rm	18,383	23,736	24,505	25,650
Total liabilities	Rm	63,387	69,934	60,199	52,074
Statement of cash flows					
Net cash from operating activities	Rm	27,149	9,464	12,197	2,741
Net cash used in investing activities	Rm	(9,937)	(4,865)	(7,744)	(28,144)
Net cash (used in)/from financing activities	Rm	(2,244)	(1,470)	(4,101)	26,807
Net increase in cash and cash equivalents	Rm	14,969	3,129	352	1,403
Other financial data					
Adjusted EBITDA ³	Rm	49,385	14,956	8,369	9,045
Net (cash)/debt ⁴	Rm	(3,087)	20,964	21,269	23,176
Net (cash)/debt to adjusted EBITDA ⁵	ratio	(0.06)	1.40	2.54	2.56
Net asset value per share ⁶	R	24.19	11.66	10.91	11.07
Average exchange rate ⁷	R/US\$	16.46	14.46	13.24	13.31
Closing exchange rate ⁸	R/US\$	14.69	14.00	14.35	12.36
Share data					
Ordinary share price – high	R	60.40	35.89	17.16	33.26
Ordinary share price – low	R	16.53	16.76	6.82	14.15
Ordinary share price at year end	R	60.00	35.89	10.02	15.78
Average daily volume of shares traded	'000	19,488	21,383	10,567	9,080
Market capitalisation at year end	Rbn	175.4	95.8	22.7	34.2

¹ The selected historical consolidated financial data set out above have been derived from Sibanye-Stillwater's consolidated financial statements for those periods and as at those dates which have been prepared in accordance with IFRS taking into account any changes in accounting principles. Headline earnings per share is calculated in terms of the guidance issued by the South African Institute of Chartered Accountants (SAICA), see –Consolidated financial statements–Notes to the consolidated financial statements–Note 12.3: Headline earnings per share

² This represents total borrowings as per the consolidated financial statements, see –Consolidated financial statements–Notes to the consolidated financial statements–Note 28: Borrowings

³ The adjusted EBITDA is based on the formula included in the facility agreements for compliance with the debt covenant formula. Adjusted EBITDA may not be comparable to similarly titled measures of other companies. Adjusted 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. For a reconciliation of profit/(loss) before royalties and tax to adjusted EBITDA, see –Consolidated financial statements–Notes to the consolidated financial statements–Note 28.9: Capital Management

⁴ Net (cash)/debt represents borrowings and bank overdraft less cash and cash equivalents. Borrowings are only those borrowings that have recourse to Sibanye-Stillwater, and, therefore, exclude the Burnstone Debt and include the derivative financial instrument up to the settlement of the US\$ Convertible Bond. Net debt excludes cash of Bursntone. Where cash and cash equivalents exceed borrowings and bank overdraft this represents a net cash position and the negative amount is shown in brackets

⁵ Net (cash)/debt to adjusted EBITDA (ratio) is defined as net (cash)/debt as at the end of a reporting period divided by adjusted EBITDA of the last 12 months ending on the same reporting date. Where a net cash position arises the Net (cash)/debt to adjusted EBITDA (ratio) is negative and the amount is shown in brackets

⁶ Net asset value per share (ratio) is defined as total assets as at the end of a reporting period minus total liabilities as at the end of a reporting period divided by the total number of shares in issue on the same reporting date

⁷ The average exchange rate during the relevant period as reported by IRESS. The average exchange rate for the period through 15 April 2021 was 14.52/US. The following table sets forth the high and low exchange rates for each month during the previous six months

Month ended	High	Low
31 October 2020	16.73	16.19
30 November 2020	16.20	15.13
31 December 2020	15.28	14.54
31 January 2021	15.55	14.66
28 February 2021	15.13	14.46
31 March 2021	15.54	14.64
Through 15 April 2021	14.66	14.17

FOUR-YEAR FINANCIAL PERFORMANCE continued

⁸ *The closing exchange rate at period end. The closing exchange on 15 April 2021, as reported by IRESS, was R14.17/US\$. Fluctuations in the exchange rate between the rand and the US dollar will affect the US dollar equivalent of the price of the ordinary shares on the JSE, which may affect the market price of the American Depositary Receipts (ADRs) on the NYSE. These fluctuations will also affect the US dollar amounts received by owners of ADRs on the conversion of any dividends paid in rand on the ordinary shares*

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS

The following discussion and analysis should be read together with Sibanye-Stillwater's consolidated financial statements including the notes, which appear elsewhere in this annual financial report. Certain information contained in the discussion and analysis set forth below includes forward-looking statements that involve risks and uncertainties. See Forward-looking statements for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in this annual financial report. The comparison of the Group's 2019 financial performance to the Group's 2018 financial performance can be found on pages 271 to 291 of Sibanye Gold Limited's Annual Report on Form 20-F for the year ended 31 December 2019 that was filed with United States Securities and Exchange Commission on 28 April 2020.

Introduction

Sibanye-Stillwater is an independent, global, precious metals mining company producing a mix of metals that includes PGMs and gold. Domiciled and with its head office in South Africa, Sibanye-Stillwater owns and operates a portfolio of high-quality operations and projects that are located as follows:

US PGM operations

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

SA PGM operations

The Kroondal, Rustenburg, Marikana and Platinum Mile operations are located on the western limb of the Bushveld Complex in South Africa, while Mimosa is on the southern portion of the Great Dyke in Zimbabwe. Mimosa is a 50:50 joint venture with Impala Platinum Holdings Limited. Platinum Mile is a retreatment facility.

SA gold operations

The Driefontein, Kloof and Cooke operations are located on the West Rand of the Witwatersrand Basin, while Beatrix is in the southern Free State goldfields of the Basin. Sibanye-Stillwater also has an interest in surface tailings retreatment facilities located from the East Rand to the West Rand through our effective 50.66% stake in DRDGOLD Limited (DRDGOLD).

Projects

Our projects are:

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

At our PGM operations in South Africa and Zimbabwe, the primary PGMs produced are platinum, palladium and rhodium, which together with gold, are referred to as 4E (3PGM+Au). Production by ratio is approximately 60% (2019: 59%) platinum (Pt), 30% (2019: 30%) palladium (Pd), 8% (2019: 9%) rhodium (Rh) and 2% (2019: 2%) gold (Au). During 2019 Sibanye-Stillwater changed from a purchase of concentrate (POC) to a toll treatment (Toll) arrangement with Anglo American Platinum Limited (Anglo Plats) to smelt and refine concentrate from its Rustenburg operation but retains ownership of the refined 4E metal produced. At its Marikana operation all concentrate is refined by the precious metal refinery, Kroondal and Platinum mile operations remain on a POC agreement.

The US PGM operations primarily produce palladium (2020 and 2019: 78%) and platinum (2020 and 2019: 22%), referred to as 2E (or 2PGM). The PGM-bearing ore mined is processed and smelted to produce a PGM-rich filter cake. A third party refines the filter cake to produce refined PGMs.

The major sources of demand for PGMs are for use in autocatalysts and jewellery. Combined, these two areas accounted for around 53% (2019: 56%) of gross platinum demand in 2020. Gross autocatalyst demand alone accounted for 30% (2019: 32%) of platinum demand and for 89% (2019: 88%) of palladium demand in 2020.

Sibanye-Stillwater mines, extracts and processes gold-bearing ore at its SA gold operations to produce a beneficiated product, doré, which is then refined at Rand Refinery Proprietary Limited (Rand Refinery) into gold bars with a purity of at least 99.5% in accordance with the London Bullion Market Association's standards of Good Delivery. Sibanye-Stillwater holds a 44% interest in Rand Refinery, one of the largest refiners of gold globally, and the largest in Africa. Sibanye-Stillwater sells the refined gold to its customers who are international and local banks based in South Africa and a residual amount, below 5%, is sold to Rand Refinery.

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

In 2020, Sibanye-Stillwater delivered attributable PGM production of 0.60Moz (2E) (2019: 0.59Moz (2E)) and 1.58Moz (4E) (2019: 1.61Moz (4E)), and produced 30,561kg (0.98Moz) (2019: 29,009kg (0.93Moz)) of gold, from its US PGM, SA PGM and SA gold operations respectively.

During the 2020 year, Sibanye-Stillwater recognised a record profit of R30,622 million (2019: profit of R433 million), of which R29,312 million (2019: R62 million) is attributable to the owners of Sibanye-Stillwater.

At 31 December 2020, Sibanye-Stillwater had 2E PGM mineral reserves of 26.9Moz (2019: 26.9Moz), 4E PGM mineral reserves of 39.5Moz (2019: 28.2Moz), and gold mineral reserves of 15.5Moz (2019: 15.4Moz).

The following financial review provides stakeholders with greater insight into the financial performance and position of the Group during the periods indicated.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS continued

Factors affecting Sibanye-Stillwater's performance

Commodity prices

Sibanye-Stillwater's revenues are primarily derived from the sale of the PGMs and gold that it produces, from its own mines and its recycling facilities. For mined production, Sibanye-Stillwater 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 production, unless these derivatives are used for risk mitigation and project funding initiatives. As a result, Sibanye-Stillwater is normally fully exposed to changes in commodity prices for its mined production. Metals from recycled material, which is solely produced at the Columbus metallurgical facilities in Montana, are sold forward at the time the material is purchased and they are delivered against the forward sales contracts when the ounces are recovered. This negates commodity price volatility and exposure during the outturn period of approximately sixty to ninety days.

As detailed previously, PGM and gold hedging is considered 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, see –*Consolidated financial statements–Notes to the consolidated financial statements–Note 36.2: Risk management activities.*

Historically, platinum, palladium and rhodium prices have been subject to wide fluctuations and are affected by numerous factors beyond Sibanye-Stillwater's control, including international macroeconomic conditions and outlook, levels of supply and/or demand, any actual or potential threats to the stability of supply and/or demand, inventory levels maintained by users and producers, liquidity of above ground excess inventories, actions of participants in the commodities markets and currency exchange rates, particularly the rand to the US dollar.

In addition, platinum, palladium and rhodium exchange-traded funds (ETFs) have added a further element of unpredictability and volatility to the pricing environment and may increase volatility in PGM prices, particularly during structurally tight markets. ETF investors may exhibit procyclical behavior, purchasing shares in ETFs during times of rising prices and selling holdings during periods of declining prices. This behavior may exacerbate short term price volatility. The market prices of platinum, palladium, rhodium and other PGMs have been, and may in the future be, subject to rapid short-term changes.

The volatility of the price of platinum is illustrated in the platinum price table below (which shows the annual high, low and average of the market price of platinum). Over the period from 2018 to 2020, the platinum price has fluctuated between a high price of US\$1,074/oz and a low price US\$605/oz.

Platinum	US\$/oz ^{1,2}		
	High	Low	Average
2018	1,025	770	879
2019	985	777	864
2020	1,074	605	885
2021 (through 31 March 2021)	1,340	1,043	1,159

¹ Rounded to the nearest US dollar

² Metal price sourced from IRESS

The market price of platinum was US\$1,070/oz at 31 December 2020 and was US\$1,174/oz on 15 April 2021.

The volatility of the price of palladium is illustrated in the palladium price table below (which shows the annual high, low and average of the market price of palladium). Over the period from 2018 to 2020, the palladium price has fluctuated between a high price of US\$2,814/oz and a low price US\$857/oz.

Palladium	US\$/oz ^{1,2}		
	High	Low	Average
2018	1,265	857	1,038
2019	1,993	1,260	1,570
2020	2,814	1,589	2,203
2021 (through 31 March 2021)	2,675	2,249	2,405

¹ Rounded to the nearest US dollar

² Metal price sourced from IRESS

The market price of palladium was US\$2,371/oz at 31 December 2020 and was US\$2,680/oz on 15 April 2021.

The volatility of the price of rhodium is illustrated in the rhodium price table below (which shows the annual high, low and average of the market price of rhodium). Over the period from 2018 to 2020, the rhodium price has fluctuated between a high price of US\$16,650/oz and a low price US\$1,690/oz.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS

continued

Rhodium	US\$/oz ^{1,2}		
	High	Low	Average
2018	2,600	1,690	2,255
2019	6,150	2,460	4,040
2020	16,650	5,500	11,174
2021 (through 31 March 2021)	29,800	17,000	23,177

¹ Rounded to the nearest US dollar

² Metal price sourced from IRESS

The market price of rhodium was US\$16,650/oz at 31 December 2020 and was US\$28,100/oz on 15 April 2021.

The market price of gold has historically been volatile and is affected by numerous factors over which Sibanye-Stillwater has no control, such as general supply and demand, speculative trading activity and global economic drivers. Further, over the period from 2018 to 2020, the gold price has fluctuated between a high price of US\$2,067/oz and a low price US\$1,177/oz.

The volatility of the price of gold is illustrated in the gold price table below (which shows the annual high, low and average of the London afternoon fixing price of gold).

Gold	US\$/oz ^{1,2}		
	High	Low	Average
2018	1,360	1,177	1,269
2019	1,546	1,270	1,393
2020	2,067	1,472	1,770
2021 (through 31 March 2021)	1,957	1,684	1,794

¹ Rounded to the nearest US dollar

² Metal price sourced from IRESS

The London afternoon fixing price of gold was US\$1,891/oz at 31 December 2020 and was US\$1,757/oz on 15 April 2021.

Exchange rate

Sibanye-Stillwater's SA PGM and gold operations (with the exception of Mimoso) are all located in South Africa, and its revenues are equally sensitive to changes in the US dollar PGM (4E) basket and gold prices, and the rand/US dollar exchange rate (the exchange rate). Depreciation of the rand against the US dollar results in Sibanye-Stillwater'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-Stillwater has no control. The relationship between currencies and commodities, which includes the PGM (4E) basket and gold prices, is complex, and changes in exchange rates can influence commodity prices, and vice versa.

As a general rule, Sibanye-Stillwater does not enter into long-term currency hedging arrangements and is mainly exposed to the spot market exchange rate. Sibanye-Stillwater's SA PGM and gold operations' costs are primarily denominated in rand (with the exception of Mimoso), 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, see –*Consolidated financial statements–Notes to the consolidated financial statements–Note 36.2: Risk management activities*.

Costs

Sibanye-Stillwater's cost of sales, before amortisation and depreciation comprise mainly labour and contractor costs, power and water, processing and smelting and consumable stores which include, *inter alia*, explosives, timber, cyanide, chemicals, steel balls, flotation collector, and other consumables. Sibanye-Stillwater expects that its cost of sales, 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. In order to restrict these cost inputs, there is a continuous programme driven by operational initiatives throughout the Group to improve efficiencies and productivity. The SA gold operations have been restructured through a S189 consultation process as a consequence of ongoing financial losses experienced at the Beatrix and Driefontein mines with the process concluding on 5 June 2019. The Marikana operation, acquired during June 2019, has also been restructured through a S189 consultation process pursuant to ongoing financial losses experienced at these operations with certain shafts having reached the end of their economic reserve lives. The aim of the restructuring was the rationalisation of overheads and the realisation of other synergies and efficiencies required to restore profitability and ensure the sustainability of the remaining shafts at the Marikana operation. This process was concluded on 16 January 2020. The integration of the Marikana operation progressed smoothly notwithstanding the COVID-19 interruptions, delivering corporate and operational synergies of approximately R1,830 million per annum by the end of 2020, well above the initial transaction estimates of approximately R730 million per annum.

Following the outbreak of COVID-19 in South Africa, on 23 March 2020, the President of the Republic of South Africa announced a nation-wide lockdown for 21 days effective from midnight on 26 March 2020, which was extended for a further 14 days, bringing the total to 5 weeks. Sibanye-Stillwater implemented measures to place its SA Gold and SA PGM operations on care and maintenance, as required under the lockdown regulations. During the initial lockdown period there was no production from our South African operations and the following initiatives were implemented to preserve liquidity at these operations:

- reduced variable overhead costs due to care and maintenance only, with costs limited to security, water pumping and ventilation;
- monitoring of infrastructure at shafts and plants, and consumables associated with each activity;
- reduced labour cost from the third week of lockdown onwards; and

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS

continued

- force majeure announced to contractors not involved in the care and maintenance activity.

On 16 April 2020 a notice was published by the South African government which allowed for South African mining operations to be conducted at a reduced capacity of not more than 50%. From 17 April 2020, management commenced implementing its strategy to mobilise the required employee complement to safely ramp up production at our South African operations to the initial restricted 50%. Subsequent directives issued by the Minister of Mineral Resources and Energy and the easing of lockdown restrictions allowed for the controlled ramp up of production under stringent regulations. These measures had a significant adverse impact on the production from our South African operations during Q2 2020. At 30 June 2020 the SA Gold and SA PGM operations were at a production capacity of 86% and 73%, respectively.

Management's strategy to safely mobilise employees and ramp up to near normal production levels by the end of 2020 was successfully delivered. By the end of December 2020 the SA gold operations were almost ramped up to normal production capacity, however the momentum of ramping up into January 2021 was disturbed by the Christmas break whereby the pace of employees returning back was slower than anticipated, especially those foreign nationals returning from the Southern African Development Community (SADC) countries where stricter border controls were implemented. The return to work was impacted due to the extended screening process and compliance requirements linked to the National Government level 3 lockdown regulations which was imposed in December 2020 and January 2021. By the end of December 2020, the SA PGM operations were ramped up to normal production capacity, however the momentum of ramping up into January 2021 was also disturbed by the Christmas break whereby the pace of employees returning back was slower than anticipated due to the extended screening process. The extended period of screening was caused by the compliance requirements to level 3 National government lockdown regulations which require every employee returning from the Christmas break to be tested and screened for COVID-19. During H1 2020, capital expenditure at the South African operations was deferred to H2 2020 mainly due to the COVID-19 lockdowns, with capital expenditure in H2 2020 mainly incurred in the Infrastructure, safety and compliance projects. The deferral of such capital expenditure projects will flow into Q1 2021 and has been reflected as an increase in the 2021 capital expenditure plan.

Although no formal lock down was experienced at our US PGM operations during 2020, the operational performance of our US PGM operations was negatively impacted by COVID-19, with proactive COVID-19 measures required to mitigate the spread of the COVID-19 pandemic and contain liquidity for the Group. This, amongst others, resulted in the deferral of capital project activity, the delay in receipt of key sustaining and growth capital items and a curtailment in recycling operation activity for a portion of 2020. The need to demobilise key project contractors during the onset of COVID-19, together with force majeure declaration's on key infrastructure projects, contributed to the Stillwater East (Blitz) project being delayed by 24 months. The US PGM recycling operations saw a noticeable market liquidity driven slowdown early on in the pandemic, although a recovery in the secondary supply market occurred during the second half of 2020, resulting in a buildup in recycled inventory towards the end of 2020. The US PGM Operations saw production losses of approximately 4% due to COVID-19 during 2020.

From December 2020 South Africa experienced a second wave of COVID-19 infections that, if not contained, could affect the production from our South African operations. Although the South African government introduced a level 3 lock down commencing from 28 December 2020, this did not impose further restrictions on our South African operations. COVID-19 infection rates remain high across the United States and the US PGM Montana operations continue to operate under strict COVID-19 protocols.

The South African inflation rate or Consumer Price Index (CPI) was 3.3% in 2020 (2019: 4.1%). Inflation in the mining industry has historically been higher than CPI driven by above inflation wage increases and electricity tariffs.

Sibanye-Stillwater's operations are labour intensive. Labour represented 31% and 37% of cost of sales, before amortisation and depreciation during 2020 and 2019, respectively.

At the US PGM operations the collective bargaining agreement covering certain employees at the Stillwater Mine and the Metallurgical Processing facilities concluded the wage negotiations in April 2019. The new five-year agreement has similar terms to the prior agreement, with minor revisions. In terms of the agreement there was a 2.75% increase for all job categories effective from 15 April 2019, followed by annual increases of 2.5% for 2020, 3.0% in 2021, 2.5% in 2022 and 3.0% in 2023, all of which are effective annually on 1 June.

Negotiations with the United Steel Workers International Union (USW) regarding East Boulder were concluded towards year-end 2017. A new four-year wage contract was signed that included a two-year extension. The next wage negotiations will be in December 2021. The agreed wage increases were a 1.0% increase effective 1 January 2018 and a US\$1,000 bonus that was paid by 1 February 2018, followed by annual increases of 2.0% for 2019, 2.5% in 2020 and 2.0% in 2021, all of which are effective annually on 1 January.

Sibanye-Stillwater concluded a three-year wage agreement for its Kroondal operation on 23 October 2020. The wage agreement was signed with the National Union of Mineworkers and the Association of Mineworkers and Construction Union (AMCU), in respect of wages and conditions of service for a three-year period from 1 July 2020 to 30 June 2023. The basic wage increase for Category 4-9 surface and underground employees for the first year, is 5% or R1000 per month whichever is higher for each of the three years. Miners, artisans and officials will also receive 5% or R1,000 per month whichever is higher per annum over the three-year period.

Sibanye-Stillwater concluded a three-year wage agreement at the SA PGM operations on 15 November 2019, for its Rustenburg and Marikana operations which comprise the majority of its SA PGM operations, with the AMCU at the Marikana operation and AMCU and UASA (formerly known as United Association of South Africa) at the Rustenburg operation in respect of wages and conditions of service for the period 1 July 2019 to 30 June 2022. The agreement allows for increases to the basic wage of Category 4-9 surface and underground employees for both the Marikana and Rustenburg operations of R1,000 per month or 5% whichever is the higher in the first year, R1,000 per month or 5% whichever is the higher in the second year and R1,000 per month or 5% whichever is the higher in the third year. The pensionable base pay will increase by 3.5% for the Marikana operation over each of the next three years while the Rustenburg pensionable base pay and allowance base will increase by 5% over each of the next three years. In both operations the rock drill operators' allowance also increases by R100 per month for each of the three years. Miners, artisans and officials will receive R1,000 per month or 5% whichever is the higher per year for the three years.

The SA gold operations, signed a three-year wage agreement on 14 November 2018 with the National Union of Mineworkers (NUM), Solidarity and UASA in respect of wages and conditions of service for the period from 1 July 2018 to 30 June 2021. The agreement allows for increases to

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS

continued

the basic wage of Category 4-8 surface and underground employees of R700 per month in the first and second years, and R825 per month in the third year. Miners, artisans and officials will receive increases of 5.5% in year one and 5.5% or CPI (whichever is greater) in years two and three of the agreement. In addition to the basic wage, the parties agreed to an increase in the current living-out allowance and Sibanye-Stillwater also agreed to increase incrementally the current minimum medical incapacity benefit.

At the SA gold operations on 19 November 2018, AMCU gave notice that its members would embark on protected strike action at our SA gold operations from the evening shift on 21 November 2018. On 17 April 2019, the November 2018 strike ended with AMCU and Sibanye-Stillwater concluding the Strike Settlement Agreement. In terms of the Strike Settlement Agreement, AMCU and the Group agreed to a facilitated post-strike conflict relationship building programme. AMCU signed the 2018 Wage Agreement and the Group agreed to an ex gratia payment of R4,000 for each employee at Sibanye-Stillwater's South African gold operations. The parties also agreed to withdraw all of the pending disputes relating to the strike that had been referred to the Labour Court.

Despite above inflation increases in electricity tariffs, power and water, in total they comprised only 9% and 11% of cost of sales, before amortisation and depreciation in 2020 and 2019, respectively.

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-Stillwater's SA PGM and gold operations. Further, Sibanye-Stillwater's SA PGM and gold operations' costs are primarily denominated in rand, while revenues from PGM and 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-Stillwater's revenues are driven by its production levels and the price it realises from the sale of PGMs, gold and associated co- and by-products, as discussed above. Production can be affected by a number of factors including mining grades, safety related work stoppages, industrial action, and other mining related incidents and any global black swan event such as the COVID-19 pandemic. These factors could have an impact on production levels in the future.

At Sibanye-Stillwater's US PGM operations the Fill The Mill (FTM) project at the East Boulder mine was commissioned on time achieving a sustainable annual run rate of 40,000 oz per annum in December 2020. The strategy to increase production levels continues with the Blitz project, which is expected to be delayed by up to two years. COVID-19 negatively affected productivity and caused equipment and material delays as a result of associated supply chain challenges. As a consequence capital projects not on the project critical path, were delayed in the interest of contractor deployment efficiency. Key project build components were also negatively impacted by some suppliers of key project components declaring a force majeure. Productivity was affected by additional time required to accommodate social distancing requirements, resulting in the US PGM operations achieving 89% of planned production levels for Q2 2020. While the US PGM operations were able to continue operating during the COVID-19 pandemic, the pandemic has resulted in further cost inflation. Mined 2E PGM production for 2020 of 603,067 2Eoz, was 2% higher than for the comparable period in 2019, with the state of Montana significantly impacted by the increased COVID-19 infections during Q4 2020. 3E PGM recycling for 2020 decreased by 2% to 840,170 3Eoz primarily due to lower deliveries for Q2 2020 as a result of the disrupted supply chains earlier in the year. Recycling receipts increased significantly during Q4 as supply chains normalised.

The operational performance from the SA PGM operations was commendable considering the sizeable challenges and operating adjustments required during the year. 4E PGM production of 1,576,507 4Eoz (including attributable ounces from Mimosa) for 2020 was 2% lower than 2019, with production building back to pre COVID-19 rates by November 2020, well ahead of expectation. 4E PGM production for H2 2020 was 40% higher than H1 2020.

The SA gold operations achieved 54% of expected production for Q2 2020, a 32% decline compared to Q1 2020. Notwithstanding COVID-19 impacts, production from the SA gold operations for H1 2020 was higher than for the comparable period in 2019 due to the impact of the strike in H1 2019. The COVID-19 disruptions affected most of the April 2020 milling period with a steady buildup from May into June. By the end of June almost 70% of the teams had returned to work and were operating at slightly above planned efficiency levels. Gold production at the managed SA gold operations of 25,190kg (809,877oz) for 2020 was 8% higher than 2019. However, due to the impact of the strike and the underground fire during 2019 compared to the impact of COVID-19 during 2020, these two periods are not directly comparable.

Sibanye-Stillwater's SA PGM and gold operations are subject to South African health and safety laws and regulations that impose various duties on Sibanye-Stillwater's mines while granting the authorities powers to, among other things, close or suspend operations and order corrective action relating to health and safety matters. During 2020, Sibanye-Stillwater's SA PGM operations experienced 29 work stoppages (2019: 35) and the SA gold operations experienced 43 work stoppages (2019: 85) in terms of Section 54.

In recent years, the South African mining industry has experienced increased union unrest. The entry of unions such as AMCU, which has become a significant rival to the traditionally dominant NUM, has resulted in more frequent industrial disputes, including violent protests, intra-union violence and clashes with police authorities. On 21 November 2018, a strike was called by AMCU at the SA gold operations and response plans were put in place to maintain peace and stability in order to ensure the safety of Sibanye-Stillwater's employees as far as possible, mitigate financial losses by optimising production through the concentration of underground mining activity to specific operating areas, and reducing fixed costs by switching off services and utilities across areas where production activity was suspended. Despite these plans having been implemented across the SA gold operations, the strike action continued to impact on our operations to varying extents in the 2019 year. The strike was resolved on 17 April 2019 after an agreement was reached but there was a delayed ramp up to full production which was only achieved during Q4 2019.

Sibanye-Stillwater's 2021 strategic focus areas are:

- Building a values based culture;
- Focusing on safe production and operational excellence;

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS

continued

- Pursuing value-accretive growth based on a strengthened equity rating;
- Optimising capital allocation;
- Embedding ESG excellence as the way we do business; and
- Prospering in South Africa's investment climate.

Through strategic capital allocation Sibanye-Stillwater aims to create superior value for all stakeholders whilst ensuring sustainable operations.

Royalties, carbon tax and mining tax

South African mining operations pay a royalty tax to the South African government. Revenue from mineral resources in South Africa are subject to the Mineral and Petroleum Resource Royalty Act 2008 (Royalty Act). 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 formula for calculating royalties takes into account whether the mineral is refined or unrefined and the profitability of individual operations. The maximum royalty payable on refined minerals and unrefined minerals is 5% and 7%, respectively.

Carbon tax is a tax in response to climate change, which is aimed at reducing greenhouse gas emissions in a sustainable, cost effective and affordable manner. In South Africa the Carbon Tax Act of 2019 came into effect on 1 June 2019. The South African Government introduced Carbon tax based on a polluter-pays-principle and the aim of which is to help ensure that companies and consumers take the negative adverse costs (externalities) of climate change into account in their future production, consumption and investment decisions. The group has provided for carbon tax of R5 million for 2020 (2019: R13 million). The decrease in the carbon tax payable was due to the exclusion of fugitive mine methane from the Greenhouse Gas reporting regulation for the gold operations and the replacement of the coal boiler at Beatrix with an electric boiler during August 2020 which resulted in reduced emissions.

Under South African tax legislation, gold mining companies and non-gold mining companies are taxed at different rates. Sibanye-Stillwater's SA gold operations are subject to the gold tax formula on their respective mining incomes. The formula calculating tax payable, is affected by the profitability of the applicable gold mining operation. In addition, these gold mining operations are ring fenced from a capital expenditure perspective. As a result, only taxable losses can be offset between these operations to reduce taxable income from another operation. Depending on the profitability of the operations, the tax rate can vary significantly from year to year. Sibanye-Stillwater's SA PGM operations are subject to the tax at the statutory rate of 28% and the mining operations are also ring fenced from a capital expenditure perspective.

Under United States tax legislation there are no federal taxes specific to minerals extraction. General federal, state, county and municipal taxes apply to mining companies, including income taxes, payroll taxes, sales taxes, property taxes and use taxes. Federal tax laws generally do not distinguish between domestic and foreign mining operators. Sibanye-Stillwater's US PGM operations are subject to a statutory tax rate of 21% and are subject to tax in the states of Montana, New Jersey and Pennsylvania.

Capital expenditure

Sibanye-Stillwater will continue to invest capital in new and existing infrastructure and possible growth opportunities. In South Africa only the best projects *inter alia* those with low capital intensity, short lead time and quick payback currently meet the required investment hurdle rates. 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-Stillwater may investigate the potential exploitation of mineralisation below its current infrastructure limits as well as other capital-intensive projects.

In 2020, Sibanye-Stillwater's total capital expenditure was R9,616 million (2019: R7,706 million).

Capital expenditure at the US PGM operations for 2020 was 30% higher than for 2019 at R4,422 million with sustaining capital 50% higher at R2,037 million and growth capital 17% higher at R2,385 million mainly incurred at Stillwater East (SWE) and in completing the FTM project. The operating review on the SWE Blitz project has indicated a delay of up to two years, with production from SWE expected to reach the steady state run rate during 2024. SWE has experienced various operational challenges and disruptions over the last 18 months, including:

- ground conditions necessitated modifications to mining methods and ground support to ensure safe extraction;
- ventilation constraints temporarily resulted in concentrated mining fronts leading to sporadic elevated DPM levels that required ventilation modifications to remedy;
- higher than expected water ingress requires extensive grouting campaigns negatively impacting primary and secondary development efficiencies; and
- COVID-19 negatively affected productivity and caused equipment and material delays as a result of associated supply chain challenges. As a consequence capital projects not on the project critical path, were delayed in the interest of contractor deployment efficiency. Key project build components were also negatively impacted by some suppliers of key project components declaring of force majeure.

Capital expenditure at the SA PGM operations decreased marginally by 2% from R2,248 million in 2019 to R2,197 million in 2020, mainly due a deferral of capital expenditure during the first half of the 2020 year as a result of the COVID-19 lockdown.

Capital expenditure at the managed SA gold operations for 2020 was 34% higher than for 2019 at R2,656 million largely driven by ore reserve development expenditure increasing by 34% to R1,786 million and sustaining capital increasing by 42% to R672 million. The higher capital expenditure at the SA gold operations during 2020 was due to capital expenditure coming off a low base from 2019 as a result of the gold strike.

Sibanye-Stillwater expects to spend approximately R13.6 billion on capital in 2021, which includes the capital expenditure of DRDGOLD.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS

continued

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

Scheme of arrangement

On 4 October 2019 Sibanye Gold Limited (SGL) and Sibanye-Stillwater, a previously dormant wholly owned subsidiary of SGL, announced the intention to implement a scheme of arrangement to reorganise SGL's operations under a new parent company, Sibanye-Stillwater (the "Scheme"). The Scheme was implemented through the issue of Sibanye-Stillwater shares (tickers: JSE – SSW and NYSE – SBSW) in exchange for the existing shares of SGL (JSE – SGL and NYSE – SBGL).

On 23 January 2020 SGL and Sibanye-Stillwater announced that all resolutions for the approval of the Scheme, were passed by the requisite majority votes at the Scheme meeting held at the SGL Academy. The Scheme was implemented on 24 February 2020.

Sibanye-Stillwater determined that the acquisition of SGL did not represent a business combination as defined by IFRS 3 Business Combinations. This is because neither party to the Scheme could be identified as an accounting acquirer in the transaction, and post the implementation there would be no change of economic substance or ownership in the SGL Group.

The SGL shareholders have the same commercial and economic interest as they had prior to the implementation of the Scheme and no additional new ordinary shares of SGL were issued as part of the Scheme. Following the implementation of the Scheme, the consolidated financial statements of Sibanye-Stillwater therefore reflects that the arrangement is in substance a continuation of the existing SGL Group. SGL is the predecessor of Sibanye-Stillwater for financial reporting purposes and following the implementation of the Scheme, Sibanye-Stillwater's consolidated comparative information is presented as if the reorganisation had occurred before the start of the earliest period presented.

In order to effect the reorganisation in the Group at the earliest period presented in the consolidated financial statements, a reorganisation reserve was recognised at 31 December 2017 to adjust the previously stated share capital of SGL of R34,667 million to reflect the stated share capital of Sibanye-Stillwater of R1 at that date. The reorganisation reserve was adjusted for previously recognised movements in the stated share capital of SGL between 31 December 2017 and 24 February 2020. The issue of shares at the effective date of the Scheme, was recorded at an amount equal to the net asset value of the unconsolidated SGL company at that date, with the difference recognised as a reorganisation reserve, see – *Consolidated financial statements–Notes to the consolidated financial statements–Note 26: Stated share capital*.

Since the consolidated financial statements of Sibanye-Stillwater are in substance a continuation of the existing SGL Group, the shares used in calculating the weighted average number of issued shares is based on the issued stated share capital of the listed entity at that stage, see – *Consolidated financial statements–Notes to the consolidated financial statements–Note 12: Earnings per share*.

As a result of the above, earnings per share measures are based on SGL's issued shares for comparative periods. For purposes of Sibanye-Stillwater's earnings per share measures for the year ended 31 December 2020, shares issued as part of the Scheme were treated as issued from the beginning of the current reporting period so as to reflect the unchanged continuation of the Group. No weighting was required as there were no changes in the issued share capital of SGL from the beginning of the current period up to the effective date of the Scheme. Shares issued after the implementation of the Scheme were time-weighted as appropriate.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS continued

2020 financial performance compared with 2019

Group profit for the year increased from R433 million in 2019 to R30,622 million in 2020. The reasons for this increase are discussed below.

The primary factors explaining the movements in profit are set out in the table below.

Figures in million - SA rand	2020	2019	% Change 2020/2019
Revenue	127,392	72,925	75
Cost of sales	(83,369)	(63,315)	32
Interest income	1,065	560	90
Finance expense	(3,152)	(3,303)	(5)
Share-based payments	(512)	(363)	41
Loss on financial instruments	(2,450)	(6,015)	(59)
(Loss)/gain on foreign exchange differences	(255)	326	(178)
Share of results of equity-accounted investees after tax	1,700	721	136
Reversal of impairments/(impairments)	121	(86)	241
Occupational healthcare expense	(52)	40	(230)
Gain on acquisition	-	1,103	(100)
Restructuring costs	(436)	(1,252)	(65)
Transaction costs	(139)	(448)	(69)
Care and maintenance costs	(814)	(766)	6
Change in estimate of environmental rehabilitation obligation, and right of recovery receivable and payable	464	(89)	621
Strike related costs	(1)	(402)	100
Loss on settlement of US\$ Convertible Bond	(1,507)	-	100
Cost incurred on employee and community trusts	(508)	(50)	916
Corporate and social investment costs	(258)	(150)	72
Non-recurring COVID-19 costs	(97)	-	100
Net other income/(costs)	58	(292)	120
Profit/(loss) before royalties, carbon tax and tax	37,250	(856)	(4,452)
Royalties	(1,765)	(431)	310
Carbon tax	(5)	(13)	(62)
Profit/(loss) before tax	35,480	(1,300)	(2,829)
Mining and income tax	(4,858)	1,733	380
Profit for the year	30,622	433	6,972

The President of the Republic of South Africa announced a nation-wide lockdown from midnight 26 March 2020, which was amended through a notice published by the South African government on 16 April 2020 allowing for our South African mining operations to be conducted at a reduced capacity of not more than 50%. From 17 April 2020, management commenced implementing its strategy to mobilise the required employee complement to safely ramp up production at our South African operations to the initial restricted 50%. Subsequent directives issued by the Minister of Mineral Resources and Energy and the easing of lockdown restrictions allowed for the controlled ramp up of production under stringent regulations. As a result, the SA gold and SA PGM operations safely mobilised employees and ramped up production successfully to near pre-COVID-19 production levels by the end of the 2020 financial year. The Marikana operation's operational and financial results were included for a full year in 2020 and for seven months in 2019. The 2019 financial performance was affected by the loss in production due to the strike at the SA gold operations that came to an end on 17 April 2019 and the decrease in revenue due to the buildup in inventory at the Rustenburg operation resulting from the change from a POC to a Toll agreement.

Revenue

Revenue increased by 75% to R127,392 million in 2020 from R72,925 million in 2019, driven by higher precious metals prices and sales quantities during 2020.

Revenue from the US PGM operations increased by 68% to R45,154 million in 2020 from R26,865 million in 2019, due to a higher average 2E basket price received, which increased by 36% to US\$1,906/2Eoz in 2020 from US\$1,403/2Eoz in 2019, mainly as a result of higher US\$ precious metal prices combined with a 14% weaker average rand against the US dollar exchange rate for 2020. Revenue from recycling increased by 74% mainly as a result of higher precious metal prices partially offset by lower volumes.

Revenue from the SA PGM operations increased by 99% to R54,913 million in 2020 from R27,578 million in 2019, mainly due to higher sales volumes and a higher average 4E basket price received, which increased by 83% to R36,651/4Eoz in 2020 from R19,994/4Eoz in 2019. Notwithstanding the negative impact of COVID-19, both the Marikana and Rustenburg operations had higher sales volumes of 44% and 27% respectively, with the Marikana operation benefiting from being included for a full year in 2020. The change from POC to Toll agreement during 2019 at the Rustenburg operation resulted in an inventory buildup during Q1 of 2019 with the consequence of lower sales volumes.

Revenue from the SA gold operations increased by 49% to R27,869 million in 2020 from R18,644 million in 2019. Revenue from the managed SA gold operations of R22,818 million in 2020, excluding DRDGOLD of R5,051 million (2019: R3,621 million), increased by 52% due to the 42% higher gold price.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS continued

Cost of sales

Cost of sales increased by 32% to R83,369 million in 2020 from R63,315 million in 2019, due to the incorporation of the Marikana operation for a full year in 2020, higher sales volumes from the Rustenburg operation and higher recycling costs incurred at the US PGM operations of R10,775 million driven by higher purchase costs due to increased PGM commodity prices.

The primary drivers of cost of sales are set out in the table below.

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

Figures in million - SA rand	2020	2019	% Change 2020/2019
Salaries and wages	23,850	21,216	12
Consumable stores	16,404	12,784	28
Utilities	6,801	6,089	12
Mine contracts	3,790	3,566	6
Recycling	24,417	13,969	75
Other	4,664	1,878	148
Ore reserve development costs capitalised	(4,150)	(3,402)	22
Cost of sales, before amortisation and depreciation	75,776	56,100	35
US PGM operations	32,003	19,569	64
- SA PGM operations	24,723	18,197	36
- SA gold operations, excluding Cooke and DRDGOLD	15,457	14,981	3
- Cooke	671	617	9
- DRDGOLD	2,922	2,736	7
Amortisation and depreciation	7,593	7,214	5
US PGM operations	2,728	2,286	19
- SA PGM operations	2,072	1,919	8
- SA gold operations, excluding Cooke and DRDGOLD	2,577	2,822	(9)
- Cooke	14	15	(7)
- DRDGOLD	202	172	17
Total cost of sales	83,369	63,314	32
US PGM operations	34,731	21,855	59
- SA PGM operations	26,795	20,116	33
- SA gold operations, excluding Cooke and DRDGOLD	18,034	17,803	1
- Cooke	685	632	8
- DRDGOLD	3,124	2,908	7

Cost of sales, before amortisation and depreciation

Cost of sales, before amortisation and depreciation increased by 35% to R75,776 million in 2020 from R56,100 million in 2019. This included cost of sales, before amortisation and depreciation of R32,003 million from the US PGM operations, which increased by 64% mainly due to the R10,449 million increase in recycling costs and higher royalties paid of 38\$/oz, both due to higher PGM basket prices. Cost of sales, before amortisation and depreciation from the SA PGM operations increased by 36% or R6,526 million mainly due to the inclusion of Marikana for a full year and higher sales volumes from the Rustenburg operation due to lower production volumes in Q1 of 2019 when stock levels were built-up following the change from POC to Toll agreement with Anglo Plats. Cost of sales, before amortisation and depreciation at the SA gold operations excluding DRDGOLD increased by 3% to R16,128 million in 2020 from R15,598 million in 2019 mainly due to 7% higher volumes. The higher volumes are mainly due to the lower base following the significant impact of the gold strike on 2019 volumes, where certain shafts were completely shut down during the strike, coupled with the impact of an underground fire at Kloof, partially offset by the impact of COVID-19 on the 2020 volumes. Cost of sales, before amortisation and depreciation at DRDGOLD of R2,922 million increased by 7% mainly due to an increase in the tons treated.

Amortisation and depreciation

Amortisation and depreciation increased by 5% to R7,593 million in 2020 from R7,214 million in 2019. The amortisation and depreciation from the US PGM operations for 2020 increased by 19% to R2,728 million due to a 2% increase in mine production and large capital items commissioned at the US PGM operations. The amortisation and depreciation from the SA PGM operations increased by 8% to R2,072 million in 2020 due to the inclusion of the Marikana operation for a full year, partially offset by lower production volumes in 2020. The amortisation and depreciation for 2020 at the SA gold operations excluding DRDGOLD (R202 million) decreased by 9% to R2,591 million, mainly due to the capital expenditure not being evenly spent during 2020 due to COVID-19 (catch-up in Q4 2020), combined with the lower capital expenditure during 2019 as a result of the strike.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS

continued

All-in sustaining cost and All-in cost

All-in cost per ounce, was introduced in 2013 by the members of the World Gold Council. Sibanye-Stillwater has adopted the principle prescribed by the Council. This non-IFRS measure provides more transparency into the total costs associated with mining. The All-in cost per ounce metric provides relevant information to investors, governments, local communities and other stakeholders in understanding the economics of mining. This is especially true with reference to capital expenditure associated with developing and maintaining mines, which has increased significantly in recent years and is reflected in this metric. 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 associated with growth. All-in sustaining cost per kilogram (and ounce) and All-in cost per kilogram (and ounce) are calculated by dividing the All-in sustaining cost and All-in cost, respectively, in a period by the total PGM produced/gold sold over the same period.

Non-IFRS measures such as All-in sustaining cost and All-in cost are considered as pro forma financial information as per the JSE Listing Requirements. The pro forma financial information is the responsibility of the Group's Board of Directors and is presented for illustration purposes only, and because of its nature, All-in sustaining cost and All-in cost should not be considered as a representation of financial performance.

This pro forma financial information has been reported on by Ernst & Young Inc. in terms of ISAE 3420 and their unmodified report is available for inspection at the Company's registered office.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS continued

Figures in million - SA rand	Total US PGM operations Stillwater ¹	Total SA PGM operations	Rustenburg operations	Marikana operation	Kroondal	Platinum Mile	Mimosa	Corporate and reconciling items	Total SA gold operations	Driefontein	Kloof	Beatrix	Cooke	DRDGOLD	Group Corporate and reconciling items	
2020																
Cost of sales, before amortisation and depreciation ³	Rm	7,585.9	24,722.5	9,588.7	13,232.0	2,803.2	402.6	1,601.1	(2,905.1)	19,050.4	4,863.6	6,879.6	3,713.8	671.0	2,922.4	-
Plus:																
Community costs ⁴	Rm	-	107.1	7.6	99.5	-	-	-	-	150.6	29.7	45.8	59.3	-	15.8	-
Inventory change ⁵	Rm	150.7	3,038.7	552.8	1,182.0	-	-	19.2	1,284.7	-	-	-	-	-	-	-
Share-based payments ⁶	Rm	54.2	46.4	18.6	21.1	6.7	-	-	-	50.2	11.2	13.4	9.6	-	16.0	-
Royalties ⁷	Rm	-	1,622.8	923.8	689.4	9.6	-	135.2	(135.2)	142.3	72.7	114.5	44.4	5.2	-	(94.5)
Carbon tax ⁸	Rm	-	2.7	0.4	2.1	0.2	-	-	-	2.5	0.2	0.3	1.7	-	0.3	-
Rehabilitation ⁹	Rm	28.9	242.3	4.9	151.8	85.6	-	3.9	(3.9)	217.7	51.0	33.2	56.2	53.7	18.6	5.0
Leases ¹⁰	Rm	4.7	59.2	14.1	35.3	9.8	-	-	-	78.2	8.1	18.2	20.9	15.5	15.5	-
ORD ¹¹	Rm	1,239.2	1,124.8	417.0	707.8	-	-	-	-	1,786.2	742.3	722.2	321.7	-	-	-
Sustaining capital expenditure ¹²	Rm	794.7	1,052.1	325.6	515.2	187.8	23.3	413.9	(413.7)	966.5	186.5	392.0	93.1	-	294.9	-
Less:																
By-product credit ¹³	Rm	(1,183.3)	(5,443.6)	(1,394.9)	(3,614.3)	(443.1)	7.6	(407.9)	409.0	(24.4)	(7.4)	(4.6)	(4.2)	(1.3)	(6.9)	-
All-in sustaining cost¹⁴	Rm	8,675.0	26,575.0	10,458.6	13,021.9	2,659.8	433.5	1,765.4	(1,764.2)	22,420.2	5,957.9	8,214.6	4,316.5	744.1	3,276.6	(89.5)
Plus:																
Corporate cost, growth and other capital expenditure	Rm	2,384.9	52.7	-	33.0	-	19.7	-	-	373.2	-	155.4	0.2	-	46.2	171.4
All-in cost¹⁴	Rm	11,059.9	26,627.7	10,458.6	13,054.9	2,659.8	453.2	1,765.4	(1,764.2)	22,793.4	5,957.9	8,370.0	4,316.7	744.1	3,322.8	81.9
Gold sold/4E PGM produced/2E PGM produced	kg '000oz	18,758 603.1	49,035 1,576.5	17,467 561.6	20,419 656.5	6,123 196.8	1,208 38.8	3,819 122.8	-	30,136 968.9	7,554 242.9	10,752 345.7	5,286 169.9	1,125 36.2	5,419 174.2	-
All-in sustaining cost ¹⁴	R/kg R/oz US\$/oz	14,385 874	18,280 1,111	18,624 1,131	19,836 1,205	13,512 821	11,161 678	14,380 874	-	743,967 1,406	788,708 1,490	764,007 1,444	816,591 1,543	661,422 1,250	604,650 1,143	-
All-in cost ¹⁴	R/kg R/oz US\$/oz	18,339 1,114	18,317 1,113	18,624 1,131	19,886 1,208	13,512 821	11,668 709	14,380 874	-	756,351 1,429	788,708 1,490	778,460 1,471	816,629 1,543	661,422 1,250	613,176 1,159	-

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS continued

Figures in million - SA rand	Total US PGM operations Stillwater ¹	Total SA PGM operations	Rustenburg operations	Marikana operation ²	Kroondal	Platinum Mile	Mimosa	Corporate and reconciling items	Total SA gold operations	Driefontein	Kloof	Beatrix	Cooke	DRDGOLD	Group Corporate and reconciling items	
2019																
Cost of sales, before amortisation and depreciation ³	Rm	5,600.8	18,196.6	6,466.9	8,439.9	3,076.3	213.6	1,336.3	(1,336.4)	18,334.4	4,438.6	6,872.9	3,669.3	617.3	2,736.3	-
Plus:																
Community costs ⁴	Rm	-	92.5	57.1	35.3	0.1	-	-	-	56.6	17.6	21.7	14.8	2.5	-	-
Inventory change ⁵	Rm	325.8	4,664.2	4,182.4	481.8	-	-	-	-	-	-	-	-	-	-	-
Share-based payments ⁶	Rm	53.4	-	-	-	-	-	-	-	64.2	-	-	-	-	64.2	-
Royalties ⁷	Rm	-	357.3	295.8	54.0	7.5	-	77.1	(77.1)	73.7	16.5	34.0	19.0	4.1	-	0.1
Carbon tax ⁸	Rm	-	0.9	0.3	0.5	0.2	-	-	(0.1)	12.0	0.1	0.1	11.8	-	-	-
Rehabilitation ⁹	Rm	12.9	160.5	(8.9)	91.4	78.0	-	(4.3)	4.3	203.4	26.0	53.0	66.7	31.7	20.7	5.3
Leases ¹⁰	Rm	2.4	46.1	13.8	23.7	8.6	-	-	-	61.1	8.1	20.9	15.4	16.7	-	-
ORD ¹¹	Rm	1,036.2	1,029.2	500.6	528.6	-	-	-	-	1,336.5	512.9	590.4	233.2	-	-	-
Sustaining capital expenditure ¹²	Rm	321.7	1,203.2	316.3	660.4	212.8	13.3	343.1	(342.7)	514.4	163.0	238.1	70.5	-	42.8	-
Less:																
By-product credit ¹³	Rm	(619.6)	(3,601.7)	(1,758.1)	(1,313.5)	(529.2)	(0.9)	(334.8)	334.8	(19.8)	(4.1)	(5.0)	(3.7)	(1.9)	(5.1)	-
All-in sustaining cost¹⁴	Rm	6,733.6	22,148.8	10,066.2	9,002.1	2,854.3	226.0	1,417.4	(1,417.2)	20,636.5	5,178.7	7,826.1	4,097.0	670.4	2,858.9	5.4
Plus:																
Corporate cost, growth and other capital expenditure	Rm	2,035.0	25.9	1.8	10.7	-	13.4	-	-	513.8	-	108.9	2.1	-	39.0	363.8
All-in cost¹⁴	Rm	8,768.6	22,174.7	10,068.0	9,012.8	2,854.3	239.4	1,417.4	(1,417.2)	21,150.3	5,178.7	7,935.0	4,099.1	670.4	2,897.9	369.2
Gold sold/4E PGM produced/2E PGM produced	kg '000oz	18,475 594.0	50,025 1,608.3	21,699 697.6	15,788 507.6	8,243 265.0	639 20.5	3,656 117.6	- -	28,743 924.1	5,096 163.8	10,829 348.2	5,978 192.2	1,288 41.4	5,552 178.5	- -
All-in sustaining cost ¹⁴	R/kg									717,966	1,016,228	722,698	685,346	520,497	514,932	-
	R/oz	11,337	14,857	14,429	17,735	10,771	11,006	12,058	-							
	US\$/oz	784	1,027	998	1,226	745	761	834	-	1,544	2,186	1,555	1,474	1,120	1,108	-
All-in cost ¹⁴	R/kg									735,842	1,016,228	732,755	685,698	520,497	521,956	-
	R/oz	14,763	14,875	14,432	17,756	10,771	11,658	12,058	-							
	US\$/oz	1,021	1,029	998	1,228	745	806	834	-	1,583	2,186	1,576	1,475	1,120	1,123	-

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS continued

The average exchange rate for the year ended 31 December 2020 was R16.46/US\$ (2019: R14.46/US\$)

¹ The US PGM operations' underground production is converted to metric tonnes and kilograms, and performance is translated into rand. In addition to the US PGM operations' underground production, the operation processes various recycling material which is excluded from the 2E PGM production, All-in sustaining cost and All-in cost statistics shown

² The Marikana PGM operations' results for the year ended 31 December 2019 are for seven months since acquisition in June 2019

³ Cost of sales, before amortisation and depreciation includes all mining and processing costs, third party refining costs, corporate general and administrative costs and permitting costs. Corporate relates to the elimination of concentrate sales by Rustenburg, Kroondal and Platinum Mile to Marikana and the associated unrealised profit

⁴ Community costs includes costs related to community development

⁵ Inventory adjustment in Corporate includes the elimination of concentrate sales by Rustenburg, Kroondal and Platinum Mile to Marikana and the associated unrealised profit

⁶ Share-based payments are calculated based on the fair value at initial recognition and do not include the adjustment of the cash-settled share-based payment obligation to the reporting date fair value

⁷ Royalties are the current royalty on refined and unrefined minerals payable to the South African government

⁸ In South Africa the Carbon Tax Act of 2019 came into effect on 1 June 2019. The South African Government introduced Carbon tax based on a polluter-pays-principle and the aim of which is to help ensure that companies and consumers take the negative adverse costs (externalities) of climate change into account in their future production, consumption and investment decisions. The first phase has a carbon tax rate of R120 per ton of carbon dioxide equivalent emissions. This rate will increase annually by inflation plus 2 per cent until 2022, and annually by inflation thereafter

⁹ Rehabilitation includes the interest charge related to the environmental rehabilitation obligation and the amortisation of the related capitalised rehabilitation costs recorded as an asset. The interest charge related to the environmental rehabilitation obligation and the amortisation of the capitalised rehabilitation costs do not reflect annual cash outflows and are calculated in accordance with IFRS. The interest charge and amortisation reflect the periodic costs of rehabilitation associated with current production and are, therefore, included in the measure

¹⁰ Leases represent the lease payment costs for the year

¹¹ ORD are those capital expenditures that allow access to reserves that are economically recoverable in the future, including, but not limited to, crosscuts, footwalls, return airways and box holes which will avail production or reserves

¹² Sustaining capital expenditure are those capital expenditures that are necessary to maintain current production and execute the current mine plan. Sustaining capital costs are relevant to the All-in cost metric as these are needed to maintain Sibanye-Stillwater's current operations and provide improved transparency related to Sibanye-Stillwater's ability to finance these expenditures

¹³ By-product credit—The All-in cost metric is focused on the cost associated with producing and selling a kilogram of gold or an ounce of 4E/2E PGMs, and therefore the metric captures the benefit of mining other metals when gold and 4E/2E PGMs are produced and sold. In determining the All-in cost, the costs associated with producing and selling a kilogram of gold or an ounce of 4E/2E PGMs are reduced by the benefit received from the sale of co-products and by-products, recognised as product sales, which is extracted and processed along with the gold and 4E/2E PGMs produced. At the SA gold operations, the sale of silver is recognised as product sales, and at the PGM operations in both regions, the minor PGMs – iridium and ruthenium – are produced as co-products, which together with the three primary PGMs, are referred to as 6E (5PGM+Au). In addition, nickel, copper and chrome, among other minerals, are by-products at these operations. This is relevant to the All-in cost metric as it aids in the investor's analysis of the profitability of producing a kilogram of gold or an ounce of 4E/2E PGMs, without the need to consider multiple metal prices. The by-product credit of Marikana for the year ended December 2020 includes the benefit from the sale of concentrate purchased from Rustenburg, Kroondal and Platinum Mile of R1,674 million. The cost associated with the purchase and processing of the intercompany concentrate is included in the Marikana cost of sales, before amortisation and depreciation

¹⁴ For information on how Sibanye-Stillwater has calculated All-in sustaining costs, All-in costs, All-in sustaining cost per kilogram, All-in sustaining cost per ounce, All-in cost per kilogram and All-in cost per ounce, see –Management's discussion and analysis of the financial statements-2020 financial performance compared with 2019- All-in sustaining cost and All-in cost

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS continued

Cost of production

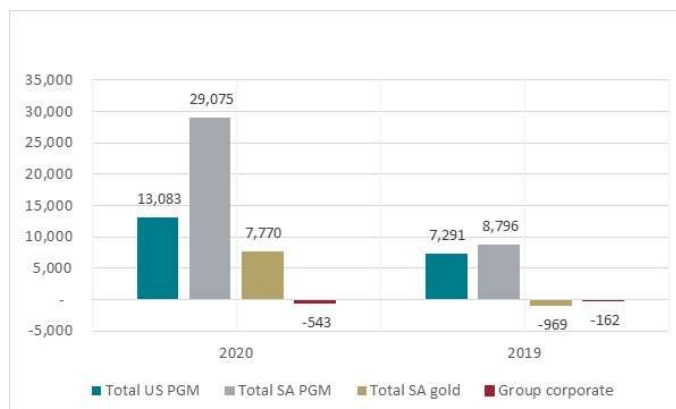
The All-in sustaining cost (AISC) at the US PGM operations increased by 11% to US\$874/2Eoz in 2020 primarily due to increased PGM prices which drives an increase in royalties. Increases in sustaining capital accounted for approximately 56% of the increase in AISC at the US PGM operations. AISC increases by approximately US\$5/2Eoz for every US\$100/2Eoz change in the prevailing PGM basket. The AISC at the SA PGM operations of R18,280/4Eoz in 2020 increased by 23% from R14,857/4Eoz in 2019 primarily due to lower production, higher royalties and the inclusion of the higher cost Marikana operation for a full year. Unit costs at the SA gold operations increased by 4% to R743,967/kg in 2020 from R717,966/kg in 2019 and was mainly due to higher labour costs for additional production shifts, higher production related stores costs and unplanned aggregate purchases.

Adjusted EBITDA

Adjusted EBITDA of R49,385 million in 2020 increased by 230% from R14,956 million in 2019, with adjusted EBITDA from the US and SA PGM operations increasing by 79% and 231%, respectively. The adjusted EBITDA increased at the PGM operations due to higher PGM basket prices and the inclusion of the Marikana operation for full year in the SA PGM operations. The adjusted EBITDA increased at the SA gold operations by 902% to an adjusted EBITDA of R7,770 million in 2020 from an adjusted EBITDA loss of R969 million in 2019 mainly due to a 43% increase in the rand gold price.

Adjusted EBITDA includes other cash costs, strike costs and care and maintenance expenditures. Care and maintenance at Cooke and Burnstone were R623 million and R81 million for 2020, respectively, compared with R548 million and R46 million, respectively in 2019. Care and maintenance at the Marikana operation were R92 million (2019: R155 million). Strike costs at the SA gold operations were R1 million (2019: R402 million). Other costs include corporate and social expenditure of R258 million (2019: R149 million) and non-production royalties of R193 million (2019: R40 million).

Non-IFRS measure such as Adjusted EBITDA is considered as pro forma financial information as per the JSE Listing Requirements. The pro forma financial information is the responsibility of the Group's Board of Directors and is presented for illustration purposes only, and because of its nature, Adjusted EBITDA should not be considered as a representation of financial performance see –Consolidated financial statements–Notes to the consolidated financial statements–Note 28.9: Capital Management



Interest income

Interest income increased by 90% to R1,065 million in 2020 from R560 million in 2019 mainly due to higher cash balances being maintained during the year. Interest income mainly includes interest received on cash deposits amounting to R714 million (2019: R264 million and 2018: R172 million) and interest received on rehabilitation obligation funds of R245 million (2019: R266 million and 2018: R223 million).

Finance expense

Finance expense decreased by 5% to R3,152 million in 2020 from R3,302 million in 2019 mainly due to a decrease in interest on borrowings following a decrease in average outstanding borrowings during 2020. Included in finance expense in 2020 was R1,290 million interest on borrowings, R393 million unwinding of the amortised cost on the 2022 and 2025 Notes, US\$ Convertible Bond and Burnstone Debt, R684 million environmental rehabilitation liability accretion expense, R96 million occupational healthcare liability accretion expense, R187 million unwinding of the Deferred Payment related to the Rustenburg operation, R349 million unwinding of the deferred revenue related to the streaming transactions (Wheaton and Marikana operation platinum forward sale) and R119 million of sundry interest charges.

Finance expense increased in 2019 mainly due to the inclusion of both the unwinding of the deferred revenue on the Bulk Tailings re-Treatment plant and an increase in the environmental rehabilitation liability accretion expense from the date of acquiring the Marikana operation.

Included in finance expense in 2019 was R1,445 million interest on borrowings, R374 million unwinding of the 2022 and 2025 Notes, US\$ Convertible Bond and Burnstone Debt, R579 million environmental rehabilitation liability accretion expense, R116 million occupational healthcare liability accretion expense, R179 million unwinding of the Deferred Payment, R352 million unwinding of the deferred revenue related to the streaming transactions (Wheaton and Bulk Tailings re-Treatment plant), R21 million interest on the dissenting shareholder liability and R203 million of sundry interest charges.

Sibanye-Stillwater's gross debt outstanding, excluding the Burnstone Debt and including the derivative financial instrument, was approximately R17.1 billion at 31 December 2020 compared with approximately R26.6 billion at 31 December 2019.

Share-based payments

The share-based payments expense increased by 41% to R512 million in 2020 from R363 million in 2019. The share-based payments expense includes R128 million (2019: R64 million) and R13 million (2019: Rnil) relating to the DRDGOLD cash settled and equity-settled share options respectively, and R145 million relating to equity-settled share options granted under the Sibanye-Stillwater Share Plans (2019: R290 million) and

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS

continued

R226 million (2019: Rnil) relating to the new 2020 Sibanye-Stillwater Share Plan cash settled share options. For additional information on share-based payments see –*Consolidated financial statements–Notes to the consolidated financial statements–Note 6: Share-based payments*.

Loss on financial instruments

The loss on financial instruments decreased from R6,015 million in 2019 to R2,450 million in 2020. This decrease was mainly attributable to the decrease of R1,089 million in the fair value loss on the Sibanye Rustenburg Platinum BEE share-based payment obligation (R1,218 million in 2019 to R129 million in 2020) and the decrease of R3,841 million in the fair value loss on the derivative financial instrument relating to US\$ Convertible Bond (R3,911 million in 2019 to R70 million in 2020) which was settled during October 2020. These decreases were partially offset by an increase of R1,357 million in the loss on the revised cash flows of the deferred payments from R724 million in 2019 to R2,081 million in 2020, mainly due to higher forecasted 4E PGM basket prices. The net loss on financial instruments in 2019 was primarily due to a fair value loss on the US\$ Convertible Bond derivative financial instrument of R3,911 million (2020: R70 million), driven by the increase in the share price during 2019, which resulted in the US\$ Convertible Bonds trading well above par. For additional information on the loss on financial instruments see –*Consolidated financial statements–Notes to the consolidated financial statements–Note 7: (Loss)/gain on financial instruments*.

(Loss)/gain on foreign exchange differences

The loss on foreign exchange differences of R255 million in 2020 compared with a gain of R326 million in 2019. The loss on foreign exchange differences in 2020 was mainly due to a foreign exchange loss of R2,130 million on the US\$ Convertible Bond and the derivative financial instrument, and a R49 million loss on the Burnstone debt, both due to a weaker rand, partially offset by foreign exchange gains on intra-group loans with a real foreign exchange exposure. The gain on foreign exchange differences in 2019 was mainly due to foreign exchange gains of R114 million and R176 million on the US\$ Convertible Bond and on the derivative financial instrument respectively due to the stronger rand.

Share of results of equity-accounted investees after tax

The profit from share of results of associates of R1,700 million in 2020 (2019: R721 million) was primarily due to share of profits of R1,300 million (2019: R377 million) relating to Sibanye-Stillwater's 50% attributable share in Mimoso and R400 million (2019: R344 million) relating to its 44% interest in Rand Refinery. For additional information on the share of results of equity-accounted investees after tax, see –*Consolidated financial statements–Notes to the consolidated financial statements–Note 18: Equity-accounted investments*

Reversal of impairments/(impairments)

During 2020 the Group reversed previously recognised impairment of R121 million compared to impairments of R86 million in 2019. Impairment reversals in 2020 mainly related to the historical impairment of R120 million on Rand Refinery, an equity accounted investee, which was reversed due to improved profitability and a forecasted return to stable dividend payments. Impairments in 2019 mainly related to the impairment of goodwill that arose on the acquisition of Qinisele Resources Proprietary Limited which could not be attributed to any current Sibanye-Stillwater operating cash generating units. For additional information on the reversal of impairments/(impairments), see –*Consolidated financial statements–Notes to the consolidated financial statements–Note 10: Reversal of impairments/(impairments)*.

Occupational healthcare expense

On 26 July 2019 the Gauteng High Court in Johannesburg approved the R5 billion settlement agreement in the silicosis class case. At 31 December 2020 Sibanye-Stillwater has provided R1,195 million (2019: R1,282 million) for its share of the settlement cost. The estimated costs at 31 December 2020 and 2019 was determined by an actuarial specialist and as a result, a change in estimate of R52 million expense was recognised in profit or loss for the year (2019: R40 million income). For additional information on the occupational healthcare expense, see –*Consolidated financial statements–Notes to the consolidated financial statements–Note 31: Occupational healthcare obligation*.

Gain on acquisition

A gain on acquisition of R1,103 million arose on the acquisition of Lonmin Plc (Lonmin or the Marikana operation) in 2019 and is attributable to the transaction being attractively priced, and is consistent with the statement by the boards of Sibanye-Stillwater and Lonmin, that the purchase price reflected the recovery in PGM prices at the time of the increased offer, balanced against the fact that Lonmin, pre-acquisition, was financially constrained and unable to fund the significant investment required to sustain its business and associated employment. For additional information on the gain on acquisition, see –*Consolidated financial statements–Notes to the consolidated financial statements–Note 16.1: Lonmin acquisition*.

Restructuring costs

Maintaining loss-making operations is not sustainable over an extended period. Cross-subsidising loss making operations erodes value, is a drain on cash flows and, as a result, threatens the sustainability and economic viability of other operations. The Group, therefore, continually reviews and assesses the operating and financial performance of its assets. Restructuring costs of R436 million for 2020 comprised mainly of R235 million related to S189 restructuring at the Marikana operation which was completed on 16 January 2020 and R75 million and R100 million respectively at the SA PGM and SA gold operations mainly related to fragile health voluntary separations in light of the COVID-19 pandemic.

During 2019 there was a review of the SA gold operations pursuant to ongoing losses experienced at the Beatrix and Driefontein operations and at the Marikana operation post its acquisition in June 2019. Restructuring costs of R1,252 million (2018: R143 million) were incurred in 2019 and included voluntary separation packages. The restructuring costs mainly related to the SA gold operations and the Marikana operation and amounted to R357 million and R867 million, respectively.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS

continued

Transaction costs

Transaction costs were R139 million in 2020 compared with R448 million in 2019. The transaction costs in 2020 included advisory and legal fees of R8 million (2019: R284 million) related to the Lonmin acquisition where the fees for 2020 was related to the restructuring of the Lonmin legal entities, advisory and legal fees of R30 million (2019: Rnil million) related to the Marathon transaction, general advisory and legal fees of R42 million (2019: Rnil), streaming transaction costs of Rnil (2019: R52 million), advisory and legal fees of R25 million (2019: R32 million) related to the Sibanye Gold Limited internal restructuring and platinum jewellery membership costs of R47 million (2019: R18 million), partially offset by the reversal of a provision for legal costs relating to the dissenting shareholder claim of R26 million.

Care and maintenance costs

Care and maintenance costs were R814 million in 2020 compared with R766 million in 2019. The care and maintenance costs included R623 million (2019: R548 million) at Cooke, R92 million (2019: R155 million) at Marikana operation, R81 million (2019: R46 million) at Burnstone, R8 million (2019: R17 million) at Kroondal and R10 million (2019: Rnil) at DRDGOLD.

Strike related costs

Strike related costs were R1 million in 2020 compared to R402 million which related to the strike at the SA gold operations that ended during April 2019.

Change in estimate of environmental rehabilitation obligation, and right of recovery receivable and payable

Change in estimate of environmental rehabilitation obligation, and right of recovery receivable and payable was an income of R464 million in 2020 compared with an expense of R89 million in 2019. The decrease in the expense is mainly due to changes in gross closure cost estimates, changes in discount rates and changes in expected timing of rehabilitation for operations on care and maintenance and operations that are being rehabilitated (recognised through profit or loss).

Loss on settlement of the US\$ Convertible Bond

By the end of October 2020 the US\$ Convertible Bond was settled through cash of R13 million and the issue of 248,040,434 ordinary shares of the Group with an aggregate fair value of R12,573 million, resulting in a loss on settlement of R1,507 million, see –*Consolidated financial statements–Notes to the consolidated financial statements–Note 28.5: US\$ Convertible Bond*.

Non-recurring COVID-19 costs

The Group incurred non-recurring COVID-19 costs of R97 million (2019: Rnil) relating to once-off costs incurred to ensure the safe return to work of employees at the South African operations following the COVID-19 lockdown in South Africa, including implemented measures at all the Group's operations to prevent the spread of the pandemic, detect infections and care for those infected. The US PGM operations spent R16 million on COVID-19 preventative measures. The SA PGM and SA gold operations respectively spent R40 million and R41 million on prevention, detection and treatment measures. Recurring COVID-19 related costs, considered the new norm of operating in the COVID-19 environment, are included in operating costs.

Royalties

Royalties increased by 310% to R1,765 million in 2020 from R431 million in 2019. The increase in 2020 was mainly due to the increase in SA revenue and profitability as a result of higher precious metal prices. The increase in 2019 was mainly due to the increase in SA PGM revenue as a result of higher PGM basket prices.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS continued

Mining and income tax

Mining and income tax increased to a charge of R4,858 million in 2020 compared with a credit of R1,733 million in 2019. The table below indicates Sibanye-Stillwater's effective tax expense rate in 2020 and 2019.

		2020	2019
Mining and income tax	Rm	4,858.2	(1,733.0)
Effective tax rate	%	13.7	133.3

In 2020, the tax charge on the profit before tax at the South African statutory company tax rate of 28.0%, or R9,934 million, compared with a charge of R4,858 million mainly due to the tax effect of the following:

- R4,447 million previously unrecognised deferred tax assets utilised/ recognised;
- R550 million US statutory rate change;
- R118 million SA gold mining tax formula rate adjusted;
- R258 million net other non-taxable income and non-deductible expenditure;
- R89 million non-deductible finance expenses, which is presented net after the reversal of an uncertain income tax treatment amounting to R181.5 million;
- R476 million non-taxable share of results of equity-accounted investees; and
- R34 million non-taxable reversal of impairments

The above was partially offset by the following:

- R890 million non-deductible loss on fair value of financial instruments; and
- R44 million non-deductible share-based payments.

In 2019, the tax credit on the loss before tax at the South African statutory company tax rate of 28.0%, or R364 million, compared with a credit of R1,733 million mainly due to the tax effect of the following:

- R1,574 million deferred tax credit on the US PGM operations' due to contract negotiations during 2019, resulting in the state tax jurisdiction for the US PGM operations to change to the Pennsylvania state;
- R533 million net other non-taxable income and non-deductible expenditure;
- R202 million non-taxable share of results of equity-accounted investees; and
- R309 million non-taxable gain on acquisition.

The above was partially offset by the following:

- R571 million non-deductible loss on financial instruments;
- R384 million deferred tax assets not recognised;
- R193 million SA gold mining tax formula rate adjusted;
- R86 million non-deductible finance expense; and
- R81 million non-deductible share based payments.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS continued

Profit for the year

As a result of the factors discussed above, the profit in 2020 was R30,622 million compared with the profit in 2019 of R433 million.

The following table depicts contributions from various segments to the profit.

Figures in million - SA rand	2020	2019
US PGM operations	7,778	5,065
Stillwater	7,778	5,065
SA PGM operations	23,317	3,417
Rustenburg operation ¹	518	(10,827)
Marikana	13,880	1,881
Kroondal	3,389	1,336
Platinum Mile	189	43
Mimosa	1,300	377
Corporate and reconciling items ¹	4,041	10,607
SA gold operations	510	(7,207)
Driefontein	498	(2,553)
Kloof	1,185	(1,501)
Beatrix	120	(854)
Cooke	(315)	(531)
DRDGOLD	1,302	496
Corporate and reconciling items	(2,281)	(2,264)
Group Corporate and reconciling items	(983)	(842)
Total profit for the year	30,622	433

¹ The net profit/(loss) on the Rustenburg operation in 2020 and 2019 was impacted by interest paid on the BEE SPV shares of R2,581 million (2019: R1,137 million) and the fair value adjustment of R1,686 million (2019: R10,695 million) on the obligation for future dividends payable to its shareholders in terms of the BEE SPV structure due to the higher long term PGM basket prices expected over the life of mine. This fair value adjustment eliminates in the corporate and reconciling items at a SA PGM operations level.

Liquidity and capital resources

Cash flow analysis

Net increase in cash and cash equivalents in 2020 was R14,969 million compared with R3,129 million in 2019.

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

Figures in million - SA rand	2020	2019	% Change 2020/2019
Net cash from operating activities	27,149	9,464	187
<i>Adjusted for:</i>			
Dividends paid	1,698	85	1,898
Net interest paid	666	1,335	(50)
Deferred revenue advance received	(770)	(2,859)	73
Bulk Tailings re-Treatment transaction (BTT) early settlement payment	787	-	100
<i>Less:</i>			
Additions to property, plant and equipment	(9,616)	(7,706)	(25)
Adjusted free cash flow ¹	19,914	319	6,143
Acquisition of subsidiaries, net of cash acquired	-	2,875	(100)
Payments to dissenting shareholders	-	(319)	100
Net proceeds from shares issued	-	1,688	(100)
Payment of deferred payment	(756)	(283)	(167)
Net borrowings repaid	(2,046)	(3,027)	32

¹ One of the drivers to sustain and increase shareholder value is adjusted free cash flow generation as that determines the cash available for dividends and other investing activities. Adjusted free cash flow is defined as net cash from operating activities before dividends paid, net interest paid, deferred revenue advance received and BTT early settlement payment, less additions to property, plant and equipment

Non-IFRS measures such as adjusted free cash flow are considered as pro forma financial information as per the JSE Listing Requirements. The pro forma financial information is the responsibility of the Group's Board of Directors and is presented for illustration purposes only, and because of its nature, adjusted free cash flow should not be considered a representation of cash from operating activities

This pro forma financial information has been reported on by Ernst & Young Inc. in terms of ISAE 3420 and their unmodified report is available for inspection at the Company's registered office

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS continued

Cash flows from operating activities

Net cash from operating activities increased by R17,685 million to R27,149 million in 2020 from R9,464 million in 2019. The items contributing to the increase in 2020 and decrease in 2019 are indicated in the table below.

Figures in million - SA rand	2020	2019
Increase in cash generated by operations ¹	34,620	1,857
Decrease in deferred revenue advance received ²	(2,089)	(3,696)
Increase in cash-settled share-based payments paid	(184)	(69)
Increase in BTT early settlement payment ²	(787)	-
(Increase)/decrease in change in working capital	(8,810)	444
Decrease in interest paid	218	18
Increase in royalties and tax paid ³	(4,706)	(1,277)
Increase in dividends paid ⁴	(1,613)	(84)
Other	1,036	74
Increase/(decrease) in cash flows from operating activities	17,685	(2,733)

¹ The increase in cash generated by operations in 2020 and 2019 was mainly due to the increase in the average realised PGM basket prices and gold price for 2020, negatively impacted by the operational disruptions experienced by the SA operations due to COVID-19

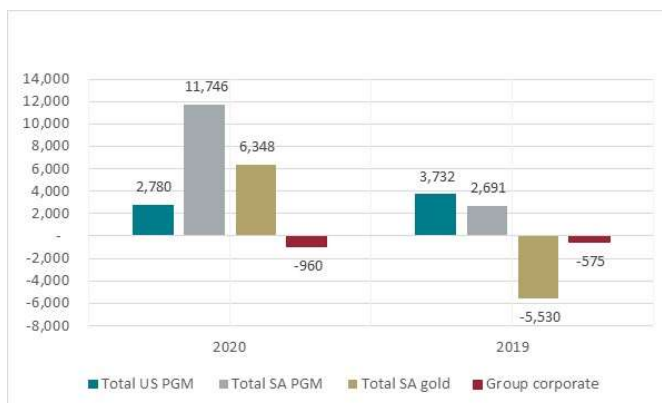
² On 24 January 2020, Western Platinum Proprietary Limited (WPL), Eastern Platinum Limited and Lonmin Limited (collectively the "Purchasers"), subsidiaries of Sibanye-Stillwater, entered into a Release and Cancellation Agreement ("the Release Agreement") with RFW Lonmin Investments Limited ("the Seller") in respect of the BTT. The BTT transaction was implemented and the liability settled on 6 March 2020. WPL concluded a forward platinum sale arrangement on 3 March 2020 to fund the settlement of the BTT liability. WPL received a cash prepayment of US\$50 million (R771 million) in exchange for the future delivery of 72,886 ounces of platinum on set dates between June and December 2020. The platinum price delivered under the prepayment was hedged with a cap price of US\$1,050 per ounce and a floor price of US\$700 per ounce. The Group received, and recognised, the difference between the floor price and the monthly average price (subject to a maximum of the cap price) on delivery of the platinum. The final delivery under the forward platinum sale arrangement was made on 7 December 2020. On 11 April 2019, Sibanye-Stillwater concluded a forward gold sale arrangement where the Group received a cash prepayment of US\$125 million (approximately R1.7 billion) in exchange for the future delivery of 105,906 ounces (3,294 kilograms) of gold in 4 equal parts on 1 October 2019, 15 October 2019, 31 October 2019 and 15 November 2019, subject to a floor price of US\$1,200/oz and a cap price of US\$1,323/oz (gold prepayment). On 21 October 2019, Sibanye-Stillwater concluded a forward gold sale arrangement where the Group received a cash prepayment of R1.1 billion in exchange for the future delivery of 8,482 ounces (263.8 kilograms) of gold every two weeks from 10 July 2020 to 16 October 2020 subject to an initial reference price of R17,371/oz comprising 80% of the prevailing price on execution date. This was offset by the decrease of R6,555 million (US\$500 million) received through a streaming agreement with Wheaton International, a wholly-owned subsidiary of Wheaton Precious Metals Corp on closing of the transaction in 2018

³ The increase in royalties and tax paid in 2020 and 2019 was due to the increase in revenue and taxable mining income as a result of increased precious metal prices during 2020

⁴ Included in dividends paid is an interim dividend of R1,338 million declared and paid by the Group and dividends paid by subsidiary companies to their non-controlling shareholders. The Group declared no dividend in 2019. The dividend declared and paid in 2019 related to dividends paid by subsidiary companies to their non-controlling shareholders

Adjusted free cash flow

Adjusted free cash flow during 2020 increased with cash received due to higher precious metal prices. The Group recorded adjusted free cash flow of R19,914 million in 2020, which was an improvement of R19,596 million compared with 2019. In 2020, the US PGM operations recorded a 26% decrease in adjusted free cash flow to R2,780 million, the SA PGM operations recorded a 336% increase in adjusted free cash flow to R11,746 million and the SA gold operations recorded a 216% increase in adjusted free cash flow of R11,878 million.



Cash flows from investing activities

Net cash used in investing activities increased to R9,937 million in 2020 from R4,865 million in 2019. The increase in cash used in investing activities was mainly due to additions to property, plant and equipment of R9,616 million in 2020 compared to R7,706 million in 2019. Net cash used in investing activities decreased to R4,865 million in 2019 from R7,744 million in 2018. The decrease in the 2019 net cash used in investing activities was mainly due to additions to property, plant and equipment of R7,706 million, partially offset by cash acquired of R2,999 million on the acquisition of the Marikana operation in 2019 (settled through the issue of Sibanye-Stillwater shares).

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS continued

Capital expenditure at the individual mines is shown in the table below.

Figures in million - SA rand	2020	2019
US PGM operations	4,422	3,393
Stillwater	4,422	3,393
SA PGM operations	2,197	2,248
Rustenburg operation	743	819
Marikana	1,223	1,189
Kroondal	188	213
Platinum Mile	43	27
Corporate and reconciling items	-	-
SA gold operations	2,996	2,066
Driefontein	929	676
Kloof	1,269	937
Beatrix	415	306
Cooke	-	-
DRDGOLD	341	82
Corporate and reconciling items	42	65
Total Capital Expenditure	9,615	7,707

Capital expenditure increased to R9,615 million in 2020 from R7,707 million in 2019. Capital expenditure at the US PGM operations for 2020 was 30% higher than for 2019 at R4,422 million with sustaining capital 50% higher at R2,037 million and growth capital 17% higher at R2,385 million of which R2,025 was mainly incurred at Stillwater East (SWE) on the Blitz project and in completing the FTM project. This compares to capital expenditure in 2019 of R3,393 million of which R2,035 million was spent on the Blitz project. Capital expenditure at the SA PGM operations decreased marginally by 2% from R2,248 million in 2019 to R2,197 million in 2020, mainly due a deferral of capital expenditure during the first half of the 2020 year as a result of the COVID-19 lockdown. Capital expenditure at the SA gold operations excluding DRDGOLD increased from R1,984 million in 2019 to R2,656 million in 2020 due to impact of lower spend during 2019 because of the strike, partially offset by a deferral of capital expenditure during the first half of the 2020 year as a result of the COVID-19 lockdown. Capital expenditure at DRDGOLD increased from R82 million in 2019 to R341 million in 2020, mainly due to increased capital expenditure on the Far West Gold Recoveries tailings retreatment operation.

Cash flows from financing activities

Net cash used in financing activities of R2,244 million in 2020 compared with R1,470 million in 2019. Net cash used in financing activities comprised of lease payments of R114 million (2019: R132 million), loans repaid of R18,335 million (2019: R22,008 million), partially offset by loans raised of R16,289 million (2019: R18,982 million) and proceeds from shares issued of Rnil (2019: R1,688 million).

During October 2020 the US\$383.8 million convertible bond was settled through cash (R13 million) and the issue of shares (R12,573 million) see –Consolidated financial statements–Notes to the consolidated financial statements–Note 28.5 US\$ Convertible Bond.

Net increase in cash and cash equivalents

As a result of the above, net cash and cash equivalents (excluding the effect of exchange rate fluctuations on cash held) increased by R14,969 million in 2020 compared with an increase of R3,129 million in 2019.

Total Group cash and cash equivalents amounted to R20,240 million at 31 December 2020 (2019: R5,619 million).

Statement of financial position

Borrowings

Total borrowings (short- and long-term) excluding R1,263 million attributable to Burnstone, which has no recourse to Sibanye-Stillwater's balance sheet, decreased to R17,119 million at 31 December 2020 from R26,551 million at 31 December 2019.

At 31 December 2020, Sibanye-Stillwater had committed undrawn facilities of R7,336 million (31 December 2019: R5,688.0 million) available under the US\$600 million RCF and R5.5 billion RCF.

For a description of borrowings, see –Consolidated financial statements–Notes to the consolidated financial statements–Note 28: Borrowings and derivative financial instrument.

Working capital and going concern assessment

For the year ended 31 December 2020, the Group realised a profit of R30,621.6 million (31 December 2019: R432.8 million, 2018: loss of R2,520.7 million). As at 31 December 2020 the Group's current assets exceeded its current liabilities by R34,755.5 million (31 December 2019: R11,836.9 million, 31 December 2018: R562.7 million) and the Group's total assets exceeded its total liabilities by R70,716.0 million (31 December 2019: R31,138.3 million, 31 December 2018: R24,724.4 million). During the year ended 31 December 2020 the Group generated net cash from operating activities of R27,149.3 million (31 December 2019: R9,464.0 million, 31 December 2018: R12,197.2 million).

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS

continued

The Group currently has committed undrawn debt facilities of R7,336.3 million at 31 December 2020 (31 December 2019: R5,688.0 million, 31 December 2018: R5,987.1 million) and cash balances of R20,239.8 million (31 December 2019: R5,619.0 million, 31 December 2018: R2,549.1 million). The most immediate debt maturity is the US\$353.7 million June 2022 High Yield bond maturity, and an early restructure and/or settlement of this tranche could be undertaken during 2021. Additionally, during March 2021 the Group successfully extended the first maturity date for the remaining lender, as a result US\$150 million of the USD Revolving Credit Facility (RCF) matures in April 2022, with the US\$450 million balance of the USD RCF maturing in April 2023. As at 31 December 2020 only US\$475 million of the US\$600 million USD RCF was drawn. The R5.5 billion RCF was fully repaid during August 2020 with the full balance being undrawn at 31 December 2020 and available until November 2023, given the exercise of the first extension option. During October 2020 the US\$ Convertible Bond was settled through cash (R13.2 million) and the issue of shares (R12,573.2 million, see –*Consolidated financial statements–Notes to the consolidated financial statements–Note 28.5 US\$ Convertible Bond*), further strengthening the balance sheet whilst preserving cash. Given the high level of available cash and undrawn facilities and resultant strong liquidity position, no imminent refinancing of debt is required.

The Group's leverage ratio (net (cash)/debt to adjusted EBITDA) as at 31 December 2020 was (0.1):1 (31 December 2019 was 1.4:1, 31 December 2018 was 2.5:1) and its interest coverage ratio (adjusted EBITDA to net finance charges) was 79.8:1 (31 December 2019 was 6.5:1, 31 December 2018 was 4.9:1). Both considerably better than the maximum permitted leverage ratio of at most 2.5:1 (up to 31 December 2019 3.5:1); and minimum required interest coverage ratio of 4.0:1, calculated on a quarterly basis, required under the US\$600 million RCF and the R5.5 billion RCF.

Gold and PGMs are sold in US dollars with most of the South African operating costs incurred in rand, as such the Group's results and financial condition will be impacted if there is a material change in the rand/US dollar exchange rate. High levels of volatility in commodity prices may also impact on profitability. Due to the nature of deep level mining, industrial and mining accidents may result in operational disruptions such as stoppages which could result in increased production costs as well as financial and regulatory liabilities. Further, Sibanye-Stillwater's operations may be adversely affected by production stoppages caused by labour unrests, union activity or other factors.

Any additional regulatory restrictions imposed by the South African government to reduce the spread of the COVID-19 pandemic (refer below) could adversely affect the 2021 production outlook of the South African operations. Presently, there are no COVID-19 related work stoppages being imposed by either the Federal government and the State of Montana. However, the ongoing need to maintain COVID-19 protocols in the US, due to state and federal guidelines and the Montana Operation's own processes to manage its COVID-19 exposures, is having an impact on productivity and may adversely affect the 2021 production outlook of the US PGM operations. These productivity impacts include, but are not limited to, staggered shift arrangements, duplicate transport, mandatory screening, contact tracing and quarantining where necessary. These factors could impact on cash generated or utilised by the Group, as well as adjusted EBITDA and financial covenants.

The following events, reported in our annual report for the year ended 31 December 2020, impacted on the profitability of the Group for the year under review:

- Anglo Plats temporary shutdown of its converter plant (force majeure declared on 6 March 2020) – during the force majeure period, material produced by the Rustenburg, Platinum Mile and Kroondal operations was delivered to our Marikana processing facility. The converter plant at Anglo Plats was brought back into production on 12 May 2020 and Anglo Plats lifted the force majeure. On 31 May 2020 the converter plant was again shut down due to a water leak in the high-pressure cooling section of the converter which was repaired by mid-June 2020. The Toll treatment agreement between Anglo Plats and our Rustenburg operation, and the purchase of concentrate agreement with our Kroondal and Platinum Mile operations continued after Anglo Plats repaired and recommissioned its converter plant.
- COVID-19 outbreak in South Africa – the President of the Republic of South Africa announced a nation-wide lockdown from midnight 26 March 2020, which was amended through a notice published by the South African government on 16 April 2020 allowing for our South African mining operations to be conducted at a reduced capacity of not more than 50%. From 17 April 2020, management commenced implementing its strategy to mobilise the required employee complement to safely ramp up production at our South African operations to the initial restricted 50%. Subsequent directives issued by the Minister of Mineral Resources and Energy and the easing of lockdown restrictions allowed for the controlled ramp up of production under stringent regulations. These measures had a significant adverse impact on our production from our South African operations during Q2 2020. At 30 June 2020 the SA Gold and SA PGM operations were at a production capacity of 86% and 73%, respectively. Our strategy to safely mobilise employees and ramp up to near normal production levels by the end of H2 2020 was successfully delivered. By the end of December 2020 the SA gold operations were almost ramped up to normal production capacity, however the momentum of ramping up into January 2021 was disturbed by Christmas break whereby the pace of employees returning back was slower than anticipated, especially those foreign nationals returning from the SADC countries where stricter border controls were implemented. The return to work was impacted due to the extended screening process and compliance requirements linked to the National Government level 3 lockdown regulations which was imposed in December 2020 and January 2021. By the end of December 2020, the SA PGM operations were ramped up to normal production capacity, however the momentum of ramping up into January 2021 was also disturbed by Christmas break whereby the pace of employees returning back was slower than anticipated due to the extended screening process. The extended period of screening was caused by the compliance requirements to level 3 National government lockdown regulations which require every employee returning from the Christmas break to be tested and screened for COVID-19. In H1 2020, capital expenditure at the South African operations was deferred to H2 2020 mainly due to the COVID-19 lockdowns, with capital expenditure in H2 2020 mainly incurred in the Infrastructure, safety and compliance projects. The deferral of such capital expenditure projects will flow into Q1 2021 and is also reflected as an increase in the 2021 capex plan.
- Although no formal lock down was experienced at our US PGM operations during 2020, the operational performance of our US PGM operations was negatively impacted by COVID-19, with proactive COVID-19 measures required to mitigate the spread of the COVID-19 pandemic and contain liquidity for the Group. This, amongst others, resulted in the deferral of capital project activity, the delay in receipt of key sustaining and growth capital items and a curtailment in recycling operation activity for a portion of 2020. The need to demobilize key project contractors during the onset of COVID-19, together with force majeure declaration's on key project infrastructure, contributed to the

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS continued

Stillwater East (Blitz) project being delayed by 24 months. Our recycling operations saw a noticeable market liquidity driven slow down early on in the pandemic, although a recovery in the secondary supply market occurred during the second half of 2020. The US PGM Operations saw production losses of approximately 4% due to COVID-19 during 2020.

During December 2020 and January 2021 South Africa experienced a second wave of COVID-19 infections which was contained. Although the South African government introduced a level 3 lock down commencing from 28 December 2020, which was subsequently reduced to level 1 lock down, this did not impose further restrictions on our South African operations. COVID-19 infection rates remain high across the United States and our Montana Operations continue to operate under strict COVID-19 protocols. Although further waves of COVID-19 infections could result in further restrictions on the Group which could affect its operational performance, management believes that the educational, safety and continued awareness measures already embedded at all our operations should limit the spread of infections.

The Group has thoroughly demonstrated its ability to proactively manage liquidity risk through these extraordinary times. Our improved geographical and commodity diversification, along with improved commodity prices, cost containment, and increased operational scale have enabled management to successfully mitigate the simultaneous impact of these abnormal events during 2020, navigating the Group to well below its targeted leverage ratio of below 1:1.

Notwithstanding the exceptionally strong current liquidity position and financial outlook, further amendments to COVID-19 regulations or uncontrolled infection rates could impose additional restrictions on both our US PGM and South African operations that may adversely impact the production outlook for 2021. This could deteriorate the Group's forecasted liquidity position and may require the Group to further increase operational flexibility by adjusting mine plans, reducing capital expenditure and/or selling assets. The Group may also, if necessary, be required to consider options to increase funding flexibility which may include, amongst others, additional loan facilities or debt capital market issuances, streaming facilities, prepayment facilities or, in the event that other options are not deemed preferable or achievable by the Board, an equity capital raise. The Group could also, with lender approval, request covenant amendments or restructure facilities. During past adversity management has successfully implemented similar actions.

Management believes that the cash generated by its operations, cash on hand, the unutilised debt facilities as well as additional funding opportunities will enable the Group to continue to meet its obligations as they fall due. The consolidated financial statements for the year ended 31 December 2020, therefore, have been prepared on a going concern basis.

Off balance sheet arrangements and contractual commitments

At 31 December 2020, Sibanye-Stillwater had no off balance sheet items. For a description of Sibanye-Stillwater's contractual commitments, see the following notes to the consolidated financial statements:

Contractual commitments	Note to the consolidated financial statements
Environmental rehabilitation obligation	30 – Environmental rehabilitation obligation and other provisions
Occupational healthcare obligation	31 – Occupational healthcare obligation
Commercial commitments	37 – Commitments
Contingent liabilities	38 – Contingent liabilities
Debt	
– capital	28 – Borrowings and derivative financial instrument
– interest	28 – Borrowings and derivative financial instrument
Leases	29 – Lease liabilities

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

Critical accounting policies and estimates

Sibanye-Stillwater's significant accounting policies are fully described in the various notes to its consolidated financial statements. Some of Sibanye-Stillwater's accounting policies require the application of significant judgements and estimates by management that can affect the amounts reported in the consolidated financial statements.

These judgements 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS continued

For Sibanye-Stillwater's significant accounting policies that are subject to significant judgements, estimates and assumptions, see the following notes to the consolidated financial statements:

Significant accounting policy	Note to the consolidated financial statements
Revenue	3 – Revenue
Royalties, mining and income tax, and deferred tax	11 – Royalties, mining and income tax, and deferred tax
Property, plant and equipment	14 – Property, plant and equipment
Business combinations	16 – Acquisitions
Goodwill	17 – Goodwill
Equity-accounted investments	18 – Equity accounted investments
Other receivables and other payables	22 – Other receivables and other payables
Inventories	23 – Inventories
Borrowings	28 – Borrowings and derivative financial instrument
Environmental rehabilitation obligation	30 – Environmental rehabilitation obligation and other provisions
Occupational healthcare obligation	31 – Occupational healthcare obligation
Deferred revenue	32 – Deferred revenue
Contingent liabilities	38 – Contingent liabilities

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-Stillwater, comprising the consolidated statement of financial position as at 31 December 2020, and consolidated income statement and consolidated statements of other 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 International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB), the SAICA Financial Reporting Guides issued by the Accounting Practices Committee and Financial Reporting Pronouncements issued by the Financial Reporting Standards Council, as well as the requirements of the South African Companies Act, 71 of 2008 (the Companies Act) and the JSE Listings 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 2020. 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 are responsible for the information included in the annual financial 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 annual financial statements comply with the relevant legislation.

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 concerns and based on this assessment concluded that the basis for preparation of the consolidated annual financial statements is appropriate to that of a going concern.

The Group's external auditors, Ernst & Young Inc. audited the consolidated annual financial statements. For their report, see– *Independent Auditor's Report*.

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

Neal Froneman
Chief Executive Officer

Charl Keyter
Chief Financial Officer
22 April 2021

CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER RESPONSIBILITY STATEMENT

In terms of paragraph 3.84(k) of the JSE listings requirement the Chief Executive Officer and Chief Financial Officer are required to provide an attestation statement. The directors, whose names are stated below, hereby confirm after due, careful and proper consideration that:

- the annual financial statements set out on pages 50 to 128, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;
- no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;
- internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer; and
- the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function within the combined assurance model pursuant to principle 15 of the King Code. Where we are not satisfied, we have disclosed to the audit committee and the auditors the deficiencies in design and operational effectiveness of the internal financial controls and any fraud that involves directors, and have taken the necessary remedial action.

Neal Froneman
Chief Executive Officer

Charl Keyter
Chief Financial Officer
22 April 2021

COMPANY SECRETARY'S CONFIRMATION

In terms of section 88(2)(e) of the Companies Act, as amended, I certify that to the best of my knowledge, 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.

Lerato Matlosa
Company Secretary
22 April 2021

REPORT OF THE AUDIT COMMITTEE

Introduction

The Audit Committee has 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 South African Companies Act (Companies Act), King IV™, the JSE Listings Requirements (JSE LR) and the requirements of the Securities and Exchange Commission (SEC).

The Audit Committee consisted of six independent non-executive directors for the period from 1 January 2020 to 31 December 2020. For membership, see –*Accountability–Directors’ report–Directorate–Composition of the Board and sub-committees*.

The Board believes that the members collectively possess the knowledge and experience to supervise Sibanye-Stillwater’s financial management, internal and external auditors, the quality of Sibanye-Stillwater’s financial controls, the preparation and evaluation of Sibanye-Stillwater’s audited consolidated financial statements and Sibanye-Stillwater’s periodic 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.

Responsibility

It is the duty of the Audit Committee, *inter alia*, to monitor and review on a Company and Group (Company, Group or Company and Group) basis:

- the effectiveness of the internal audit function, see –Internal Audit (below);
- auditor suitability and recommendation for appointment, see –Auditor suitability review (below);
- auditor independence and fees, see –Auditor independence and fees (below);
- reports of both internal and external auditors;
- evaluation of the expertise and experience of the Chief Financial Officer (CFO);
- financial reporting systems and ensure that reporting procedures are functioning properly;
- the governance of information technology (IT) and the effectiveness of the Group’s information systems;
- interim results and report (“Interim Report”), quarterly operating reports, company and consolidated annual financial statements (“Audited AFS”) and all other widely distributed financial documents;
- the Form 20-F filing with the SEC;
- accounting policies of the Company and Group and proposed revisions;
- compliance with applicable legislation, requirements of appropriate regulatory authorities and Sibanye-Stillwater’s Code of Ethics;
- the integrity of the content of Interim Report, Audited AFS and the integrated annual report and associated reports (“IAR”) and then recommending same to the Board for approval; and
- policies and procedures for preventing and detecting fraud.

Access and meetings

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 meets with both internal and external auditors separately on a quarterly basis without other invitees being present. Management attend Audit Committee meetings by invitation.

Annual financial statements

The Committee has reviewed and is satisfied that the consolidated Audited AFS, including accounting policies, are appropriate and comply with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB), the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides issued by the Accounting Practices Committee and Financial Reporting Pronouncements issued by the Financial Reporting Standards Council, as well as the requirements of the South African Companies Act, JSE LR and the requirements of the SEC.

The significant audit and accounting matters in respect of the Group considered by the Committee during the financial year were:

- the impairment assessment of property, plant and equipment, goodwill arising from business combinations, and equity-accounted investments;
- the accounting implications of the scheme of arrangement (Scheme) between Sibanye Gold Limited (SGL) and Sibanye-Stillwater; and
- assessed the recognition of historically unrecognised deferred tax assets for Western Platinum Proprietary Limited (WPL) and Eastern Platinum Limited (EPL).

REPORT OF THE AUDIT COMMITTEE continued

Matters that were addressed by management and by the Audit Committee on review basis are as follows:

The impairment assessment of property, plant and equipment, and goodwill arising from business combinations, and equity-accounted investments

For the year ended 31 December 2020, management performed an impairment assessment over the property, plant and equipment, goodwill and equity-accounted investments as follows:

- assessed whether there is an indication, based on either internal or external sources of information, that an asset or cash-generating unit (CGU) may be impaired;
- assessed the recoverable amount of the assets, based on expected discounted net forecast cash flows arising from the expected mining of the ore reserves;
- calculated the recoverable amount for each CGU using a discounted cash flow model;
- considered the excess of recoverable amount over the carrying value for each CGU; and
- considered whether facts and circumstances changed that warranted the historical impairment recognised on the equity accounted investment in Rand Refinery Proprietary Limited (Rand Refinery) and conclude whether this historically recognised impairment should be reversed.

Management concluded that no impairments were required based on the recoverable amount assessment but reversed the historical impairment of R119.6 million on the Group's investment in Rand Refinery due to the improved financial position of the investee and its forecasted return to stable dividend payments.

The accounting implications of the Scheme

For the year ended 31 December 2020, management considered the financial reporting impacts of the Scheme as follows:

- determined whether the acquisition of SGL represents a business combination as defined by IFRS 3 *Business Combinations*; and
- at the effective date of the Scheme determined the value at which the issue of shares should be recorded.

Management determined that the acquisition of SGL did not represent a business combination as defined by IFRS 3 *Business Combinations* and that the issue of shares at the effective date of the Scheme be recorded at an amount equal to the net asset value of the unconsolidated SGL company at that date (R17,661 million), with the difference recognised as a reorganisation reserve (R23,001 million).

Assessed the recognition of historically unrecognised deferred tax assets for WPL and EPL

For the year ended 31 December 2020, management performed an assessment on the recognition of historically unrecognised deferred tax assets for WPL and EPL as follows:

- considered whether there is convincing evidence that sufficient future taxable profits will be available against which the tax losses and tax credits can be utilised; and
- considered both favourable and unfavourable factors to conclude on the probability of the future taxable profits of WPL and EPL.

Management concluded that the required probability threshold for future taxable profits under *IAS 12 – Income Taxes* was achieved and recognised the calculated net deferred tax assets for WPL and EPL, historically recognised only to the extent of the deferred tax liabilities.

Auditor suitability review

In terms of section 90(1) of the Companies Act, each year at its annual general meeting (AGM), the Company must appoint an external audit firm and designated individual partner that complies with the requirements of section 90(2) of the Companies Act and the JSE Listings Requirements.

In terms of the JSE LR, the Audit Committee has the responsibility to review the Company's current appointed audit firm and designated individual audit partner for re-appointment. After such review, the Audit Committee makes a recommendation to the Board, and the Board in turn considers same and then makes a recommendation to shareholders in the notice of AGM.

Accordingly, in compliance with paragraph 3.84(g)(iii) of the JSE LR, the Audit Committee assessed the suitability for reappointment of the current appointed audit firm, being Ernst & Young Inc., and the designated individual partner, being Lance Ian Neame Tomlinson (Auditor Suitability Review).

The Auditor Suitability Review performed by the Audit Committee included an examination and review of:

- the results of the most recent Independent Regulatory Board for Auditors (IRBA) inspections of Ernst & Young Inc., including the responses of the firm on observations / findings on the firm and selected audit files raised by IRBA;
- the results of the most recent IRBA inspection of the designated individual auditor;
- a summary of the audit firms ISQC 1 internal inspection process and the process to analyse and conclude on the results of the internal inspection;
- a summary of the outcome of the designated individual auditor's latest internal quality review;
- the results of the most recent Public Company Accounting Oversight Board (PCAOB) inspection review of Ernst & Young Inc.; and

REPORT OF THE AUDIT COMMITTEE continued

- a summary and results of all legal and disciplinary proceedings concluded within the past seven years, which were instituted in terms of any legislation or by any professional body of which the audit firm and/or designated individual auditor are a member or regulator to whom they are accountable, including where the matter is settled by consent order or payment of a fine.

The Audit Committee has satisfied itself that both Ernst & Young Inc. and Lance Ian Neame Tomlinson are accredited in terms of the JSE Listings Requirements. Based on the results of the Auditor Suitability Review and a review of the independence of Ernst & Young Inc. and the designated individual audit partner, the Audit Committee recommended to the Board that Ernst & Young Inc. be re-appointed as the auditors of the Company and that Lance Ian Neame Tomlinson be reappointed as the designated individual partner. The Board concurred with the recommendation.

Auditor independence and fees

The Audit Committee is also responsible for determining that the external audit firm and designated individual audit partner have the necessary independence, experience, qualifications and skills, and that audit and other fees are reviewed and approved.

The Audit Committee has reviewed and assessed the independence of the external auditor, who have confirmed in writing that the criteria for independence, as set out in the rules of the Independent Regulatory Board for Auditors, the Public Company Accounting Oversight Board, and other relevant international bodies, have been followed. The Audit Committee is satisfied that Ernst & Young Inc. is independent of the Company and Group. The following aggregate audit fees, audit-related fees, tax fees and all other fees were approved by the Audit Committee and billed by the Group's independent external auditors for 2020 and 2019 (Ernst & Young Inc.) and 2018 (KPMG Inc.) as follows:

Figures in million - SA rand	2020	2019	2018
Audit fees ¹	58.5	53.7	39.7
Audit-related fees ²	0.6	1.0	5.2
Tax fees ³	0.0	0.2	1.0
All other fees ⁴	0.0	0.0	0.3
Total	59.1	54.9	46.2

¹ Audit fees consist of the aggregate fees billed for the annual audit of Sibanye-Stillwater's respective Company and Group consolidated financial statements, audit of the Group's internal controls over financial reporting in accordance with section 404 of the Sarbanes-Oxley Act and the audit of statutory financial statements of the Company's subsidiaries, including fees billed for assurance and related services that are reasonably related to the performance of the audit or reviews of the Company's financial statements that are services that only an external auditor can reasonably provide

² Audit-related fees consist of the aggregate fees billed in each fiscal year for review of documents filed with regulatory authorities, consultations concerning financial accounting and reporting standards, review of security controls and operational effectiveness of systems, and due diligence related to acquisitions

³ Tax fees include the aggregate fees billed in each fiscal year for tax compliance, tax advice, tax planning and other tax-related services

⁴ All other fees consist of the aggregate fees billed in each fiscal year for all other services not included under audit fees, audit related fees or tax fees

The Audit Committee determines the nature and extent of non-audit services that the auditor can provide and pre-approves all permitted non-audit assignments by the Group's independent external auditor. In accordance with the SEC rules regarding auditor independence, the Audit Committee has established policies and procedures for audit and non-audit services provided by the Group's independent external auditor. The rules apply to Sibanye-Stillwater and its legally controlled unlisted subsidiaries engaging any accounting firms for audit services and the auditor who audits the accounts filed with the SEC (the Group's independent external auditor) for permissible non-audit services. When engaging the Group's independent external auditor for permissible non-audit services (audit related services, tax services, and all other services), pre-approval is obtained prior to the commencement of the services.

The Audit Committee approves the respective annual audit plans presented by both the internal and external auditors and monitors progress against the plans. These audit plans provide the Audit Committee with the necessary assurance on risk management, internal control environments and IT governance.

Internal Audit

The internal control systems of the Group are monitored by Internal Audit, which reports findings and recommendations to the Audit Committee and to senior management. The Audit Committee 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 may be appointed or dismissed by the Audit Committee. The Audit Committee is satisfied that the incumbent 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-Stillwater's Internal Audit operates in accordance with the International Standards for the Professional Practice of Internal Auditing as prescribed by the Institute of Internal Auditors. Internal Audit activities carried out during the year were identified and planned through a combination of the Sibanye-Stillwater Risk Management framework and the risk-based methodologies adopted by Internal Audit. The Audit Committee approves the annual internal audit assurance plan presented by Internal Audit and monitors progress against the plan.

Internal Audit reports deficiencies to the Audit Committee every quarter together with recommended remedial actions, which are then followed up. Internal Audit provided the Audit Committee with a written report, which assessed as adequate the internal controls over financial reporting, IT governance and the risk management process during 2020.

The Audit Committee is responsible for IT governance on behalf of the Board and reviews the report of the Vice President: Group ICT at each Audit Committee meeting.

REPORT OF THE AUDIT COMMITTEE continued

JSE LR

In accordance with the JSE LR, the Audit Committee reports and confirms that it has:

- evaluated the expertise, experience and performance of the Group CFO during 2020 and is satisfied that he has the appropriate expertise and experience to carry out his duties, and is supported by qualified and competent senior staff;
- ensured that the Group has established appropriate financial reporting procedures and that those procedures are operating, this included consideration of all entities consolidated into the group financial statements, ensuring that management had access to all the required financial information to allow the effective preparation and report on consolidated Audited AFS;
- has performed the Auditor Suitability Review of both the current appointed external audit firm and designated individual audit partner as detailed above;
- notwithstanding the provisions of Section 90(6) of the Companies Act, ensured that the proposed re-appointment of the audit firm and designated individual partner is presented and included as a resolution in notice of annual general meeting pursuant to Section 61(8) of the Companies Act; and
- ensured that the Chief Executive Officer and Chief Financial Officer have complied with the requirements of the attestation statement as per paragraph 3.84(k) of the JSE LR.

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 of the Group during the year and that the financial records may be relied upon as the basis for preparation of the consolidated Audited AFS.

With respect to the financial year ended 31 December 2020, no material weakness was identified due to control deficiencies. Management strives to continuously improve the diligence in the identification and documentation of key controls.

The Audit Committee has considered and discussed the consolidated

Audited AFS and associated reports 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 consolidated Audited AFS;
- evaluated the completeness of the financial and sustainability discussion and disclosures;
- evaluated and confirmed the satisfactory remediation of the control deficiency identified at 31 December 2019 which led to the material weakness (in that the company did not conduct an effective identification, selection and development of control activities by the central treasury function to mitigate risk in respect of the timely recognition of foreign currency cash receipts as cash and cash equivalents with corresponding settlement of trade receivables); and
- discussed the treatment of significant and unusual transactions with management and the external auditors.

The Audit Committee considers that the IAR and consolidated Audited AFS comply in all material respects with all compliance requirements detailed earlier in this report. In addition, the Audit Committee considers whether the company Audited AFS comply in all material respects with all compliance requirements relevant to those financial statements (refer to the company Audited AFS which include the Report of the Audit Committee dealing with the responsibilities of the Audit Committee relevant to the Company Audited AFS). The Audit Committee recommended to the Board that the IAR and consolidated Audited AFS be adopted and approved by the Board. The Board subsequently adopted and approved the IAR and consolidated Audited AFS.

Keith Rayner CA(SA)

Chairman: Audit Committee

22 April 2021

DIRECTORS' REPORT

The directors have pleasure in submitting this report and the consolidated annual financial statements of Sibanye-Stillwater for the year ended 31 December 2020.

Group profile and location of our operations

Sibanye-Stillwater, an independent, global, precious metals mining company, produces a mix of metals that includes PGMs and gold. Domiciled and with its head office in South Africa, Sibanye-Stillwater owns and operates a portfolio of high-quality operations and projects that are located as follows:

- **US PGM operations:** The East Boulder and the Stillwater (including Blitz) mines are located in Montana, in the United States. The Columbus Metallurgical Complex, which smelts the material mined to produce PGM-rich filter cake, also conducts PGM recycling activities.
- **SA PGM operations:** The Kroondal, Rustenburg, Marikana and Platinum Mile operations are located on the western limb of the Bushveld Complex in South Africa, while Mimosa is on the southern portion of the Great Dyke in Zimbabwe. Mimosa is a 50:50 joint venture with Impala Platinum Holdings Limited. Platinum Mile is a retreatment facility.
- **SA gold operations:** The Driefontein, Kloof and Cooke operations are located on the West Rand of the Witwatersrand Basin, while Beatrix is in the southern Free State goldfields of the Basin. Sibanye-Stillwater also has an interest in surface tailings retreatment facilities located from the East Rand to the West Rand through our effective 50.66% stake in DRDGOLD Limited (DRDGOLD)
- **Projects:** Our projects are:
 - Marathon, a PGM project in Ontario, Canada;
 - Altar and Rio Grande, copper-gold projects in the Andes in north-west Argentina, close to the Chilean border;
 - Denison project, a PGM project in Ontario;
 - Akanani, Limpopo, Hoedspruit, Blue Ridge and Zondernaam PGM projects in South Africa; and
 - Burnstone and the southern Free State gold projects in South Africa.

Financial affairs

Results for the year

The Group profit was R30,622 million in 2020 compared with R433 million in 2019. The major source of earnings for 2020 was the SA PGM operations, which accounted for approximately 59% (2019: 59%) of Group adjusted EBITDA due to the inclusion of the Marikana operation for the full twelve months (2019: seven months since acquisition), which made a contribution of 26% or R12,843 million (2019: 16% or R2,448 million), coupled with a 83% higher 2020 average 4E PGM basket price received of R36,651/4Eoz. The adjusted EBITDA contribution from the US PGM operations has increased by 79%, contributing 26% (2019: 49%) to Group adjusted EBITDA, mainly due to a 36% higher average 2020 2E basket price received of US\$1,906/2Eoz. The adjusted EBITDA contribution from the SA gold operations increased by 902% to R7,770 million (2019: R969 million adjusted EBITDA loss) mainly due to a 43% higher average rand gold price of R924,764/kg. For a review of Sibanye-Stillwater's financial performance for 2020, see –*Overview–Management's discussion and analysis of the financial statements*.

Dividends

Sibanye-Stillwater's dividend policy is to return at least 25% to 35% of normalised earnings to shareholders. Normalised earnings is defined as earnings attributable to the owners of Sibanye-Stillwater excluding gains and losses on financial instruments and foreign exchange differences, impairments, gains and losses on disposal of property, plant and equipment, occupational healthcare expense, restructuring costs, transactions costs, share-based payment on BEE transaction, gain on acquisition, net other business development costs, share of results of equity-accounted investees, after tax, and changes in estimated deferred tax rate. Normalised earnings constitutes pro forma financial information in terms of the JSE Listings Requirements and is the responsibility of the board of directors (Board).

Sibanye-Stillwater declared a final dividend of 321 SA cents (2019: nil) per share, together with the interim dividend of 50 SA cents (2019: nil) per share (declared and paid), this brings the total dividend for the year ended 31 December 2020 to 371 SA cents (2019: nil) per share, which amounts to 35% of normalised earnings.

Borrowing powers

In terms of Clause 4 of the Company's Memorandum of Incorporation, the borrowing powers of the Sibanye Stillwater Limited (the Company) are unlimited. As at 31 December 2020, the borrowings of the Group, excluding the Burnstone Debt, was R17,119 million (2019: R26,551 million, including the derivative financial instrument which was settled during the 2020 financial year), see –*Consolidated financial statements–Notes to the consolidated financial statements–Note 28: Borrowings and derivative financial instrument*.

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

DIRECTORS' REPORT continued

Events after reporting date

There were no events that could have a material impact on the financial results of the Group after 31 December 2020, other than those disclosed in the consolidated financial statements, see –*Consolidated financial statements–Notes to the consolidated financial statements–Note 40: Events after reporting date.*

Working capital and going concern assessment

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.

The directors believe that the cash generated by its operations, cash on hand, the committed unutilised debt facilities as well as additional funding opportunities will enable the Group to continue to meet its obligations as they fall due. The consolidated financial statements for the year ended 31 December 2020, therefore, have been prepared on a going concern basis, see –*Consolidated financial statements–Notes to the consolidated financial statements–Note 36.2: Risk management activities–Liquidity risk–Working capital and going concern assessment.*

Significant announcements

Sibanye-Stillwater cements its industry-leading surface mining partnership with DRDGOLD - 10 January 2020

On 10 January 2020, Sibanye-Stillwater announced that it has exercised its option to subscribe for additional ordinary shares of DRDGOLD Limited (“DRDGOLD”) to attain a 50.1% shareholding in DRDGOLD (the “Option Shares”). The option was exercised on 8 January 2020 in terms of the DRDGOLD option agreement between Sibanye-Stillwater and DRDGOLD, entered into on 22 November 2017 and approved by the DRDGOLD shareholders on 28 March 2018.

The subscription price for each Option Share was R6.46 per share, payable in cash, representing a 22.69% discount to the closing price of R8.35 per DRDGOLD share and a 10% discount to the 30-day volume weighted average traded price of DRDGOLD’s shares, on the JSE Limited on the day prior to the date the option was exercised, being 7 January 2020. The exercise of the option increased Sibanye-Stillwater’s holding in DRDGOLD from 38.05% (265,000,000 shares) to 50.1% (433,158,944 shares).

Results of the Sibanye Gold Limited Shareholder meeting to approve the scheme relating to the internal restructuring of Sibanye Gold Limited - 23 January 2020

On 4 October 2019, Sibanye Gold Limited (trading as Sibanye-Stillwater) SGL and Sibanye-Stillwater announced the commencement of an internal restructuring process to create a new holding company and listings for the Group to be effected by way of a scheme of arrangement (the “Scheme”),

On 23 January 2020, Sibanye Gold Limited and Sibanye Stillwater Limited announced that all resolutions for the approval of the Scheme, were passed by the requisite majority voters at the Scheme Meeting held at the Sibanye Gold Limited Academy. The Scheme was implemented on 24 February 2020. For additional information, see –*Consolidated financial statements–Notes to the consolidated financial statements– Note 26: Stated share capital.*

Appointment of Lead Independent Director - 17 February 2020

On 17 February 2020, Sibanye-Stillwater advised that in accordance with Section 3.59(c) of the Listings Requirements of the JSE Limited, shareholders were advised that with effect from 14 February 2020, the Company has appointed Richard Menell as the Lead Independent Director of the Board. Richard was appointed as a non-executive director of Sibanye-Stillwater on 1 January 2013. He has over 40 years’ experience in the mining industry. Richard has been an instrumental member of the Board and his leadership as the Lead Independent Director will enhance the Company’s corporate governance and Board processes.

Sibanye-Stillwater changes NYSE ticker symbol from SBGL to SBSW to highlight new corporate structure and diversified asset mix - 27 February 2020

On 27 February 2020, Sibanye-Stillwater advised that the closing bell was rung at the New York Stock Exchange (NYSE) at 16:00 EST / 23:00 CET, to celebrate the change of its ticker symbol from SBGL to SBSW, following an internal restructuring and name change, which was first announced on February 24 2020.

Early settlement of the Marikana Bulk tailings treatment project’s metal purchase agreement - 4 March 2020

On 4 March 2020, Sibanye-Stillwater advised that Western Platinum Proprietary Limited (“WPL”), Eastern Platinum Limited (“EPL”) and Lonmin Limited (UK) (“Lonmin”) (collectively the “Purchasers”), now subsidiaries of Sibanye-Stillwater and collectively known as the Marikana operations, have entered into a Release and Cancellation Agreement with RFW Lonmin Investments Limited (“the Seller”) regarding the early settlement, of a prior streaming agreement, on more favourable terms.

Salient Features Included:

- Sibanye-Stillwater early settles, a long-term streaming facility at Marikana, with a current present value of US\$81 million, for US\$50 million in cash;
- The settlement will be funded through a new short-term platinum prepay facility, entered into with Merrill Lynch International; and

DIRECTORS' REPORT continued

- The transaction will extinguish a high cost, secured, long-term financing instrument, and replace it with a significantly lower cost, unsecured, short-term facility, providing operational flexibility for the Marikana operations and the ability to immediately market the now uncommitted Palladium and Rhodium metals to realize optimal pricing opportunities.

For additional information, see –*Consolidated financial statements–Notes to the consolidated financial statements– Note 32: Deferred revenue.*

Sibanye-Stillwater notes the announcement by Anglo American Platinum regarding temporary shutdown of converter plant - 6 March 2020

On 6 March 2020, Sibanye-Stillwater noted the announcement by Anglo American Platinum Limited (Anglo Plats), regarding the temporary shutdown of its converter plants and confirmed that it has received written notification of force majeure regarding the toll agreement between Anglo Plats and Sibanye-Stillwater's Rustenburg operation and the Purchase of Concentrate (PoC) agreement with Sibanye-Stillwater's Kroondal and Platinum mile operations. Sibanye-Stillwater's Marikana and US PGM operations were not affected and benefited from the commensurate short-term commodity price increases due to the Anglo Platinum supply disruption.

Anglo Plats has indicated that its converter plant will be unavailable for at least eight weeks, during which period the force majeure would remain in effect and it would be unable to fully process the Rustenburg, Kroondal and Platinum mile concentrate.

Sibanye-Stillwater has significant spare PGM processing capacity at the Marikana operations and at the Precious Metal Refinery in Brakpan and announced that it will be assessing how best to utilise this capacity and was engaging with Anglo Platinum with respect to the various alternatives and provided a further update once we have obtained clarity.

Marikana operations to provide processing capacity to offset Anglo Platinum Force Majeure - 17 March 2020

On 17 March 2020, Sibanye-Stillwater noted further to the announcement on 6 March 2020, regarding the temporary closure of Anglo American Platinum Limited's (Anglo Platinum) converter plant at its Rustenburg Platinum Mines (RPM) processing facilities, which led to Anglo Platinum declaring Force Majeure (FM) for a period of approximately 80 days, Sibanye-Stillwater has subsequently assessed how best to utilise spare PGM processing capacity at the Marikana operations and at the Precious Metal Refinery in Brakpan (Marikana processing facilities).

Sibanye-Stillwater was accordingly pleased to announce that it has reached agreements in principle, with Anglo Platinum regarding processing of all PGM containing material produced from its Rustenburg and Platinum Mile operations and approximately half of the PGM containing material produced from the Kroondal operations, at its Marikana processing facilities for at least the duration of the FM period. Prior to the FM declaration, PGM bearing concentrate from Rustenburg was smelted and refined by Anglo Platinum under a toll processing agreement while Kroondal and Platinum Mile PGM concentrate was subject to a Purchase of Concentrate agreement.

Change in Directorate - 27 March 2020

On 27 March 2020, Sibanye-Stillwater announced in terms of Section 3.59 of the Listings Requirements of the JSE Limited, the Sibanye-Stillwater Board was pleased to announce the appointment of Dr Elaine Dorward-King as an Independent Non-Executive Director of the Company with immediate effect.

Recommended all-share offer for Lonmin plc ("Lonmin") by Sibanye Gold Limited: Rule 19.6(c) confirmation with respect to stated post-offer intentions with regard to Lonmin - 8 June 2020

On 8 June 2020: Sibanye-Stillwater announced that, further to the completion of its recommended all-share offer for Lonmin, which was implemented by means of a Court-sanctioned scheme of arrangement under Part 26 of the UK Companies Act 2006 and which became effective in accordance with its terms on 7 June 2019, Sibanye Gold Limited has duly confirmed in writing to The UK Panel on Takeovers and Mergers, in accordance with the requirements of Rule 19.6(c) of the UK Code on Takeovers and Mergers (the "UK Code"), that Sibanye Gold Limited has complied with the post-offer statements of intent made pursuant to Rules 2.7(c)(iv) and 24.2 of the UK Code, as detailed in the scheme document published on 25 April.

Optional redemption notice issued to the holders of Sibanye Gold Limited's USD450,000,000 1.875 per cent convertible bonds due 2023 - 18 September 2020

On 18 September 2020, Sibanye-Stillwater advised that its wholly owned subsidiary, Sibanye Gold Limited, on 18 September 2020 exercised its option on its USD450,000,000 1.875 per cent convertible bonds due 2023 in line with the terms and conditions (the "Conditions") to redeem all outstanding Bonds on 19 October 2020 (the "Optional Redemption Date") at their principal amount, together with accrued but unpaid interest up to (but excluding) the Optional Redemption Date. The current aggregate principal amount of Bonds outstanding was USD383,800,000.00.

Holders of outstanding Bonds were entitled, in terms of the Conditions, to each exercise a right on the redemption of the Bonds to convert the Bonds into ordinary shares of the Company (the "Conversion Rights"). Bondholders were expected to exercise their Conversion Rights and if all such Conversion Rights were exercised, this would have resulted in the issuance of up to 248,430,319 ordinary shares of the Company, as previously approved by the shareholders. Should some Bondholders have failed to exercise their Conversion Rights, the Issuer would have redeemed the remaining Bonds from its cash resources. For additional information, see –*Consolidated financial statements–Notes to the consolidated financial statements– Note 28.5: US\$ Convertible Bond.*

DIRECTORS' REPORT continued

Delaware Supreme court affirms the Stillwater appraisal decision to uphold the deal price - 16 October 2020

On 16 October 2020, Sibanye-Stillwater advised that the Delaware Supreme Court has issued its opinion on the Stillwater Appraisal Action, affirming the favourable decision by the Delaware Court of Chancery on 21 August 2019 to uphold the deal price of the acquisition of Stillwater Mining Company (Stillwater) by the Group.

The action was brought by a group of minority shareholders of Stillwater, following the acquisition of Stillwater by the Group in May 2017 for a cash consideration of US\$18 per Stillwater share. The consideration to the Dissenting Shareholders, which was equal to the original offer price plus interest, was previously paid. For additional information see –*Consolidated financial statements–Notes to the consolidated financial statements– Note 38: Contingent liabilities*.

Redemption of the US\$450,000,000 1.875 per cent convertible bonds due 2023 completed - 21 October 2020

On 21 October 2020, Sibanye-Stillwater confirmed that in response to the Optional Redemption Notice, US\$383,000,000 of the US\$383,800,000 outstanding Bonds have been converted by Bondholders. Pursuant to this conversion by Bondholders, 247,912,467 ordinary shares of the Company (“Shares”) have been issued and listed on the Johannesburg Stock Exchange over the last two weeks, resulting in a total number of 2,925,001,704 Shares currently in issue. The new Shares issued ranked pari passu with the existing Shares of the Company in issue. The remaining Bonds, amounting to US\$800,000, were redeemed by the Issuer in cash at par value plus an accrued coupon, resulting in an aggregate cash consideration of US\$800,958.33 being paid to Bondholders.

Sibanye-Stillwater signs three-year agreement at its Kroondal operation - 23 October 2020

On 23 October 2020, Sibanye-Stillwater announced that it has concluded three-year wage agreements for its Kroondal operation, part of its SA Platinum Group Metals operations. The wage agreements were signed with the National Union of Mineworkers and the Association of Mineworkers and Construction Union, in respect of wages and conditions of service for a three-year period from 1 July 2020 to 30 June 2023. The basic wage increase for Category 4-9 surface and underground employees for the first year, is 5% or R1000 per month (whichever is higher) for each of the three years. Miners, artisans and officials will also receive 5% or R1,000 per month (whichever is higher) per annum over the three-year period.

Proposed Odd-lot Offer, as Specific Offer, distribution of the Circular and Notice of the General Meeting - 2 November 2020

On 2 November 2020, Sibanye-Stillwater advised that the Board of directors of Sibanye-Stillwater wished to make an offer to certain holders of Sibanye-Stillwater ordinary shares, via an Odd-lot offer (“Odd-lot Offer”) to holders of fewer than 100 Sibanye-Stillwater Shares (“Odd-lot Holders”) and a specific repurchase in terms of the Listings Requirements of the JSE Limited (“JSE”) and the Companies Act, 2008 (“Specific Offer”) to holders of 100 Sibanye-Stillwater Shares or more but equal to or fewer than 400 Sibanye-Stillwater Shares (“Specific Holders”), (collectively, “Offers”).

As at 30 September 2020, Sibanye-Stillwater had approximately 30,000 ordinary shareholders, which reflected nearly a 60% increase in the total number of Sibanye-Stillwater shareholders (“Shareholders”) compared to the period prior to the acquisition by Sibanye Gold Limited of the entire issued share capital of Lonmin Plc on 10 June 2019. The aggregate shareholding in Sibanye-Stillwater of Shareholders who own fewer than 400 ordinary shares in Sibanye-Stillwater (“Sibanye-Stillwater Shares”) represented approximately 50% of the number of total Shareholders and 0.05% of all Sibanye-Stillwater Shares in issue.

Shareholders were therefore advised of the Company’s intention to implement an Odd-lot Offer and a Specific Offer to Odd-lot Holders and Specific Holders, respectively (collectively, “Offer Holders”).

Class action suit against Sibanye-Stillwater dismissed – 12 November 2020

On 12 November 2020, Sibanye-Stillwater advised that on 10 November 2020, a Brooklyn, New York, Federal Court dismissed with prejudice, a putative securities class action suit seeking damages for allegedly false and/or misleading statements by the Group and CEO Neal Froneman (the “Defendants”), related to safety incidents in 2018.

The class action was brought on behalf of all persons or entities who purchased Sibanye-Stillwater ADRs between 23 February 2017 and 31 October 2018, inclusive. The class action was filed shortly after the occurrence of fatal incidents at Sibanye-Stillwater’s SA gold operations in H1 2018. The Plaintiffs alleged that, in light of the fatalities, statements that the Defendants made regarding safety were false and misleading and violated the U.S. federal securities laws.

In dismissing the class action, the Court found that Plaintiffs failed to allege any violation of the U.S. securities laws, based on their failure to allege any materially false or misleading statements. The Court also found that Plaintiffs failed to establish that the Defendants acted with fraudulent intent, or that their alleged losses were caused by the statements in question. In doing so, the Court denied the Plaintiffs’ request to file a further amended complaint, finding that it would be futile, and directed the Clerk of the Court to enter judgment and close the case. For additional information see –*Consolidated financial statements–Notes to the consolidated financial statements– Note 38: Contingent liabilities*.

Finalisation announcement in relation to the proposed Odd-lot Offer and a Specific Offer- 11 December 2020

On 28 December 2020, Sibanye-Stillwater announced that Sibanye-Stillwater shareholders (“Shareholders”) are referred to the Stock Exchange News Service announcement dated 2 November 2020 wherein the board of directors of Sibanye-Stillwater advised of its intention to make an odd-lot offer (“Odd-lot Offer”) to Shareholders holding fewer than 100 Sibanye-Stillwater shares (“Odd-lot Holders”), and a specific offer (“Specific

DIRECTORS' REPORT continued

Offer") to Shareholders holding 100 Sibanye-Stillwater shares or more but equal to or fewer than 400 Sibanye-Stillwater shares ("Specific Holders"), (collectively, "Offers").

Sibanye-Stillwater further announced that implementing the Offers will result in the repurchase by the Company of the Sibanye-Stillwater shares from the Odd-lot Holders and Specific Holders ("Offer Holders"), at an offer price determined as outlined and that the Cash Consideration paid by Sibanye-Stillwater pursuant to the Offer Shares will constitute a "dividend" as defined in section 1 of the South African Income Tax Act, in the hands of such Shareholder as no portion of the repurchase price will consist of contributed tax capital. The Offers will give rise to a liability for DWT at a rate of 20% in the event that the Offer Holder does not qualify for an exemption from DWT or in the case of non-resident Shareholder, is not subject to a reduced rate of DWT in terms of the Double Taxation Agreement between South Africa and the non-resident Shareholder's country of residence. In the event that the Offer Holder does not qualify for an exemption or reduced DWT rate, the net Offer Price will be ZAR45.78431, being ZAR57.23039 less 20% DWT.

Appointment of Non-Executive Director – 21 December 2020

On 21 December 2020, Sibanye-Stillwater announced In terms of Section 3.59 of the Listings Requirements of the JSE Limited, the Sibanye-Stillwater Board was pleased to announce the appointment of Sindiswa Victoria Zilwa (Sindi) as an Independent Non-Executive Director of the Group with effect from 1 January 2021.

Results of Odd-lot Offer and Specific offer – 28 December 2020

On 28 December 2020, Sibanye-Stillwater announced that Sibanye-Stillwater shareholders ("Shareholders") are referred to the circular to Shareholders dated 2 November 2020, which contained details regarding the odd-lot offer ("Odd-lot Offer") to Shareholders holding fewer than 100 Sibanye-Stillwater shares ("Odd-lot Holders") and a specific offer ("Specific Offer") to Shareholders holding 100 Sibanye-Stillwater shares or more but equal to or fewer than 400 Sibanye-Stillwater shares ("Specific Holders"), (collectively, "Offers"). Shareholders were further referred to the General Meeting of Shareholders held on 1 December 2020, and the subsequent announcements released on the Stock Exchange News Service on (i) 1 December 2020, advising the voting results of the General Meeting; and (ii) 11 December 2020, advising the finalisation details relating to the Offers.

Accordingly, Sibanye-Stillwater announced that it will repurchase and cancel a total of Sibanye-Stillwater shares, representing approximately 0.05% of the total issued share capital of the Company, for a total offer consideration of R81,907,962.47. The cancellation and termination of listing of Sibanye-Stillwater shares repurchased in terms of the Offers was expected on or about 30 December 2020.

The total issued shares of Sibanye-Stillwater was accordingly reduced from 2,925,001,704 to 2,923,570,507. The requisite payments of cash consideration to Odd-lot Holders and Specific Holders pursuant to the Offers was made on 28 December 2020.

Sibanye-Stillwater secures entry into the battery metals sector through a partnership with and investment into Keliber, a leading European lithium company – 23 February 2021

Johannesburg, 23 February 2021, Sibanye-Stillwater announced that it has entered into an investment agreement with Keliber Oy and that the Transaction is expected to be implemented in March 2021, subject to the approval by the South African Reserve Bank.

DIRECTORS' REPORT continued

Directorate

Following the scheme of arrangement between Sibanye Gold Limited and Sibanye Stillwater Limited, which was implemented on 24 February 2020, there were various changes in directors to the board of Sibanye Stillwater Limited. On the date of implementing the Scheme, the existing directors of Sibanye Stillwater Limited resigned and the directors of Sibanye Gold Limited were appointed to the board of Sibanye Stillwater Limited. In addition, Non-independent, non-executive directors Messrs Wang Bin and Lu Jiongjie resigned on 27 March 2020. Messrs Elaine Dorward-King and Sindiswa Zilwa were appointed as independent non-executive directors on 27 March 2020 and 1 January 2021 respectively. The table below sets out the changes in directors of Sibanye Stillwater Limited for the year ended 31 December 2020.

Name	Position	Date appointed	Date resigned
Vincent Maphai ¹	Chairman and independent non-executive director	24 February 2020	
Neal Froneman ¹	Chief Executive Officer	24 February 2020	
Charl Keyter ¹	Chief Financial Officer	24 February 2020	
Timothy Cumming ¹	Independent non-executive director	24 February 2020	
Savannah Danson ¹	Independent non-executive director	24 February 2020	
Harry Kenyon-Slaney ¹	Independent non-executive director	24 February 2020	
Richard Menell ¹	Lead Independent and non-executive director	24 February 2020	
Nkosemntu Nika ¹	Independent non-executive director	24 February 2020	
Keith Rayner ¹	Independent non-executive director	24 February 2020	
Susan van der Merwe ¹	Independent non-executive director	24 February 2020	
Jeremiah Vilakazi ¹	Independent non-executive director	24 February 2020	
Elaine Dorward-King ³	Independent non-executive director	27 March 2020	
Sindiswa Zilwa ³	Independent non-executive director	01 January 2021	
Wang Bin ²	Non-independent non-executive director	24 February 2020	27 March 2020
Lu Jiongjie ²	Non-independent non-executive director	24 February 2020	27 March 2020
Cheryl van Zyl ⁴	Non-independent executive director	21 May 2018	24 February 2020
Martin van der Walt ⁴	Non-independent executive director	13 August 2019	24 February 2020
Pieter Henning ⁴	Non-independent executive director	15 May 2019	24 February 2020
Philip van der Westhuizen ⁴	Non-independent executive director	21 May 2018	24 February 2020

¹ Director appointed to the board of Sibanye Stillwater Limited on 24 February 2020 pursuant to the scheme of arrangement

² Messrs Wang Bin and Lu Jiongjie have been appointed as Non-Independent, Non-Executive Directors to the Company's Board with effect from 24 February 2020. They resigned on 27 March 2020

³ Messrs Elaine Dorward-King and Sindiswa Zilwa have been appointed as Independent, Non-Executive Directors to the board of Sibanye Stillwater Limited with effect from 27 March 2020 and 1 January 2021, respectively

⁴ Messrs Cheryl van Zyl, Martin van der Walt, Pieter Henning and Philip van der Westhuizen have resigned as Non-Independent, Executive Directors from the board of Sibanye Stillwater Limited on 24 February 2020, pursuant to the scheme of arrangement

Rotation of directors

Directors retiring in terms of the Company's Memorandum of Incorporation (MOI) are Richard Menell, Keith Rayner, Jeremiah Vilakazi and Sindiswa Zilwa. All the directors are eligible and offer themselves for re-election.

Directors' and officers' disclosure of interest in contracts

As of the date of this report, none of the directors, officers or major shareholders of Sibanye-Stillwater or, to the knowledge of Sibanye-Stillwater's management, their families, had any interest, direct or indirect, in any transaction during the last fiscal year or in any proposed transaction which has affected or will materially affect Sibanye-Stillwater or its investment interests or subsidiaries. None of the directors or officers of Sibanye-Stillwater or any associate of such director or officer is currently or has been at any time during the past fiscal year materially indebted to Sibanye-Stillwater.

For related party information, see –Consolidated financial statements–Notes to the consolidated financial statements–Note 39: Related-party transactions.

Subsidiary companies

For details of major subsidiary companies in which the Company has a direct or indirect interest, see –Consolidated financial statements–Notes to the consolidated financial statements–Note 1.3: Consolidation.

Special resolutions passed by subsidiary companies

The following special resolutions were passed by subsidiary companies during the year ended 31 December 2020:

1. Special resolution passed by a subsidiary company

Special resolution passed by the shareholders of the subsidiary companies listed below, approving that the directors of the company may at any time and from time to time during the 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

DIRECTORS' REPORT continued

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 directors may determine.

- Bushbuck Ventures Proprietary Limited;
- Oryx Ventures Proprietary Limited;
- Newshelf 1335 Proprietary Limited;
- Hoedspruit Platinum Holdings Proprietary Limited; and
- Sibanye Rustenburg Platinum Mines Proprietary Limited.

2. Special resolutions passed by various subsidiaries

Special resolutions passed by the sole shareholder of the subsidiary companies listed below, approving that the directors of the company may at any time and from time to time during the 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 directors may determine.

- Ezulwini Mining Company Proprietary Limited;
- K2013164354 Proprietary Limited;
- Kroondal Operations Pty Ltd;
- M Janse van Rensburg Proprietary Limited;
- Milen Mining Proprietary Limited;
- Puma Gold Proprietary Limited;
- Rand Uranium Proprietary Limited;
- Sibanye Gold Academy Proprietary Limited;
- Sibanye Gold Eastern Operations Proprietary Limited;
- Sibanye Gold Protection Services Limited;
- Sibanye Gold Shared Services Proprietary Limited;
- Sibanye Solar PV Proprietary Limited;
- Sibanye Stillwater Limited;
- Sibanye Uranium Proprietary Limited;
- St Helena Hospital Proprietary Limited;
- Witwatersrand Consolidated Gold Resources Proprietary Limited;
- Witwatersrand Deep Investments Proprietary Limited;
- Kroondal Operations Corporate Services Proprietary Limited;
- Ridge Mining Proprietary Limited;
- Sibanye Platinum Bermuda Proprietary Limited;
- Sibanye Platinum International Holdings Proprietary Limited;
- Sibanye Platinum Proprietary Limited;
- Braggite Resources Proprietary Limited;
- Everest Platinum Mines Proprietary Limited;
- Hoedspruit Platinum Exploration Proprietary Limited;
- Magaliesburg Properties Proprietary Limited; and
- Southern Era Mining and Exploration South Africa Proprietary Limited.

Litigation

Purported Class Action Lawsuits

In 2018, two groups of plaintiffs filed purported class action lawsuits, subsequently consolidated into a single action (Class Action), against Sibanye Gold Limited and Neal Froneman (collectively, the Defendants) in the United States District Court for the Eastern District of New York, alleging violations of the US securities laws. Specifically, the Class Action alleged that the Defendants made false and/or misleading statements about its safety practices and record and thereby violated the US securities laws. The Class Action sought an unspecified amount of damages. The Defendants filed a motion to dismiss the Class Action. On 10 November 2020, the Court granted the Defendants' motion to dismiss in its entirety.

DIRECTORS' REPORT continued

and ordered that the case be closed. Judgment in favour of the Defendants was entered on 12 November 2020. The Plaintiffs' time to file a notice of appeal expired on 14 December 2020. Therefore, this action is now terminated.

Delaware Court of Chancery rules in favour of Sibanye-Stillwater in dissenting shareholder action

The Court of Chancery of the State of Delaware in the United States of America (the Court), in a Memorandum Opinion dated 21 August 2019, ruled in favour of the Sibanye Gold Limited in the appraisal action brought by a group of minority shareholders (the Dissenting Shareholders) of the Stillwater Mining Company (Stillwater), following the acquisition of Stillwater by Sibanye Gold Limited in May 2017 for a cash consideration of US\$18 per Stillwater share.

In terms of the ruling, the Dissenting Shareholders (together owning approximately 4.5% of Stillwater shares outstanding at the time) received the same US\$18 per share consideration originally offered to, and accepted by other Stillwater shareholders, plus interest. The remaining payment of approximately US\$21 million due to the Dissenting Shareholders has been paid by Sibanye-Stillwater during the six months ended 31 December 2019.

Certain of the Dissenting Shareholders filed an appeal with the Supreme Court of the State of Delaware and oral argument was completed on 15 July 2020. On 12 October 2020, the Delaware Supreme Court issued an opinion affirming in whole the trial court's opinion. On 28 October 2020, the Delaware Supreme Court issued a mandate to the trial court closing the case. Therefore, this action is now terminated.

Arbitration case Redpath USA Corporation versus Stillwater Mining Company

In 2015, Redpath USA Corporation (the Contractor) was hired by Stillwater to advance the Benbow decline as part of the Blitz project. During November 2019 the Contractor filed a claim wherein the contractor has raised a dispute over additional and rework costs of establishing a decline at the Stillwater Mine after drilling errors caused a water inundation that required significant remediation. The Contractor assumed the additional costs and is now wanting to recover those costs, in an amount of approximately US\$20 million, from the Company. After engaging outside counsel and based on the terms of the contract that supports the Company's position, management believes the Contractor's claim is without merit and disputes the arbitration demand claim in the legal documents served on the Contractor.

Company Secretary

Lerato Matlosa was appointed Company Secretary of Sibanye-Stillwater with effect from 1 June 2018.

Auditors

The Audit Committee has recommended to the Board that Ernst & Young Inc. continues in office in accordance with section 90(1) of the Companies Act and in terms of the JSE Listings Requirements, subject to shareholders approving the resolution at the next annual general meeting. Lance Ian Neame Tomlinson is the designated group audit engagement partner, accredited by the JSE, for Sibanye-Stillwater.

Independent Auditor's Report

To the Shareholders of Sibanye Stillwater Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Sibanye Stillwater Limited and its subsidiaries ('the Group') set out on pages 50 to 128, which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated income statement, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2020, 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.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in South Africa, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key Audit Matter	How the matter was addressed in the audit
<p>Impairment testing of goodwill and cash-generating unit's impairment assessments</p> <p>As described in Notes 17 and 14 to the consolidated financial statements, goodwill has a carrying value of R7, 165 million and mining assets, (which include mine development and infrastructure costs and mine plant facilities) have a carrying value of R60, 600 million.</p> <p>Goodwill is allocated to cash generating units, or CGUs, for impairment testing. As of 31 December 2020, the Company's goodwill balance is entirely allocated to Platinum Group Metals (PGM) CGUs. Goodwill is tested for impairment on an annual basis. In addition, management perform an annual impairment assessment for the remaining CGU's which have no associated goodwill or whenever impairment indicators are present.</p> <p>Auditing management's goodwill impairment tests and CGU impairment assessments was complex and highly judgmental due to the significant estimation required. In particular, the assessments were based on cash flows over the life of the CGU.</p>	<p>Our audit of impairment testing of goodwill and cash-generating units impairment assessments included the following procedures:</p> <ul style="list-style-type: none"> • We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's goodwill impairment test and CGU impairment assessment process. For example, we tested the controls over management's review of the significant assumptions used in determining the recoverable amount. • We enquired of management as to the model and method employed and inspected whether there was a consistency of the Company's model and method employed in relation to the prior year. • We involved our valuation specialists to assist in our evaluation of assumptions such as the discount rate used by the Company, which we evaluated by calculating an independent discount rate range using market available information and comparing to management's discount rates.

Key Audit Matter	How the matter was addressed in the audit
<p>These estimated cash flows are sensitive to changes in significant assumptions such as discount rate, future commodity prices, foreign currency exchange rates, and mine plans. The mine plans include projected operating cash flows and capital expenditures, based on reserves and production estimates. These significant assumptions are forward-looking and are affected by future economic and market conditions.</p> <p>In the current period, an increase in the discount rate in both Gold and PGM operations and a decrease in the life of mine in the Gold operations resulted in incremental audit effort due to the impact thereof on the recoverable amounts of the individual CGUs. Our audit work on the assumptions and judgements also requires the use of valuation and mining technical specialists in our team.</p>	<ul style="list-style-type: none"> • Our valuation specialists assisted in evaluating future commodity price assumptions by comparing them against observable market data and current industry and economic forecasts. • We compared the projected operating cash flows, capital expenditures and other cost movements included in the mine plan against historical trends. We also performed reasonability trend analyses on the correlations between forecasted production and projected working cost and capital expenditure respectively. • We evaluated the reserves used in the mine plans and production estimates utilised by management for certain CGU's with the involvement of our mining technical specialists. This was done by reviewing management's reserve estimation procedures and evaluating the methodology and primary inputs into the reserve estimation in the context of industry practices and the SAMREC Code 2019 reporting requirements. • We compared the carrying value of the goodwill and CGU's utilised in the impairment assessment to the underlying accounting data. • We evaluated management's sensitivity analysis by performing independent sensitivity analyses on key assumptions for all CGUs to assess the extent of change in those assumptions required individually or collectively that would result in impairment. Our sensitivity analysis was based on EY determined ranges for the discount rate, foreign currency exchange rates and future commodity prices. We recalculated management's breakeven analysis of discount rate, foreign currency exchange rates, commodity prices and production. • We assessed the adequacy of the Company's disclosures for Goodwill in the consolidated financial statements, including the description of the estimates and judgements used in impairment testing in relation to IAS 36.

Other Matter

The financial statements of Sibanye Stillwater Limited for the year ended 31 December 2018, were audited by another auditor who expressed an unmodified opinion on those statements on 29 March 2019.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the 132-page document titled "Group Annual Financial Report 2020", which includes the Directors' report, the Report of the Audit Committee and the Company Secretary's Certificate as required by the Companies Act of South Africa, the 313-page document titled "Integrated annual report 2020", the 181-page document titled "Mineral resources and mineral reserves report 2020", the 69-page document titled "Summarised report and notice of annual general meeting 2020" and 30-page document titled "Company financial statements 2020". The other information does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated Financial Statements

The directors are responsible for the preparation and fair presentation of the 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.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Ernst & Young Incorporated has been the auditor of Sibanye Stillwater Limited for two years.

Ernst & Young Incorporated
Director – Lance Ian Neame Tomlinson
Registered Auditor
Chartered Accountant (SA)
102 Rivonia Road, Sandton
Johannesburg, South Africa

22 April 2021

CONSOLIDATED INCOME STATEMENT

AS AT 31 DECEMBER 2020

Figures in million - SA rand	Notes	2020	2019	2018
Revenue	3	127,392.4	72,925.4	50,656.4
Cost of sales	4	(83,368.8)	(63,314.5)	(48,129.0)
Interest income	5.1	1,065.4	560.4	482.1
Finance expense	5.2	(3,151.8)	(3,302.5)	(3,134.7)
Share-based payments	6.7	(512.4)	(363.3)	(299.4)
(Loss)/gain on financial instruments	7	(2,450.3)	(6,015.1)	1,704.1
(Loss)/gain on foreign exchange differences		(255.0)	325.5	1,169.1
Share of results of equity-accounted investees after tax	18	1,699.8	721.0	344.2
Other costs	8.1	(2,726.9)	(2,310.4)	(1,015.4)
Other income	8.2	1,657.4	484.2	310.2
Gain on disposal of property, plant and equipment		98.8	76.6	60.2
Reversal of impairments/(impairments)	10	121.4	(86.0)	(3,041.4)
Loss on settlement of US\$ Convertible Bond	28.5	(1,506.7)	-	-
Gain on derecognition of borrowings and derivative financial instrument	28.4, 28.5	-	-	230.0
Occupational healthcare expense	31	(52.3)	39.6	(15.4)
Restructuring costs	9	(436.2)	(1,252.4)	(142.8)
Loss on Bulk Tailings re-Treatment (BTT) early settlement	32	(186.2)	-	-
Transaction costs		(138.6)	(447.8)	(402.5)
Gain on acquisition	16.1	-	1,103.0	-
Profit/(loss) before royalties, carbon tax and tax		37,250.0	(856.3)	(1,224.3)
Royalties	11.1	(1,765.0)	(431.0)	(212.6)
Carbon tax		(5.2)	(12.9)	-
Profit/(loss) before tax		35,479.8	(1,300.2)	(1,436.9)
Mining and income tax	11.2	(4,858.2)	1,733.0	(1,083.8)
Profit/(loss) for the year		30,621.6	432.8	(2,520.7)
Attributable to:				
Owners of Sibanye-Stillwater		29,311.9	62.1	(2,499.6)
Non-controlling interests		1,309.7	370.7	(21.1)
Earnings per share attributable to owners of Sibanye-Stillwater				
Basic earnings per share - cents	12.1	1,074	2	(110)
Diluted earnings per share - cents	12.2	1,055	2	(110)

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

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

Figures in million - SA rand	2020	2019	2018
Profit/(loss) for the year	30,621.6	432.8	(2,520.7)
Other comprehensive income, net of tax	(2,005.8)	(465.9)	1,764.1
Foreign currency translation ¹	(2,226.7)	(594.8)	1,719.1
Fair value adjustment on other investments ²	220.9	128.9	45.0
Total comprehensive income	28,615.8	(33.1)	(756.6)
Attributable to:			
Owners of Sibanye-Stillwater	27,287.0	(403.1)	(733.1)
Non-controlling interests	1,328.8	370.0	(23.5)

¹ These gains and losses will be reclassified to profit or loss in accordance with the relevant accounting policy

² These gains and losses will never be reclassified to profit or loss

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

Figures in million - SA rand	Notes	2020	2019	2018
Assets				
Non-current assets		81,860.5	74,908.1	69,727.7
Property, plant and equipment	14	60,600.0	57,480.2	54,558.2
Right-of-use assets	15	295.6	360.9	-
Goodwill	17	7,165.2	6,854.9	6,889.6
Equity-accounted investments	18	5,621.0	4,038.8	3,733.9
Other investments	20	847.0	598.7	156.0
Environmental rehabilitation obligation funds	21	4,934.0	4,602.2	3,998.7
Other receivables	22.1	821.3	683.5	314.4
Deferred tax assets	11.3	1,576.4	288.9	76.9
Current assets		52,242.6	26,163.7	15,195.3
Inventories	23	24,952.4	15,503.4	5,294.8
Trade and other receivables	24	6,865.6	4,635.0	6,833.0
Other receivables	22.1	36.8	51.2	35.2
Tax receivable	11.4	148.0	355.1	483.2
Cash and cash equivalents	25	20,239.8	5,619.0	2,549.1
Total assets		134,103.1	101,071.8	84,923.0
Equity and liabilities				
Equity attributable to owners of Sibanye-Stillwater		68,480.3	29,670.6	23,788.4
Stated share capital	26	30,149.8	-*	-*
Other reserves		25,570.4	45,104.3	39,284.2
Accumulated profit/(loss)		12,760.1	(15,433.7)	(15,495.8)
Non-controlling interests	27	2,235.7	1,467.7	936.0
Total equity		70,716.0	31,138.3	24,724.4
Non-current liabilities		45,900.0	55,606.7	45,566.0
Borrowings	28	17,497.0	23,697.9	18,316.5
Derivative financial instrument	28	-	4,144.9	408.9
Lease liabilities	29	223.2	272.8	-
Environmental rehabilitation obligation and other provisions	30	8,633.8	8,714.8	6,294.2
Post-retirement healthcare obligation		-	-	5.6
Occupational healthcare obligation	31	1,037.7	1,133.4	1,164.2
Cash-settled share-based payment obligations	6.6	1,595.3	1,343.0	168.9
Other payables	22.2	2,910.7	2,687.5	2,529.2
Deferred revenue	32	6,362.7	6,896.5	6,525.3
Tax and royalties payable	11.4	8.6	59.1	-
Deferred tax liabilities	11.3	7,631.0	6,656.8	10,153.2
Current Liabilities		17,487.1	14,326.8	14,632.6
Borrowings	28	885.6	38.3	6,188.2
Lease liabilities	29	103.6	110.0	-
Occupational healthcare obligation	31	156.9	148.7	109.9
Cash-settled share-based payment obligations	6.6	33.1	82.1	56.8
Trade and other payables	33	13,207.4	11,465.9	7,856.3
Other payables	22.2	2,245.9	761.4	303.3
Deferred revenue	32	66.9	1,270.6	30.1
Tax and royalties payable	11.4	787.7	449.8	88.0
Total equity and liabilities		134,103.1	101,071.8	84,923.0

* Less than R0.1 million

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

Figures in million - SA rand	Notes	Stated share capital	Re-organisation reserve	Share-based payment reserve	Mark-to-market reserve	Foreign currency translation reserve	Accumulated profit/(loss)	Equity attributable to owners of Sibanye-Stillwater	Non-controlling interests	Total equity
Balance at 31 December 2017		-*	34,667.0	3,327.6	5.2	(763.8)	(13,257.6)	23,978.4	19.8	23,998.2
Total comprehensive income for the year		-	-	-	47.4	1,719.1	(2,499.6)	(733.1)	(23.5)	(756.6)
Loss for the year		-	-	-	-	-	(2,499.6)	(2,499.6)	(21.1)	(2,520.7)
Other comprehensive income		-	-	-	47.4	1,719.1	-	1,766.5	(2.4)	1,764.1
Equity-settled share-based payments	6.7	-	-	281.7	-	-	-	281.7	-	281.7
Dividends paid		-	-	-	-	-	-	-	(0.6)	(0.6)
Acquisition of subsidiary with non-controlling interests (DRDGOLD)		-	-	-	-	-	-	-	940.3	940.3
Transaction with DRDGOLD shareholders		-	-	-	-	-	261.4	261.4	-	261.4
Balance at 31 December 2018		-*	34,667.0	3,609.3	52.6	955.3	(15,495.8)	23,788.4	936.0	24,724.4
Total comprehensive income for the year		-	-	-	128.9	(594.1)	62.1	(403.1)	370.0	(33.1)
Profit for the year		-	-	-	-	-	62.1	62.1	370.7	432.8
Other comprehensive income		-	-	-	128.9	(594.1)	-	(465.2)	(0.7)	(465.9)
Equity-settled share-based payments	6.7	-	-	290.3	-	-	-	290.3	-	290.3
Dividends paid		-	-	-	-	-	-	-	(85.0)	(85.0)
Shares issued for cash		-	1,688.4	-	-	-	-	1,688.4	-	1,688.4
Shares issued on Lonmin acquisition	16.1	-	4,306.6	-	-	-	-	4,306.6	-	4,306.6
Acquisition of subsidiary with non-controlling interests (Lonmin)	16.1	-	-	-	-	-	-	-	247.0	247.0
Transaction with DRDGOLD shareholders		-	-	-	-	-	-	-	(0.3)	(0.3)
Balance at 31 December 2019		-*	40,662.0	3,899.6	181.5	361.2	(15,433.7)	29,670.6	1,467.7	31,138.3
Total comprehensive income for the year		-	-	-	201.8	(2,226.7)	29,311.9	27,287.0	1,328.8	28,615.8
Profit for the year		-	-	-	-	-	29,311.9	29,311.9	1,309.7	30,621.6
Other comprehensive income		-	-	-	201.8	(2,226.7)	-	(2,024.9)	19.1	(2,005.8)
Equity-settled share-based payments	6.7	-	-	151.7	-	-	-	151.7	6.3	158.0
Dividends paid		-	-	-	-	-	(1,338.1)	(1,338.1)	(360.3)	(1,698.4)
Reorganisation - 24 February 2020	26	17,660.7	(17,660.7)	-	-	-	-	-	-	-
Shares issued upon conversion of US\$ Convertible Bond	28.5	12,573.2	-	-	-	-	-	12,573.2	-	12,573.2
Share buy-back	26	(84.1)	-	-	-	-	-	(84.1)	-	(84.1)
Transaction with DRDGOLD shareholders	27	-	-	-	-	-	220.0	220.0	(220.0)	-
Transaction with Lonmin Canada shareholders		-	-	-	-	-	-	-	13.2	13.2
Balance at 31 December 2020		30,149.8	23,001.3	4,051.3	383.3	(1,865.5)	12,760.1	68,480.3	2,235.7	70,716.0

* Less than R0.1 million

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

Figures in million - SA rand	Notes	2020	2019	2018
Cash flows from operating activities				
Cash generated by operations	34	45,185.5	10,565.9	8,709.0
Deferred revenue advance received	32	770.6	2,859.3	6,555.4
BTT early settlement payment	32	(787.1)	-	-
Amount received on settlement of dispute		580.0	-	-
Post-retirement health care payments		(1.3)	(6.1)	(6.6)
Cash-settled share-based payments paid	6.6	(274.5)	(90.9)	(21.7)
Change in working capital	35	(9,435.1)	(625.6)	(1,070.0)
		36,038.1	12,702.6	14,166.1
Interest received		719.6	268.4	194.7
Interest paid		(1,385.4)	(1,603.1)	(1,620.8)
Royalties paid	11.4	(1,706.6)	(411.5)	(234.4)
Tax paid	11.4	(4,818.0)	(1,407.4)	(307.8)
Dividends paid		(1,698.4)	(85.0)	(0.6)
Net cash from operating activities		27,149.3	9,464.0	12,197.2
Cash flow from investing activities				
Additions to property, plant and equipment		(9,615.6)	(7,705.9)	(7,080.7)
Proceeds on disposal of property, plant and equipment		101.3	101.0	81.9
Acquisition of subsidiaries	16	-	(129.0)	-
Cash acquired on acquisition of subsidiaries		-	3,004.3	282.8
Proceeds with transfer of assets to joint operation		-	30.6	-
Dividends received		287.7	111.0	125.2
Additions to other investments		(12.1)	-	-
Contributions to environmental rehabilitation funds	21	(63.6)	(12.9)	(95.3)
Payment of Deferred Payment	22.2	(756.2)	(283.4)	(38.6)
Loan advanced to equity-accounted investee		-	-	(3.1)
Payments to dissenting shareholders	22.2	-	(319.4)	(1,375.8)
Proceeds on loss of control of subsidiaries		-	-	256.1
Preference shares redeemed by equity-accounted investee	18.1	114.3	186.9	102.8
Proceeds on disposal of marketable securities investments		-	-	1.2
Receipts from environmental rehabilitation funds	21	7.4	151.9	-
Net cash used in investing activities		(9,936.8)	(4,864.9)	(7,743.5)
Cash flow from financing activities				
Loans raised	28	16,289.2	18,981.7	17,130.2
Loans repaid	28	(18,335.1)	(22,008.3)	(21,231.5)
Lease payments		(113.8)	(131.7)	-
Proceeds from shares issued		-	1,688.4	-
Share buy-back	26	(84.1)	-	-
Net cash used in financing activities		(2,243.8)	(1,469.9)	(4,101.3)
Net increase in cash and cash equivalents		14,968.7	3,129.2	352.4
Effect of exchange rate fluctuations on cash held		(347.9)	(59.3)	134.3
Cash and cash equivalents at beginning of the year		5,619.0	2,549.1	2,062.4
Cash and cash equivalents at end of the year	25	20,239.8	5,619.0	2,549.1

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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 IFRS 16 *Leases* (IFRS 16), which was applied from 1 January 2019 and therefore does not apply to the 2018 comparative period presented.

1.1 Reporting entity

Sibanye Stillwater Limited (the Company) and its subsidiaries (together referred to as the Group or Sibanye-Stillwater), an independent, global, precious metals mining company, produces a mix of metals that includes gold and platinum group metals (PGM). Domiciled in South Africa, Sibanye-Stillwater currently owns and operates a portfolio of high-quality operations and projects, which are grouped into two regions: the Southern Africa (SA) region and the United States (US) region.

On 4 October 2019 Sibanye Gold Limited (SGL) and the Company, a previously dormant wholly owned subsidiary of SGL, announced the intention to implement a scheme of arrangement to reorganise SGL's operations under a new parent company, the Company (the "Scheme"). The Scheme was implemented through the issue of the Company's shares (tickers: JSE – SSW and NYSE – SBSW) in exchange for the existing shares of SGL (previous tickers: JSE – SGL and NYSE – SBGL). On 23 January 2020 SGL and Sibanye-Stillwater announced that all resolutions for the approval of the Scheme, were passed by the requisite majority votes at the Scheme meeting held at the SGL Academy. The Scheme was implemented on 24 February 2020. For more information relating to the accounting treatment of the Scheme, refer note 26.

The SA region houses the gold and PGM operations and projects located in South Africa and Zimbabwe. The underground and surface gold mining operations in South Africa are the Driefontein and Kloof operations in the West Witwatersrand (West Wits) region and DRDGOLD Limited (DRDGOLD) with surface tailings treatment plant in the East of Johannesburg in Gauteng, and the Beatrix operation in the southern Free State. Sibanye-Stillwater also owns and manages significant gold extraction and processing facilities where ore is treated and beneficiated to produce gold doré. In addition, several organic projects currently underway are aimed at sustaining these gold mining operations into the long term. The PGM assets in the SA region are Kroondal (50%), the Rustenburg operation, the Marikana operation (Marikana) and the tailings retreatment entity, Platinum Mile (91.7%) in North West Province, and Mimosa (50%) in Zimbabwe. Marikana currently has five contributing shafts namely 4Belt, K3, Rowland, Saffy and E3 and the ore mined at the Marikana operations is processed through five concentrators on site. The PGM concentrate produced is dispatched to the smelter for further processing at the Base Metal Refinery (BMR). At the BMR, base metals are removed and the resulting PGM-rich residue is sent to Precious Metal Refinery (PMR) for final treatment.

The US region houses the PGM operations and projects located in the US, Canada and Argentina. These include the East Boulder and Stillwater mining operations and the Blitz project in Montana, in the US, and exploration-stage projects, Altar (joint venture) in Argentina and Marathon (joint operation), a PGM-copper porphyry in Ontario, Canada. The assets in this region also include the Metallurgical complex in Columbus, Montana. This complex houses the smelter, base metal refinery and an analytical laboratory which produces a PGM-rich filter cake that is further refined by a third-party precious metal refinery. These processing and metallurgical facilities are also used to process recycled material such as spent autocatalytic convertors and petroleum refinery catalysts.

1.2 Basis of preparation

The consolidated financial statements for the year ended 31 December 2020 have been prepared on a going concern basis in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board, the South African Institute of Chartered Accountants Financial Reporting Guides issued by the Accounting Practices Committee and Financial Reporting Pronouncements issued by the Financial Reporting Standards Council, as well as the requirements of the South African Companies Act and JSE Listings Requirements. The consolidated financial statements have been prepared under the historical cost convention, except for certain financial assets and financial liabilities (including derivative instruments) which are measured at fair value through profit or loss or other comprehensive income.

Standards, interpretations and amendments to published standards effective for the year ended 31 December 2020

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

Pronouncement	Details of amendments	Effective date ¹
IAS 1 <i>Presentation of Financial Statements</i> and IAS 8 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> (Amendments)	The amendments clarify and align the definition of 'material' and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS.	1 January 2020
IFRS 3 <i>Business Combinations</i> (IFRS 3) (Amendment)	The IASB issued amendments to the definition of a business in IFRS 3 to help entities determine whether an acquired set of activities and assets is a business or not.	1 January 2020

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

<p>The revised <i>Conceptual Framework for Financial Reporting</i></p>	<p>The Conceptual Framework is to assist the International Accounting Standards Board (IASB) in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards. Key changes include:</p> <ul style="list-style-type: none"> • increasing the prominence of stewardship in the objective of financial reporting; • defining a reporting entity, which may be a legal entity, or a portion of an entity; • revising the definitions of an asset and a liability; • removing the probability threshold for recognition and adding guidance on derecognition; • adding guidance on different measurement basis; and • stating that profit or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be recycled where this enhances the relevance or faithful representation of the financial statements. <p>No changes will be made to any of the current accounting standards.</p>	<p>1 January 2020</p>
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¹ Effective date refers to annual period beginning on or after said date

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 accounting periods beginning on or after 1 January 2021 but have not been early adopted by the Group. The standards, amendments and interpretations that are applicable to the Group are:

Pronouncement	Details of amendments	Effective date ¹
<p><i>COVID-19-Related Rent Concessions (Amendment to IFRS 16)</i> ²</p>	<p>In response to the COVID-19 coronavirus pandemic, the IASB has issued amendments to IFRS 16 to allow lessees not to account for rent concessions as lease modifications if they are a direct consequence of COVID-19 and meet certain conditions. Rent concessions included in the ambit of the amendment might take a variety of forms, including payment holidays and deferral of lease payments. In many cases, this will result in accounting for the concessions as variable lease payments in the period in which they are granted. The Group did not receive any material rent concessions as a direct result of COVID-19.</p>	<p>1 June 2020</p>
<p><i>Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)</i> ²</p>	<p>Interbank offered rates (IBOR) reform refers to the global reform of interest rate benchmarks, which includes the replacement of some interbank offered rates with alternative benchmark rates. Under the detailed rules of IFRS 9 Financial Instruments (IFRS 9), modifying a financial contract can require recognition of a significant gain or loss in the income statement. However, the amendments introduce a practical expedient if a change results directly from IBOR reform and occurs on an 'economically equivalent' basis. In these cases, changes will be accounted for by updating the effective interest rate. A similar practical expedient will apply under IFRS 16 for lessees when accounting for lease modifications required by IBOR reform. IBOR reform will generally result in a change in the basis for determining the contractual cash flows of that financial asset or financial liability. The Group will assess the impact on the balances and cash flows linked to rates changes arising from IBOR reform when more information is available on the quoted rates that will replace the current IBOR. The potential impact arising from these amendments was not yet known at the reporting date.</p>	<p>1 January 2021</p>
<p><i>Annual Improvements to IFRS Standards 2018-2020</i> ²</p>	<p>As part of its process to make non-urgent but necessary amendments to IFRS Standards, the IASB has issued the Annual Improvements to IFRS Standards 2018–2020. The amendments applicable to the Group relate to:</p> <ul style="list-style-type: none"> • IFRS 9 - clarifies which fees should be included in the 10% test for derecognition of financial liabilities; and • IFRS 16 - amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives. 	<p>1 January 2022</p>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

<i>Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)</i>	In the process of making an item of property, plant or equipment (PPE) available for its intended use, an entity may produce and sell items. Under the amendments, proceeds from selling items before the related item of PPE is available for use should be recognised in profit or loss, together with the costs of producing those items. IAS 2 <i>Inventories</i> should be applied in identifying and measuring these production costs. The Group is currently in the process of assessing the potential impact of this amendment.	1 January 2022
<i>Onerous Contracts – Cost of Fulfilling a Contract Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets (IAS 37)</i>	The amendment to IAS 37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract. The Group is currently in the process of assessing the potential impact of this amendment.	1 January 2022
<i>Reference to the Conceptual Framework – Amendments to IFRS 3²</i>	Minor amendments were made to IFRS 3 to update the references to the Conceptual Framework for Financial Reporting and add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 and IFRIC 21 <i>Levies</i> . The amendments also confirm that contingent assets should not be recognised at the acquisition date.	1 January 2022
<i>Classification of Liabilities as Current or Non-current (Amendments to IAS 1)²</i>	To promote consistency in application and clarify the requirements on determining if a liability is current or non-current, the IASB has amended IAS 1 to clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the “settlement” of a liability.	1 January 2023

¹ Effective date refers to annual period beginning on or after said date

² No material impact expected

Significant accounting judgements and 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 valuation techniques. Actual results could differ from those estimates.

For significant accounting policies that are subject to significant judgement, estimates and assumptions, see the following notes to the consolidated financial statements:

Significant accounting policy	Note to the consolidated financial statements
Revenue	3 – Revenue
Royalties, mining and income tax, and deferred tax	11 – Royalties, mining and income tax, and deferred tax
Property, plant and equipment	14 – Property, plant and equipment
Business combinations	16 – Acquisitions
Goodwill	17 – Goodwill
Equity-accounted investments	18 – Equity-accounted investments
Other receivables and other payables	22 – Other receivables and other payables
Inventories	23 – Inventories
Borrowings and derivative financial instrument	28 – Borrowings and derivative financial instrument
Environmental rehabilitation obligation	30 – Environmental rehabilitation obligation and other provisions
Occupational healthcare obligation	31 – Occupational healthcare obligation
Deferred revenue	32 – Deferred revenue
Contingent liabilities	38 – Contingent liabilities

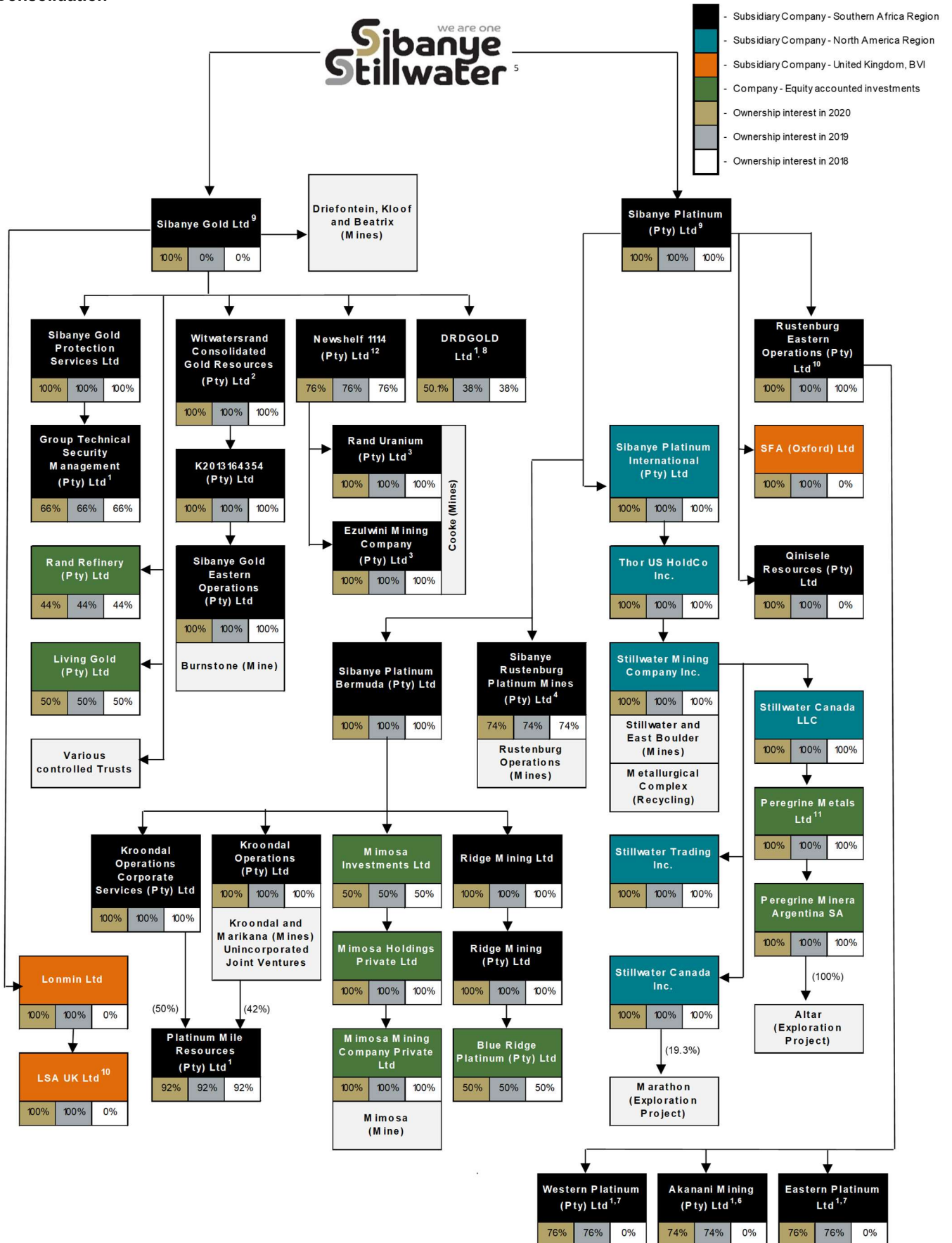
Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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 period are discussed under the relevant note of the item affected.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

1.3 Consolidation



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

- ¹ The non-controlling interests (NCI) in the statement of changes in equity relates to the attributable share of accumulated profits of DRDGOLD, Goldfields Technical Security Management Proprietary Limited (GTSM), Platinum Mile Resources Proprietary Limited (Platinum Mile), Western Platinum Proprietary Limited (WPL) and all WPL subsidiaries, Eastern Platinum Limited (EPL) and Akanani Mining Proprietary Limited (Akanani) (refer note 27)
- ² Witwatersrand Consolidated Gold Resources Proprietary Limited (Wits Gold) has ceded and pledged its shares in K2013164354 Proprietary Limited (K2013) (a dormant entity) and K2013 has ceded and pledged its shares in Sibanye Gold Eastern Operations Proprietary Limited (SGEO) in favour of the lenders of the Burnstone Debt (refer note 28.6)
- ³ Rand Uranium Proprietary Limited (Rand Uranium) and Ezulwini Mining Company Proprietary Limited (Ezulwini) together own a number of underground and surface mining operations. These operations report to the Group's chief operating decision maker (the Executive Committee) as a separate segment, namely Cooke
- ⁴ In terms of the Rustenburg operation transaction, a 26% stake in Sibanye Rustenburg Platinum Mines Proprietary Limited (SRPM) was acquired through Newshelf 1335 Proprietary Limited (BBBEE SPV). The shareholders of BBBEE SPV are Rustenburg Mine Employees Trust (30.4%), Rustenburg Mine Community Development Trust (24.8%), Bakgatla-Ba-Kgafela Investment Holdings (24.8%) and Siyanda Resources Proprietary Limited (20.0%). The Rustenburg Mine Employees Trust and the Rustenburg Mine Community Development Trust are controlled and consolidated by Sibanye-Stillwater
- ⁵ The Group has no current or contractual obligation to provide financial support to any of its structured entities
- ⁶ Sibanye-Stillwater recognises a 6.87% non-controlling interest in Akanani. The effective "outside" shareholding is calculated by considering the indirect interests held by Rustenburg Eastern Operations Proprietary Limited (6.13%) and the Phembani Group (13.01%) through Incwala Resources Proprietary Limited. However, since the Phembani Group secured its shareholding with a loan payable to Lonmin Limited (previously Lonmin Plc) (Lonmin) which has subsequently been impaired, the accounting beneficial interest of the Phembani Group is considered to be zero
- ⁷ Sibanye-Stillwater recognises 4.75% non-controlling interests in WPL and EPL. The shareholding of Lonplats Siyakhula employee profit share trust (3.8%), Marikana Community Trust (0.9%) and Bapo Ba Mogale Community Trust (0.9%) is not considered since these trusts are controlled and consolidated by Sibanye-Stillwater. The Phembani Group (9.01%) and Rustenburg Eastern Operations Proprietary Limited (4.24%) also holds an indirect interest through Incwala Platinum Proprietary Limited. However, since the Phembani Group secured its shareholding with a loan payable to Lonmin Limited which has subsequently been impaired, the accounting beneficial interest of the Phembani Group is considered to be zero
- ⁸ Effective 10 January 2020, the Group exercised its option to acquire an additional 12.05% in DRDGOLD. The consideration amounted to R1,085.6 million for the subscription of 168,158,944 additional new ordinary shares resulting in a 50.1% shareholding in DRDGOLD Limited (effective 50.66% after considering treasury shares held by DRDGOLD) (refer note 27). The Group calculated the net asset value of DRDGOLD at the effective date to which the additional ownership percentage was applied to determine the reattribution between non-controlling interest and the Group
- ⁹ On 17 June 2020, the Company and SGL entered into an unbundling agreement wherein SGL unbundled its entire shareholding in Sibanye Platinum Proprietary Limited (SPPL) for no value to the Company
- ¹⁰ During the year, the Group reorganised its internal legal structure to house the Marikana PGM related companies (previously owned by LSA UK Limited) under a new intermediate holding company, being Rustenburg Eastern Operations Proprietary Limited, which is a wholly owned subsidiary of SPPL. The reorganisation had no impact to the consolidated financial statements of the Group
- ¹¹ At 31 December 2020, the Group had a 100% legal interest in Peregrine Metals Limited (Peregrine), which is subject to an Initial Earn-in arrangement of 60% by Aldebaran Resources Inc. (Aldebaran) (refer note 18.3)
- ¹² The Group has a 76% legal interest in the Newshelf 1114 Proprietary Limited (Newshelf 1114) group and the NCI can acquire a further 2% legal shareholding once they have implemented the necessary funding structure. However, no accounting NCI is recognised, since the NCI's vendor loan financing exceeds their proportionate interest in Newshelf 1114 and therefore no effective shareholding exists

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. Control is reassessed if facts and circumstances indicate that there are changes to one or more of the elements of control.

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.

Transactions with shareholders

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. Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary are equity transactions.

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 Group's 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. Monetary assets and liabilities are translated into the functional currency at each reporting date. 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 profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

Foreign operations

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the exchange rate ruling at the reporting date. Equity items are translated at historical rates. The income and expenses are translated at the average exchange rate for the year, unless this average was not a reasonable approximation of the rates prevailing on the transaction dates, in which case these items were translated at the rate prevailing on the date of the transaction. Exchange differences on translation are accounted for in other comprehensive income. These differences will be recognised in profit or loss upon realisation of the underlying operation.
- Exchange differences arising from the translation of the net investment in foreign operations, which includes certain long-term borrowings (i.e. the reporting entity's interest in the net assets of that operation), are taken to other comprehensive income. When a foreign operation is sold, exchange differences that were recorded in other comprehensive income are recognised in profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss. If a company in the Group repays a portion of long-term borrowings forming part of a net investment in foreign operations, amounts previously recorded in other comprehensive income are only recognised in profit or loss upon disposal of the relevant operation.
- Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and are translated at each reporting date at the closing rate.

1.5 Comparatives

Where necessary, comparative periods have been revised to conform to current period changes in presentation. These revisions include:

- Retrospective change to the segment reporting to align the classification of finance cost on the Wheaton Stream and corporate transaction costs in line with management's reporting to the chief operating decision maker (refer note 2)
- Disaggregation relating to the adjustments relating to sales of PGM concentrate and a change in the information provided on the graphical presentation of the revenue (refer note 3)
- Disaggregation of the redeemable preference shares below 44.4% interest to separately disclose the portion specific to DRDGOLD consolidation adjustments within other reconciling items (refer note 18.1)
- Disaggregation of the attributable income and royalty tax for Mimosa (refer note 18.2)

Additional disclosures were made for the 2020 and comparative periods not previously presented. These revisions include:

- Adjustments to Consolidated Statement of Changes in Equity and related notes due to the accounting for the scheme of arrangement (refer note 1.1 and note 26)
- Disclosures relating to interest income (refer note 5.1), other costs (refer note 8.1) and other income (refer note 8.2)
- Disclosure relating to the aggregate amount of temporary differences associated with investments in subsidiaries, for which no deferred tax liabilities have been recognised (refer note 11.3)
- Disclosures relating to the effective holding interest in DRDGOLD (refer note 27)
- Disclosure relating to total key management personnel compensation recognised under IFRS (refer note 39)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

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 management team that makes strategic decisions.

Figures in million - SA rand	Group	US PGM operations	Total SA Operations	Total SA PGM	Rustenburg	Marikana	Kroondal	Platinum Mile	Mimosa	Corporate and reconciling items ¹	Total SA gold	Driefontein	Kloof	Beatrix	Cooke	DRD-GOLD	Corporate and reconciling items ¹	Group Corporate and reconciling items ¹
2020																		
Revenue	127,392.4	45,154.1	82,781.4	54,912.6	20,428.7	26,864.8	7,972.8	950.3	3,894.5	(5,198.5)	27,868.8	6,793.5	9,795.0	4,663.8	1,039.6	5,051.0	525.9	(543.1)
Underground	91,369.9	19,857.6	72,055.4	52,142.3	18,521.1	26,864.8	7,972.8	-	3,894.5	(5,110.9)	19,913.1	6,793.5	8,109.4	4,499.8	-	-	510.4	(543.1)
Surface	10,726.0	-	10,726.0	2,770.3	1,907.6	-	-	950.3	-	(87.6)	7,955.7	-	1,685.6	164.0	1,039.6	5,051.0	15.5	-
Recycling	25,296.5	25,296.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cost of sales, before amortisation and depreciation	(75,776.4)	(32,003.4)	(43,773.0)	(24,722.6)	(9,588.7)	(13,232.0)	(2,803.3)	(402.6)	(1,601.1)	2,905.1	(19,050.4)	(4,863.6)	(6,879.6)	(3,713.8)	(671.0)	(2,922.4)	-	-
Underground	(45,502.4)	(7,585.9)	(37,916.5)	(23,551.2)	(8,732.3)	(13,232.0)	(2,803.3)	-	(1,601.1)	2,817.5	(14,365.3)	(4,863.6)	(5,885.6)	(3,616.3)	0.2	-	-	-
Surface	(5,856.5)	-	(5,856.5)	(1,171.4)	(856.4)	-	-	(402.6)	-	87.6	(4,685.1)	-	(994.0)	(97.5)	(671.2)	(2,922.4)	-	-
Recycling	(24,417.5)	(24,417.5)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net other cash costs ²	(2,231.1)	(67.5)	(2,163.6)	(1,115.5)	50.9	(789.4)	(76.0)	(240.5)	(58.6)	(1.9)	(1,048.1)	(65.6)	(104.3)	(97.0)	(641.7)	(43.7)	(95.8)	-
Adjusted EBITDA	49,384.9	13,083.2	36,844.8	29,074.5	10,890.9	12,843.4	5,093.5	307.2	2,234.8	(2,295.3)	7,770.3	1,864.3	2,811.1	853.0	(273.1)	2,084.9	430.1	(543.1)
Amortisation and depreciation	(7,592.4)	(2,727.5)	(4,864.9)	(2,072.4)	(806.1)	(818.4)	(409.9)	(33.9)	(281.5)	277.4	(2,792.5)	(932.1)	(1,092.1)	(490.5)	(13.6)	(202.4)	(61.8)	-
Interest income	1,065.4	278.6	786.8	222.1	27.3	106.5	84.0	2.8	4.0	(2.5)	564.7	67.3	58.6	35.6	45.4	178.2	179.6	-
Finance expense	(3,151.8)	(1,057.3)	(1,772.4)	(661.8)	(2,841.2)	(258.8)	(136.5)	-	(14.0)	2,588.7	(1,110.6)	(156.4)	(150.5)	(107.1)	(100.4)	(57.9)	(538.3)	(322.1)
Share-based payments	(512.4)	(80.2)	(432.2)	(90.1)	(36.0)	(41.1)	(13.0)	-	-	-	(342.1)	(21.8)	(25.9)	(18.6)	-	(140.6)	(135.2)	-
Net other ³	(393.6)	31.4	(425.0)	1,223.6	(3,846.7)	2,131.5	121.8	(14.0)	(16.2)	2,847.2	(1,648.6)	19.5	30.0	27.9	35.9	30.4	(1,792.3)	-
Non-underlying items ⁴	(1,550.1)	(92.5)	(1,385.3)	149.0	590.8	(434.8)	(7.0)	-	-	-	(1,534.3)	(27.3)	(18.3)	(40.3)	(3.6)	(1.6)	(1,443.2)	(72.3)
Royalties and carbon tax	(1,770.2)	-	(1,770.2)	(1,625.4)	(924.2)	(691.5)	(9.8)	-	(135.2)	135.3	(144.8)	(72.9)	(114.8)	(46.1)	(5.2)	(0.3)	94.5	-
Current taxation	(5,374.3)	(976.4)	(4,352.8)	(3,860.3)	(2,634.9)	92.3	(1,299.7)	(14.8)	(450.3)	447.1	(492.5)	(9.4)	9.2	(5.0)	-	(491.6)	4.3	(45.1)
Deferred taxation	516.1	(681.5)	1,197.6	957.6	98.1	951.0	(34.1)	(58.4)	(41.9)	42.9	240.0	(232.9)	(322.3)	(88.7)	-	(97.0)	980.9	-
Profit/(loss) for the year	30,621.6	7,777.8	23,826.4	23,316.8	518.0	13,880.1	3,389.3	188.9	1,299.7	4,040.8	509.6	498.3	1,185.0	120.2	(314.6)	1,302.1	(2,281.4)	(982.6)
Attributable to:																		
Owners of the parent	29,311.9	7,777.8	22,516.7	22,650.9	518.0	13,229.6	3,389.3	173.3	1,299.7	4,041.0	(134.2)	498.3	1,185.0	120.2	(314.6)	659.4	(2,282.5)	(982.6)
Non-controlling interest holders	1,309.7	-	1,309.7	665.9	-	650.5	-	15.6	-	(0.2)	643.8	-	-	-	-	642.7	1.1	-
Sustaining capital expenditure	(2,816.7)	(798.1)	(2,018.6)	(1,052.1)	(325.6)	(515.2)	(187.8)	(23.3)	(413.9)	413.7	(966.5)	(186.5)	(392.0)	(93.1)	-	(294.9)	-	-
Ore reserve development	(4,150.2)	(1,239.2)	(2,911.0)	(1,124.8)	(417.0)	(707.8)	-	-	-	-	(1,786.2)	(742.3)	(722.2)	(321.7)	-	-	-	-
Growth projects	(2,648.5)	(2,384.9)	(263.6)	(19.7)	-	-	-	(19.7)	-	-	(243.9)	-	(155.4)	(0.2)	-	(46.2)	(42.1)	-
Total capital expenditure⁵	(9,615.4)	(4,422.2)	(5,193.2)	(2,196.6)	(742.6)	(1,223.0)	(187.8)	(43.0)	(413.9)	413.7	(2,996.6)	(928.8)	(1,269.6)	(415.0)	-	(341.1)	(42.1)	-

¹ Corporate and reconciling items represent 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. Group corporate includes the Wheaton Stream transaction and corporate transaction costs

² Net other cash costs consist of service entity income, sundry income (refer note 8.2) and other costs as detailed in profit or loss, excluding loss due to dilution of interest in joint operation (refer note 8.1). Lease payments (R147.7 million) are included in net other cash costs to conform with the adjusted EBITDA reconciliation disclosed in note 28.9

³ Net other consists of loss on financial instruments, loss on foreign exchange differences, change in estimate of environmental rehabilitation obligation and right of recovery receivable and payable (refer note 8.1) as detailed in profit or loss and the add back of the lease payment referred to in footnote 2 above. Corporate and reconciling items net other includes the share of results of equity-accounted investees after tax as detailed in profit or loss

⁴ Non-underlying items consists of gain on disposal of property, plant and equipment, impairments, loss on BTT early settlement, restructuring costs, transaction costs, loss on settlement of US\$ Convertible Bond, income on settlement of legal dispute (refer note 8.2), non-cash loss with dilution of interest in joint operation (refer note 8.1) and occupational healthcare expense as detailed in profit or loss

⁵ Included in the amount is capital expenditure of R3.4 million relating to recycling activities at the US PGM operations

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

Figures in million - SA rand	Group	US PGM operations	Total SA Operations	Total SA PGM							Corporate and reconciling items ²		DRD- GOLD					Corporate and reconciling items ²		Group Corporate and reconciling items
				Rusten-burg	Marikana ¹	Kroondal	Platinum Mile	Mimosa	Total SA gold	Driefontein	Kloof	Beatrix	Cooke	DRD- GOLD	Corporate and reconciling items ²					
2019																				
Revenue	72,925.4	26,864.5	46,222.6	27,578.4	10,499.5	11,187.9	5,590.4	300.6	2,342.6	(2,342.6)	18,644.2	3,303.1	6,808.5	3,798.2	828.4	3,621.0	285.0		(161.7)	
Underground	51,528.2	12,343.3	39,346.6	26,616.5	9,901.1	11,125.0	5,590.4	-	2,342.6	(2,342.6)	12,730.1	3,301.4	5,552.4	3,576.9	21.2	-	278.2		(161.7)	
Surface	6,876.0	-	6,876.0	961.9	598.4	62.9	-	300.6	-	-	5,914.1	1.7	1,256.1	221.3	807.2	3,621.0	6.8		-	
Recycling	14,521.2	14,521.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-	
Cost of sales, before amortisation and depreciation	(56,100.4)	(19,569.4)	(36,531.0)	(18,196.7)	(6,466.9)	(8,439.9)	(3,076.3)	(213.6)	(1,336.3)	1,336.3	(18,334.3)	(4,438.6)	(6,872.9)	(3,669.2)	(617.3)	(2,736.3)	-		-	
Underground	(36,520.3)	(5,600.8)	(30,919.5)	(17,207.9)	(5,691.7)	(8,439.9)	(3,076.3)	-	(1,336.3)	1,336.3	(13,711.6)	(4,428.6)	(5,741.1)	(3,525.3)	(16.6)	-	-		-	
Surface	(5,611.5)	-	(5,611.5)	(988.8)	(775.2)	-	-	(213.6)	-	-	(4,622.7)	(10.0)	(1,131.8)	(143.9)	(600.7)	(2,736.3)	-		-	
Recycling	(13,968.6)	(13,968.6)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-	
Net other cash costs ³	(1,869.0)	(4.2)	(1,864.8)	(585.5)	(156.1)	(299.9)	(103.4)	(25.3)	(8.0)	7.2	(1,279.3)	(197.6)	(152.7)	(179.8)	(568.6)	(30.7)	(149.9)		-	
Adjusted EBITDA	14,956.0	7,290.9	7,826.8	8,796.2	3,876.5	2,448.1	2,410.7	61.7	998.3	(999.1)	(969.4)	(1,333.1)	(217.1)	(50.8)	(357.5)	854.0	135.1		(161.7)	
Amortisation and depreciation	(7,214.1)	(2,285.6)	(4,928.5)	(1,919.0)	(914.4)	(500.4)	(494.8)	(4.8)	(218.7)	214.1	(3,009.5)	(920.5)	(1,200.9)	(640.0)	(15.1)	(172.1)	(60.9)		-	
Interest income	560.4	145.2	415.2	145.8	44.6	30.9	67.1	1.3	2.2	(0.3)	269.4	60.1	53.0	31.4	39.8	64.5	20.6		-	
Finance expense	(3,302.5)	(920.7)	(2,071.0)	(704.2)	(1,407.5)	(282.4)	(146.9)	-	(21.8)	1,154.4	(1,366.8)	(242.8)	(242.9)	(141.1)	(73.7)	(73.0)	(593.3)		(310.8)	
Share-based payments	(363.3)	(53.4)	(309.9)	-	-	-	-	-	-	-	(309.9)	-	-	-	(64.2)	(245.7)	-		-	
Net other ⁴	(4,925.8)	8.3	(4,934.1)	(1,513.2)	(11,381.8)	12.9	(0.3)	1.1	(137.2)	9,992.1	(3,420.9)	17.5	31.0	13.4	(113.9)	81.6	(3,450.5)		-	
Non-underlying items ⁵	(567.0)	(74.6)	(123.4)	258.8	2.4	212.7	44.8	-	(27.5)	26.4	(382.2)	(169.5)	(35.1)	(112.4)	(6.9)	4.3	(62.6)		(369.0)	
Royalties and carbon tax	(443.9)	-	(443.9)	(358.2)	(296.1)	(54.5)	(7.6)	-	(77.1)	77.1	(85.7)	(16.6)	(34.2)	(30.8)	(4.1)	-	-		-	
Current taxation	(1,848.7)	(481.3)	(1,367.4)	(1,303.7)	(780.3)	13.3	(536.0)	-	(135.5)	134.8	(63.7)	(22.7)	(5.5)	(13.3)	-	(69.1)	46.9		-	
Deferred taxation	3,581.7	1,436.3	2,145.4	14.1	30.0	-	(0.7)	(16.5)	(5.6)	6.9	2,131.3	74.8	150.4	89.9	-	(129.9)	1,946.1		-	
Profit/(loss) for the year	432.8	5,065.1	(3,790.8)	3,416.6	(10,826.6)	1,880.6	1,336.3	42.8	377.1	10,606.4	(7,207.4)	(2,552.8)	(1,501.3)	(853.7)	(531.4)	496.1	(2,264.3)		(841.5)	
Attributable to:																				
Owners of the parent	62.1	5,065.1	(4,161.5)	3,355.0	(10,826.6)	1,821.6	1,336.3	39.3	377.1	10,607.3	(7,516.5)	(2,552.8)	(1,501.3)	(853.7)	(531.4)	188.7	(2,266.0)		(841.5)	
Non-controlling interest holders	370.7	-	370.7	61.6	-	59.0	-	3.5	-	(0.9)	309.1	-	-	-	-	307.4	1.7		-	
Sustaining capital expenditure	(2,039.3)	(321.7)	(1,717.6)	(1,203.2)	(316.3)	(660.4)	(212.8)	(13.3)	(343.1)	342.7	(514.4)	(163.0)	(238.1)	(70.5)	-	(42.8)	-		-	
Ore reserve development	(3,401.9)	(1,036.2)	(2,365.7)	(1,029.2)	(500.6)	(528.6)	-	-	-	-	(1,336.5)	(512.9)	(590.4)	(233.2)	-	-	-		-	
Growth projects	(2,264.9)	(2,035.0)	(229.9)	(15.2)	(1.8)	-	-	(13.4)	-	-	(214.7)	-	(108.9)	(2.1)	-	(39.0)	(64.7)		-	
Total capital expenditure	(7,706.1)	(3,392.9)	(4,313.2)	(2,247.6)	(818.7)	(1,189.0)	(212.8)	(26.7)	(343.1)	342.7	(2,065.6)	(675.9)	(937.4)	(305.8)	-	(81.8)	(64.7)		-	

¹ The SA PGM operations' results for the year ended 31 December 2019 include Marikana for the seven months since acquisition (refer to note 16.1)

² Corporate and reconciling items represent 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. Group corporate includes the Wheaton Stream transaction and corporate transaction costs. To align the classification of finance cost on the Wheaton Stream as well as corporate transaction costs between reporting periods, a reclassification between Gold Corporate and Group corporate was made

³ Net other cash costs consist of other costs and other income as detailed in profit or loss, excluding change in estimate of environmental rehabilitation obligation and right of recovery receivable and payable (refer note 8.1). Lease payments (R131.7 million) are included in net other cash costs to conform with the adjusted EBITDA reconciliation disclosed in note 28.9

⁴ Net other consists of loss on financial instruments, gain on foreign exchange differences, change in estimate of environmental rehabilitation obligation, right of recovery receivable and payable (refer note 8.1) as detailed in profit or loss and the add back of the lease payment referred to in footnote 3 above. Corporate and reconciling items net other includes the share of results of equity-accounted investees after tax as detailed in profit or loss

⁵ Non-underlying items consists of gain on disposal of property, plant and equipment, impairments, gain on acquisition, occupational healthcare expense, restructuring costs and transaction costs as detailed in profit or loss

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

Figures in million - SA rand	Group	US PGM operations	Total SA Operations	Total SA PGM						Corporate and reconciling items ²	Total SA gold	Corporate and reconciling items ²					Group Corporate and reconciling items ²	
				Kroondal	Platinum Mile	Mimosa	Rustenburg	DRD-GOLD ¹	Driefontein			Kloof	Beatrix	Cooke				
2018																		
Revenue	50,656.4	15,872.8	34,810.3	15,153.6	3,584.4	196.7	1,857.5	11,372.5	(1,857.5)	19,656.7	5,111.2	8,131.7	4,601.3	841.8	1,047.5	(76.8)		(26.7)
Underground	38,605.7	8,430.1	30,202.3	14,045.1	3,584.4	-	1,857.5	10,460.7	(1,857.5)	16,157.2	4,782.4	6,937.9	4,467.8	45.9	-	(76.8)		(26.7)
Surface	4,608.0	-	4,608.0	1,108.5	-	196.7	-	911.8	-	3,499.5	328.8	1,193.8	133.5	795.9	1,047.5	-		-
Recycling	7,442.7	7,442.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-
Cost of sales, before amortisation and depreciation	(41,515.2)	(11,720.9)	(29,794.3)	(12,096.0)	(2,739.4)	(152.7)	(1,235.7)	(9,203.9)	1,235.7	(17,698.3)	(5,709.3)	(6,364.8)	(3,910.8)	(693.4)	(1,020.0)	-		-
Underground	(30,248.7)	(4,524.4)	(25,724.3)	(11,131.4)	(2,739.4)	-	(1,235.7)	(8,392.0)	1,235.7	(14,592.9)	(5,386.7)	(5,352.2)	(3,841.0)	(13.0)	-	-		-
Surface	(4,070.0)	-	(4,070.0)	(964.6)	-	(152.7)	-	(811.9)	-	(3,105.4)	(322.6)	(1,012.6)	(69.8)	(680.4)	(1,020.0)	-		-
Recycling	(7,196.5)	(7,196.5)	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-
Net other cash costs ³	(771.8)	-	(771.8)	(175.8)	(52.7)	(1.2)	(6.7)	(121.1)	5.9	(596.0)	(50.2)	(44.8)	(37.2)	(573.4)	8.7	100.9		-
Adjusted EBITDA	8,369.4	4,151.9	4,244.2	2,881.8	792.3	42.8	615.1	2,047.5	(615.9)	1,362.4	(648.3)	1,722.1	653.3	(425.0)	36.2	24.1		(26.7)
Amortisation and depreciation	(6,613.8)	(2,234.4)	(4,379.4)	(1,074.4)	(370.4)	(3.0)	(191.6)	(697.1)	187.7	(3,305.0)	(1,200.9)	(1,378.8)	(635.3)	(5.7)	(57.9)	(26.4)		-
Interest income	482.1	83.2	398.9	83.5	60.3	1.3	0.1	20.2	1.6	315.4	94.3	72.0	40.0	41.7	26.1	41.3		-
Finance expense	(3,134.7)	(1,797.1)	(1,177.3)	(422.4)	(130.5)	-	(13.0)	(1,890.6)	1,611.7	(754.9)	(234.9)	(245.9)	(143.6)	(78.1)	(33.0)	(19.4)		(160.3)
Share-based payments	(299.4)	(35.7)	(263.7)	-	-	-	-	-	-	(263.7)	(0.2)	-	-	-	(3.2)	(260.3)		-
Net other ⁴	3,284.0	68.8	3,215.2	726.3	137.6	0.7	(9.2)	4,348.0	(3,750.8)	2,488.9	(362.8)	(110.3)	(57.8)	(106.2)	(419.1)	3,545.1		-
Non-underlying items ⁵	(3,311.9)	(210.7)	(2,932.7)	(29.7)	0.4	-	-	(30.7)	0.6	(2,903.0)	(2,157.6)	27.2	(156.6)	(50.6)	(4.6)	(560.8)		(168.5)
Royalties	(212.6)	-	(212.6)	(162.0)	(5.5)	-	(57.6)	(156.5)	57.6	(50.6)	1.4	(29.0)	(18.8)	(4.2)	-	-		-
Current taxation	(95.3)	238.3	(333.6)	(278.5)	-	-	(103.4)	(277.4)	102.3	(55.1)	63.9	(75.3)	5.5	0.8	(3.0)	(47.0)		-
Deferred taxation	(988.5)	(1,795.7)	807.2	(192.6)	(168.9)	(9.2)	(29.9)	(15.5)	30.9	999.8	922.9	313.1	127.8	-	(132.0)	(232.0)		-
(Loss)/profit for the year	(2,520.7)	(1,531.4)	(633.8)	1,532.0	315.3	32.6	210.5	3,347.9	(2,374.3)	(2,165.8)	(3,522.2)	295.1	(185.5)	(627.3)	(590.5)	2,464.6		(355.5)
Attributable to:																		
Owners of the parent	(2,499.6)	(1,531.4)	(612.7)	1,529.3	315.3	29.9	210.5	3,347.9	(2,374.3)	(2,142.0)	(3,522.2)	295.1	(185.5)	(627.3)	(565.8)	2,463.7		(355.5)
Non-controlling interest holders	(21.1)	-	(21.1)	2.7	-	2.7	-	-	-	(23.8)	-	-	-	-	(24.7)	0.9		-
Sustaining capital expenditure	(1,271.2)	(260.2)	(1,011.0)	(464.4)	(141.4)	(9.5)	(170.9)	(313.5)	170.9	(546.6)	(228.1)	(220.6)	(82.6)	-	(14.5)	(0.8)		-
Ore reserve development	(3,530.4)	(998.9)	(2,531.5)	(477.9)	-	-	-	(477.9)	-	(2,053.6)	(817.1)	(839.6)	(396.9)	-	-	-		-
Growth projects	(2,279.2)	(1,574.0)	(705.2)	(57.7)	-	(57.1)	-	(0.6)	-	(647.5)	(0.4)	(141.8)	(1.7)	-	(303.3)	(200.3)		-
Total capital expenditure	(7,080.8)	(2,833.1)	(4,247.7)	(1,000.0)	(141.4)	(66.6)	(170.9)	(792.0)	170.9	(3,247.7)	(1,045.6)	(1,202.0)	(481.2)	-	(317.8)	(201.1)		-

¹ The SA gold operations' results of the year ended 31 December 2018 includes DRDGOLD for five months since acquisition

² Corporate and reconciling items represent 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. Group corporate previously included only the Wheaton Stream finance costs. To align the classification of corporate transaction costs between reporting periods, a reclassification between Gold Corporate and Group corporate was made

³ Net other cash costs consist of other costs and other income as detailed in profit or loss, excluding change in estimate of environmental rehabilitation obligation and right of recovery receivable and payable (refer note 8.1)

⁴ Net other costs consists of gain on financial instruments, gain on foreign exchange differences, change in estimate of environmental rehabilitation obligation and right of recovery receivable and payable (refer note 8.1). Corporate and reconciling items net other costs includes the share of results of equity-accounted investees after tax as detailed in profit or loss

⁵ Non-underlying items consists of gain on disposal of property, plant and equipment, impairments, gain on derecognition of borrowings and derivative financial instrument, occupational healthcare expense, restructuring costs, and transaction costs as detailed in profit or loss

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

3. Revenue

Significant accounting judgements and estimates

Revenue from PGM mining activities

The determination of PGM concentrate sales revenue from the time of initial recognition of the sale on a provisional basis through to final pricing requires management to continuously re-estimate the fair value of the price adjustment features. Management determines this with reference to estimated forward prices using consensus forecasts.

Accounting policy

Revenue from mining activities

Revenue from gold sales is measured and recognised based on the consideration specified in a contract with a customer. The Group recognises revenue from gold sales when the customer obtains control of the gold. These criteria are typically met when the gold is credited to the customer's bullion account by Rand Refinery Proprietary Limited (Rand Refinery). The transaction price is determined based on the agreed upon market price and number of ounces delivered.

Revenue from PGM concentrate and metal sales is recognised when the buyer, pursuant to a sales contract, obtains control of the mined product which is typically upon delivery. The sales price is determined on a provisional basis at the date of delivery. Adjustments to the selling price occur based on changes in the metal content quantities and penalties, which represents variable transaction price components, as well as changes in the metal market price up to the date of final pricing. Final pricing is based on the monthly average market price in the month of settlement. For PGM metal sales, pricing is finalised within the month of sale. For PGM concentrate sales, the period between provisional invoicing and final pricing is typically between one and four months. Revenue on provisionally priced sales is initially recognised at the amount of consideration that the Group expects to be entitled to.

The revenue adjustment mechanism relating to changes in metal market prices, embedded within provisionally priced PGM concentrate sale arrangements, has the characteristics of a commodity derivative. Accordingly, the fair value of the final sales price adjustment is re-estimated continuously and changes in fair value are recognised as an adjustment to revenue in profit or loss and trade receivables in the statement of financial position. In all cases, fair value is determined with reference to estimated forward prices using consensus forecasts. Revenue arising from these price adjustments is disclosed separately from revenue from contracts with customers.

Revenue from PGM recycling consists of the sales of recycled palladium, platinum and rhodium derived from spent catalytic material and is recognised when control is transferred, which is when metal is transferred from the Group's metal account to the 3rd party's metal account. Revenue from PGM recycling also includes revenue from toll processing, which is recognised at the time the returnable metals are returned to the supplier at a third party refinery.

Wheaton streaming revenue

In 2018, Wheaton Precious Metals International Limited (Wheaton International) and the Group entered into a streaming transaction. 100% of refined mined gold and 4.5% of refined mined palladium from the Stillwater Mining Company (Stillwater) operations will be delivered to Wheaton International over the life of mine of the US PGM operations. Each ounce is identified as a separate performance obligation.

In exchange for this, Wheaton International paid the Group R6,555.4 million (US\$500.0 million) on 25 July 2018. In addition to the advance payment, Wheaton International currently pays the Group 18% cash based on the value of gold and palladium deliveries each month (refer to note 32 for additional detail on the monthly cash percentage). The contract will be settled by the Group delivering metal credits to Wheaton International representing underlying refined, mined gold and palladium.

The transaction price, being the advance payment and the cash payment to be received, is recognised as revenue each month when the metal credit is allocated to the appropriate Wheaton International account. It is from this date that Wheaton International has effectively accepted the metal, has physical control of the metal and has the risk and reward of the metal (i.e. control has transferred).

Revenue will be recognised over the life of mine of the US PGM operations in line with the timing of control transfer discussed above. To the extent that the life of mine changes or other key inputs are changed (refer note 32), these changes are recognised prospectively as a cumulative catch-up in revenue in the year that the change occurs.

BTT streaming revenue

Lonmin entered into a metal streaming transaction in 2016 to deliver between 23% - 38% of 6E PGM from its BTT project based on a weighted 6E PGM basket price. Lonmin received \$50 million upfront, which was recognised as deferred revenue. Lonmin received between \$106 and \$280 per ounce of 6E PGM metals based on basket price of 6E PGM for each ounce delivered. The performance obligations under the contract were to be satisfied through delivery of the 6E PGM metals ounces.

At acquisition of Lonmin (2019), the Group accounted for the deferred revenue at fair value of R627.6 million under IFRS 3, including a significant financing component.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

The transaction price under IFRS 15 *Revenue from Contracts with Customers* (IFRS 15), being the advance payment and further cash payments received, were recognised as revenue when the metal ounces were delivered and Lonmin no longer had physical control of the metal, which is also when the risk and rewards were transferred (i.e. control has transferred).

Revenue was recognised over the life of the bulk tailing re-treatment project operations based on the ounces delivered. To the extent that the life of project changed or other key inputs changed (refer note 32), these changes were recognised prospectively as a cumulative catch-up in revenue in the year that the change occurred.

The BTT project was early cash-settled by the Group during March 2020 (refer note 32).

Other forward sale and prepayment transactions

The Group also enters into other forward sale or prepayment transactions with counterparties in which a cash payment is received in advance for future delivery of gold and PGM ounces to the relevant counterparty. Each ounce is identified as a separate performance obligation.

The transaction price under IFRS 15, being the advance payment and further cash payments received, is recognised as revenue when the metal ounces are delivered or credited to the customer's account and Sibanye-Stillwater no longer has physical control of the metal, which is also when the risk and rewards are transferred (i.e. control has transferred).

The Group's sources of revenue are:

Figures in million - SA rand	2020	2019	2018
Gold mining activities	27,868.8	18,644.2	19,656.7
PGM mining activities	72,469.3	38,418.4	22,735.2
Recycling activities	25,296.5	14,521.2	7,442.7
Stream ¹	538.5	540.4	201.6
Total revenue from contracts with customers	126,173.1	72,124.2	50,036.2
Adjustments relating to sales of PGM concentrate ²	1,219.3	801.2	620.2
Total revenue	127,392.4	72,925.4	50,656.4

¹ The difference between revenue from PGM mining activities above and total revenue from PGM mining activities per the segment report relates to the separate disclosure of revenue from the gold and palladium streaming arrangement with Wheaton International (Wheaton Stream) in the above as well as the separate disclosure of revenue related to adjustments on the sales of PGM concentrate. Revenue relating to the Wheaton Stream is incorporated in the Group corporate segment as described in the segment report

² These adjustments relate to provisional pricing arrangements resulting in subsequent changes to the amount of revenue recognised

Revenue per geographical region of the relevant operations:

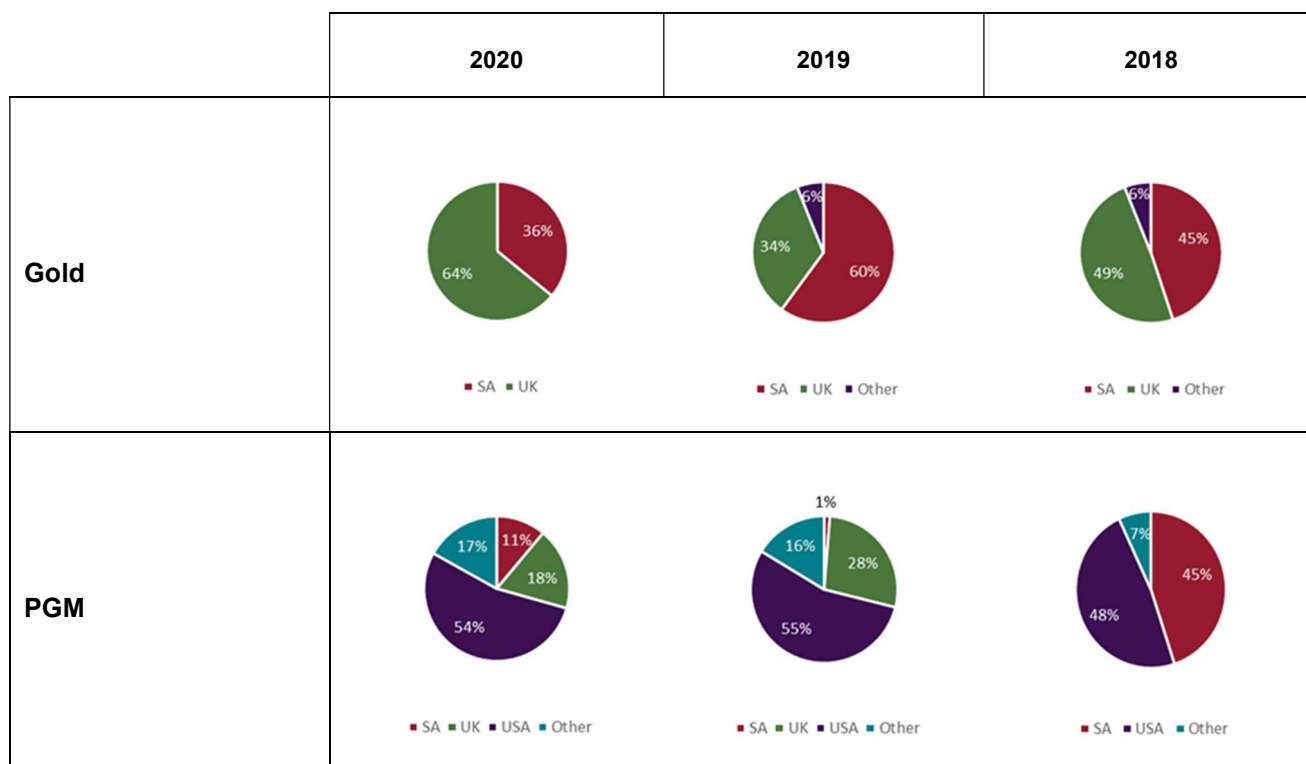
Figures in million - SA rand	2020	2019	2018
Southern Africa	82,781.4	46,222.6	34,810.3
United States ¹	44,611.0	26,702.8	15,846.1
Total revenue	127,392.4	72,925.4	50,656.4

¹ The difference between revenue generated by operations in the US and the revenue in the US PGM operations segment relates to the Wheaton Stream

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

Percentage of revenue per segment based on the geographical location of customers purchasing from the Group:



Revenue generated per product:

Figures in million - SA rand	2020	2019	2018
Gold	28,929.8	18,882.1	21,434.2
PGMs ¹	95,572.5	51,504.9	27,545.7
Platinum	17,053.9	13,013.2	9,233.9
Palladium	47,280.9	28,031.0	15,282.3
Rhodium	29,865.1	9,338.1	2,236.0
Iridium	814.5	649.6	442.9
Ruthenium	558.1	473.0	350.6
Chrome	1,572.7	1,749.3	1,128.9
Other ²	1,317.4	789.1	547.6
Total revenue	127,392.4	72,925.4	50,656.4

¹ In line with Sibanye-Stillwater's mine-to-market PGM strategy and according to the processing agreements with Anglo American Platinum Limited (Anglo American Platinum), the processing arrangement for SRPM production changed from a purchase of concentrate arrangement to a Toll processing arrangement from 1 January 2019

² Other primarily includes revenue from nickel, silver, cobalt and copper sales

Major customers

During 2020, total revenue from customers A and B, which is reported in the Group's US PGM and SA PGM operating segments, amounted to approximately R49,455 million and R15,234 million, respectively. During 2019, total revenue from a single customer which is reported in the Group's US PGM and SA PGM operating segments, amounted to approximately R30,598 million. During 2018, a customer from each of the US PGM, SA PGM and SA Gold operating segments, amounted to approximately R11,809 million, R13,881 million and R7,371 million of the Group's total revenue, respectively.

Market risk

Foreign currency sensitivity

The SA region's revenue is sensitive to changes in the exchange rate. The US PGM operations' revenue (and expenses) are translated from its functional currency (US dollars) to the Group's presentation currency (SA rand) and, therefore, the Group's "presentation currency" earnings are sensitive to changes in the exchange rate. A one percentage point change in the SA rand average exchange rate for the year ended 31 December 2020 of R16.46/US\$ would have changed profit for the year by approximately R77.8 million.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

4. Cost of sales

Accounting policy

The following accounting policies relate to some 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.

Figures in million - SA rand	Notes	2020	2019	2018
Salaries and wages		(23,850.6)	(21,215.6)	(15,710.3)
Consumable stores	23	(16,404.0)	(12,784.3)	(9,327.9)
Utilities		(6,800.9)	(6,089.3)	(5,049.2)
Mine contracts		(3,789.9)	(3,566.4)	(3,197.6)
Recycling ¹		(24,417.5)	(13,968.6)	(7,196.5)
Other		(4,663.7)	(1,878.0)	(4,564.0)
Ore reserve development costs capitalised		4,150.2	3,401.8	3,530.3
Cost of sales, before amortisation and depreciation		(75,776.4)	(56,100.4)	(41,515.2)
Amortisation and depreciation	14, 15	(7,592.4)	(7,214.1)	(6,613.8)
Total cost of sales		(83,368.8)	(63,314.5)	(48,129.0)

¹ Recycling cost consists of cost relating to the purchasing of spent catalytic material and the cost incurred to convert the spent catalytic material into finished PGMs

The SA region employees are members of various defined contribution retirement plans. The cost of providing retirement benefits for the year amounted to R1,351.0 million (2019: R1,233.7 million and 2018: R919.1 million).

5. Interest income and finance expense

Accounting policy

Interest income comprises interest income on cash deposits, rehabilitation obligation funds and the right of recovery asset. Interest income is recognised using the effective interest method.

Finance expense comprises interest on borrowings, lease liabilities, environmental rehabilitation obligation, occupational healthcare obligation, deferred payment, dissenting shareholder liability and deferred revenue and is offset by borrowing costs capitalised on qualifying assets where applicable.

Interest payable on borrowings is recognised in profit or loss 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.

5.1 Interest income

Figures in million - SA rand	Note	2020	2019	2018
Interest received on cash deposits		714.1	264.0	172.4
Interest received on rehabilitation obligation funds	21	245.1	265.5	223.5
Interest on right of recovery asset		16.0	15.8	14.1
Other		90.2	15.1	72.1
Total interest income		1,065.4	560.4	482.1

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

5.2 Finance expense

Figures in million - SA rand	Notes	2020	2019	2018
<i>Interest charge on:</i>				
Borrowings - interest		(1,289.9)	(1,444.9)	(1,572.5)
Borrowings - accrued interest and unwinding of amortised cost	28	(393.2)	(374.4)	(538.3)
Lease liabilities	29	(33.9)	(33.9)	-
Environmental rehabilitation obligation	30	(683.8)	(578.7)	(398.8)
Occupational healthcare obligation	31	(96.3)	(115.5)	(105.4)
Deferred Payment (related to the Rustenburg operation acquisition)	22.2	(186.8)	(179.0)	(200.4)
Dissenting shareholders	22.2	-	(21.2)	(68.1)
Deferred revenue ¹	32	(349.2)	(352.3)	(160.3)
Deferred consideration (related to Pandora acquisition)	22.2	(49.1)	(40.5)	-
Other		(69.6)	(162.1)	(90.9)
Total finance expense		(3,151.8)	(3,302.5)	(3,134.7)

¹ For the year ended 31 December 2020, interest expense includes non-cash interest of R322.1 million (2019: R310.8 million, 2018: R160.3 million) relating to the Wheaton Stream. In addition, interest expense includes non-cash interest of R12.6 million (2019: R41.5 million, 2018: Rnil) relating to the BTT project. Although there is no cash financing cost related to this arrangement, IFRS 15 requires the Group to recognise a notional financing charge due to the significant time delay between receiving the upfront streaming payment and satisfying the related performance obligations. A discount rate of 4.6% and 5.2% was used for the Wheaton palladium and gold stream respectively and 11.5% was used for the BTT stream in determining the finance costs to be recognised as part of the streaming transactions entered into. For the year ended 31 December 2020, interest expense also includes R14.5 million non-cash interest relating to the platinum forward sale entered into by Western Platinum Proprietary Limited (WPL) on 3 March 2020

6. Share-based payments

Accounting policy

Equity-settled share-based payments

The Group operates equity-settled compensation plans 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 relevant equity instruments granted, 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. Service and non-market performance conditions 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 share-based payment expenses 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 service and non-market performance conditions are reviewed at each reporting date to ensure they reflect current expectations.

Cash-settled share-based payments

The Group also operates cash-settled compensation plans in which certain employees of the Group participate. These awards entitle the participants to cash payments based on a relevant share price. The fair value of the cash-settled instruments is measured by reference to the fair value of the underlying shares using appropriate valuation models and assumptions, taking into account the terms and conditions upon which the instruments were granted.

The grant date fair value of the cash-settled instruments is recognised as share-based payment expenses 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 instruments, to reflect the potential outflow of cash resources to settle the liability, with a corresponding adjustment to the share-based payment expense. Vesting assumptions for service and non-market performance conditions are reviewed at each reporting date to ensure they reflect current expectations.

The Group also issued cash-settled instruments to black economic empowerment (BEE) shareholders in terms of the Rustenburg operation acquisition. The fair value of these instruments are determined using appropriate valuation models and assumptions, taking into account the terms and conditions upon which the instruments were granted. At each reporting date, the obligation is remeasured to the fair value of the instruments, to reflect the potential outflow of cash resources to settle the liability. There are no vesting conditions and fair value changes are recognised as part of gains or losses on financial instruments in profit or loss.

Modifications to share-based payment schemes

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 2020

6.1 Equity-settled share-based payments – Sibanye-Stillwater

On 21 November 2012, the shareholders of Sibanye-Stillwater approved the adoption of the Sibanye Gold Limited (SGL) 2013 share plan (2013 Share Plan) with effect from the date of the listing of SGL. The 2013 Share Plan provided for two methods of participation, namely Bonus Shares and Performance Shares. This plan sought to attract, retain, motivate and reward participating employees on a basis which seeks to align the interest of such employees with those of the shareholders. On 23 May 2017, the shareholders of Sibanye-Stillwater approved the adoption of the Sibanye-Stillwater 2017 share plan (2017 Share Plan) on essentially similar terms to the previous 2013 Share Plan. At the annual general meeting on 30 May 2018, the directors of Sibanye-Stillwater were authorised to issue and allot all or any of such shares required for the 2017 Share Plan, up to a maximum not exceeding 86,748,850 shares. Under the 2017 Share Plan, an individual participant's awards were limited to an aggregate 8,674,885 shares. From the implementation of the Scheme (refer note 26), any awards vesting under the equity-settled share plans are settled in the Company's shares. The 2017 Share Plan was replaced by the 2020 cash-settled plan (2020 Share Plan) for all awards issued from March 2020 (refer note 6.3).

Bonus Shares – as part of the short-term incentive

The Remuneration Committee makes an annual award of Bonus Shares to eligible participants as a share-based component of the short-term incentive scheme, with the last awards granted in 2019.

The total annual bonus was determined by reference to the actual performance ratings of individuals against predetermined targets for the preceding cycle and comprised of cash plus the face value of restricted Bonus Shares in the ratio of 60:40.

In other words, 40% of the annual bonus was awarded using the Company's shares as the "currency", as opposed to cash, access to which is deferred. As such, the Bonus Shares vest in two equal tranches, nine months and 18 months after the award date. Except for the right to dispose of the shares, participants have full shareholder rights in the unvested Bonus Shares during the restricted period, including the right to receive dividends.

The number of shares awarded is determined by dividing the face value of the Bonus Shares portion of the annual bonus by the volume-weighted average price (VWAP) of the Company's shares over the three days immediately prior to the award date.

Performance Shares – for the long-term incentive

The Remuneration Committee made an annual award of Performance Shares to eligible participants as part of its long-term incentive scheme. The last of these awards were granted in 2019. The number of Performance Shares awarded to an employee was based on the employee's annual guaranteed pay and job grade combined with a factor related to the employee's assessed performance rating for the prior year and using the relevant share price calculation (as for the Bonus Shares) at the award date, with ultimate vesting of those awards subject to performance conditions as approved by the Remuneration Committee.

With effect from March 2016, in respect of the award of Performance Shares at that time and at any time thereafter (subject to any future agreed changes), an updated methodology was approved by the Remuneration Committee regarding the performance conditions applicable to the determination of the amount of Performance Shares that will vest at the end of the vesting period (which is three years from the date of the award).

Essentially, the number of shares that vest depends on the extent to which Sibanye-Stillwater has performed over the intervening three year period relative to two performance criteria, Total Shareholder Return (TSR) and Return on Capital Employed (ROCE). These are among the most widely acceptable vesting performance measures suited to aligning the outcome of long-term share incentive awards with shareholders' interests.

In addition, at the sole discretion of the Remuneration Committee, up to 20% of the determined number of vesting shares using the two performance criteria is liable to forfeiture in the event of any extreme environmental, social, and governance (ESG) incidents occurring during the vesting period.

The number of the Performance Shares awarded that will finally vest three years after the award will range between 0% and 100% dependent on the extent to which the two performance criteria have been met and whether the Remuneration Committee has applied its further discretion to reduce the award on the basis mentioned above.

The details of these two performance conditions are provided below.

Total Shareholder Return (TSR) – 70% Weighting

TSR has been widely recognised as an appropriate indicator of shareholder value creation. It is used extensively internationally and increasingly in South Africa, sometimes as a single metric but most often as one of two or three weighted performance metrics. In some company share plans, an absolute target is set, but more often it is referenced in relation to the company's share price relative to those of a group of peers or 'comparator companies'.

In Sibanye-Stillwater's case, the TSR element is measured against a benchmark of eight peer group mining and resource companies that can be deemed to collectively represent an alternative investment portfolio for Sibanye-Stillwater's shareholders (Peer Group). The Peer Group comprises similar market capitalisation companies that are reflective of the expected positioning of Sibanye-Stillwater over the medium term as a value driven multi-commodity resources company with a specific focus on gold and platinum.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

The Peer Group is set out in the table below.

Peer group companies for TSR comparison
AngloGold Ashanti Limited
Anglo American Platinum Limited
Gold Fields Limited
Impala Platinum Holdings Limited
Northam Platinum Limited
Exxaro Resources Limited
Harmony Gold Mining Company Limited
African Rainbow Minerals Limited

Sibanye-Stillwater's TSR over the vesting period is compared with the Peer Group TSR curve constructed on a market capitalisation weighted basis in the following manner. The annualised TSR over the vesting period (TSR_{ANN}) is determined for each of the companies in the Peer Group. The Peer Group companies are sorted from lowest to highest TSR_{ANN} . The average market capitalisation based on daily closing price is determined for each company, and each peer company is assigned its proportion of the overall average market capitalisation of the Peer Group. The peer company TSR curve is plotted at the midpoint of each company's percentage of Peer Group market capitalisation on a cumulative basis above the worse performing companies in the Peer Group. In the event that one or more of the peer companies become ineligible for comparison, a peer company curve based on the companies remaining in the Peer Group is utilised.

The cumulative position of Sibanye-Stillwater's TSR_{ANN} is then mapped onto the TSR curve for the Peer Group to determine the percentile at which Sibanye-Stillwater performed over the vesting period. The performance curve governing vesting is set out in the table below with linear interpolation applied between the indicated levels.

TSR element of performance conditions	% vesting
Percentile on peer group TSR curve	
0%	0%
10%	0%
20%	0%
30%	5%
40%	20%
50%	35%
60%	55%
70%	75%
80%	90%
90%	100%
100%	100%

Return On Capital Employed (ROCE) – 30% Weighting

ROCE is a profitability metric that measures how efficiently a company generates profits from its capital employed. There is an increased focus on measuring the returns earned by businesses on the capital deployed by shareholders over and above the steady low risk returns typically available on financial markets.

For Sibanye-Stillwater, ROCE is evaluated against the company's cost of equity (K_e). A minimum threshold on the performance scale for ROCE is set as equaling the cost of equity, K_e , which would lead to the ROCE element contributing 0% towards the performance condition. Delivering a return that exceeds K_e by 6% or more would be regarded as a superior return representing the maximum 100% on the performance scale and full vesting in respect of the ROCE element. The performance curve governing vesting is set out in the table below, with linear interpolation between the indicated levels.

ROCE element of performance condition	% vesting
Annual ROCE	
$\leq K_e$	0.0%
$K_e + 1\%$	16.7%
$K_e + 2\%$	33.3%
$K_e + 3\%$	50.0%
$K_e + 4\%$	66.7%
$K_e + 5\%$	83.3%
$K_e + 6\%$	100.0%

The overall vesting is determined by applying the TSR performance condition to 70% of awarded shares element and the ROCE performance condition to 30% of awarded shares – plus any further discretionary reduction in the award based on the Remuneration Committee's judgement regarding ESG issues mentioned above.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

Valuation model and inputs

A Monte Carlo Simulation model was used to value equity-settled share-based payment awards. The inputs to the valuation model for share awards granted were as follows:

Performance shares			MONTE CARLO SIMULATION			
2018	2019	2020		2020	2019	2018
			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) %	n/a	n/a	50.35
55.71	54.82	n/a	Expected term (years)	n/a	n/a	n/a
3	3	n/a	Expected term (months)	n/a	9 - 18	9 - 18
n/a	n/a	n/a	Expected dividend yield %	n/a	-	2.14 / 2.30
3.64	1.22	n/a	Weighted average three-year risk-free interest rate (based on SA interest rates) %	n/a	7.06 / 7.07	6.87 / 6.77
6.90	7.19	n/a	Weighted average fair value	n/a	15.58	11.43
6.86	11.17	n/a				

Share awards granted, exercised and forfeited under the 2017 Share Plan

Performance shares			MONTE CARLO SIMULATION			
2018	2019	2020	Number of instruments	2020	2019	2018
12,953,888	48,535,348	68,236,442	Outstanding at beginning of the year	2,582,489	3,269,210	-
			Movement during the year:			
41,103,872	30,512,439	-	Granted during the year	-	3,994,507	5,977,437
(1,457,586)	-	(1,005,668)	Vested	(2,541,680)	(5,823,174)	(2,348,445)
(4,064,826)	(10,811,345)	(4,633,349)	Forfeited	(40,809)	1,141,946	(359,782)
48,535,348	68,236,442	62,597,425	Outstanding at end of the year	-	2,582,489	3,269,210

Share awards granted, exercised and forfeited under the 2013 Share Plan

Performance shares			MONTE CARLO SIMULATION			
2018	2019	2020	Number of instruments	2020	2019	2018
19,379,386	15,215,982	11,157,460	Outstanding at beginning of the year	-	-	446,469
			Movement during the year:			
-	-	-	Granted during the year	-	-	-
(2,523,162)	(467,017)	(5,055,647)	Vested	-	-	(415,579)
(1,640,242)	(3,591,505)	(6,101,813)	Forfeited	-	-	(30,890)
15,215,982	11,157,460	-	Outstanding at end of the year	-	-	-

Directors and prescribed officers' equity-settled instruments

The directors and prescribed officers of Sibanye-Stillwater held the following equity-settled instruments in the above 2017 Share Plan and 2013 Share Plan at 31 December 2020:

	2019 ¹ Instruments granted		Equity-settled instruments exercised during the year			Instruments forfeited	2020
	Number of instruments	Number of instruments	Number of instruments	Average price	Share proceeds (rand) ²	Number of instruments	Number of instruments
Executive directors							
Neal Froneman ³	9,647,563	-	827,687	38.78	32,095,618	1,452,461	7,367,415
Charl Keyter	4,689,446	-	416,220	38.22	15,909,215	736,054	3,537,172
Prescribed officers							
Chris Bateman ⁴	3,976,014	-	1,055,727	52.51	55,433,322	2,092,683	827,604
Shadwick Bessit	1,928,857	-	214,249	37.45	8,024,436	394,887	1,319,721
Hartley Dikgale ⁵	2,155,964	-	833,284	33.46	27,882,245	1,322,680	-
Dawie Mostert	2,462,548	-	236,036	38.11	8,996,232	419,915	1,806,597
Themba Nkosi	2,163,196	-	221,755	37.65	8,350,171	395,503	1,545,938
Wayne Robinson	2,579,947	-	260,536	37.81	9,850,640	471,210	1,848,201
Richard Stewart	2,957,219	-	302,063	37.26	11,253,941	562,512	2,092,644
Robert van Niekerk	3,924,717	-	313,281	38.28	11,990,926	633,725	2,977,711

¹ Prior to the implementation of the Scheme, the share awards were issued and settled by SGL. From 24 February 2020, all share awards are settled by the Company. No new equity-settled instruments were issued during 2020. The 2019 number of instruments reflects the take-on instruments at 24 February 2020 when the Company became the settling entity

² Amounts represent earnings taxable in the hands of the participants. These were calculated by taking vesting date closing share prices of the Company multiplied by the number of vested units

³ Numbers include American Depositary Receipts (ADRs) and JSE listed shares and as a result of the dual service contract

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

⁴ Share proceeds were calculated by converting the US dollar amounts at an average exchange rate of R16.46/US\$ for the year ended 31 December 2020. Chris Bateman ceased performing a prescribed officer role on 6 September 2020

⁵ Ceased performing a prescribed officer role on 31 March 2020

6.2 Equity-settled share-based payments - DRDGOLD

On 2 December 2019, the shareholders of DRDGOLD approved a new equity-settled long-term incentive scheme (New DRDGOLD LTI Scheme) to replace the cash-settled long-term incentive scheme established in November 2015. Under the New DRDGOLD LTI Scheme, qualifying employees are awarded conditional shares on an annual basis, comprising performance shares (80% of the total conditional shares awarded) and retention shares (20% of the total conditional shares awarded). Conditional shares will vest 3 years after grant date and will be settled in the form of DRDGOLD shares at a zero-exercise price.

The first grant was made on 2 December 2019 and will vest in two tranches, 50% on the 2nd anniversary and the remaining 50% on the 3rd anniversary of the grant date respectively, provided the employee is still within the employment of DRDGOLD until the respective vesting dates.

The key conditions of the December 2019 grant made under the long-term incentive scheme are:

- Retention shares: 100% of the retention shares will vest if the employee remains in the employ of DRDGOLD at vesting date and individual performance criteria are met.
- Performance shares: Vesting is dependent on a total shareholder return measure referencing DRDGOLD's weighted average cost of capital and considering a peer group of companies.

6.3 Cash-settled share-based payments – Sibanye-Stillwater

2020 Share Plan

With effect from the March 2020 remuneration cycle, long-term incentive awards are made on a cash-settled basis rather than equity-settled. This includes awards of both Forfeitable Share Units (FSUs) and Conditional Share Units (CSUs) (previously referred to as Bonus Shares and Performance Shares awards under the equity-settled schemes).

Apart from the change in manner of settlement to cash, the terms and conditions of the awards, including all vesting conditions, are the same as the 2017 Share Plan applicable to previous cycles. The FSUs have the same terms as the previous Bonus Shares and CSUs have the same terms as the previous Performance Shares. The value of the cash settlement is therefore the same as the value of the shares that would have vested according to the rules in previous arrangements. Existing unvested equity-settled awards under the 2017 Share Plan remain unchanged and will be settled in the Company's shares to the extent that they vest.

At each reporting date, on vesting date and on settlement date, the liability for the cash payment relating to the FSUs and CSUs awarded is measured/remeasured at fair value. Similar to the equity-settled schemes, fair value is determined using a Monte Carlo Simulation model, with key inputs including the Company's share price, risk free rate, dividend yield and volatility.

Awards granted, exercised and forfeited under the 2020 Share Plan

<i>Conditional Share Units</i>				<i>Forfeitable Share Units</i>		
2018	2019	2020	Number of units	2020	2019	2018
-	-	-	Outstanding at beginning of the year	-	-	-
-	-	-	Movement during the year:			
-	-	16,199,788	Granted during the year	1,985,819	-	-
-	-	(10,891)	Vested	(965,294)	-	-
-	-	(868,913)	Forfeited	(70,305)	-	-
-	-	15,319,984	Outstanding at end of the year	950,220	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

Conditional Share Units			MONTE CARLO SIMULATION				Forfeitable Share Units		
2018	2019	2020					2020	2019	2018
-	-	70.10	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) %				n/a	-	-
-	-	3	Expected term (years)				n/a	-	-
-	-	36.0	Expected term (months)				9 - 18	-	-
-	-	7.82	Expected dividend yield (USA/SA) %				12.92/6.66	-	-
-	-	3.62	Risk-free interest rate (USA/SA) %				0.14/3.40	-	-
-	-	R60.0	Weighted average share price (ADR/JSE)				US\$15.89/R60	-	-
-	-	40.38	Weighted average fair value (SA rand)				67.72	-	-

Directors and prescribed officers' cash-settled instruments

The directors and prescribed officers of Sibanye-Stillwater held the following cash-settled instruments in the above 2020 Share Plan as at 31 December 2020:

	2019 Instruments granted		Cash-settled instruments exercised during the year			Instruments forfeited	2020
	Number of instruments	Number of instruments	Number of instruments	Average price	Cash proceeds (rand) ¹	Number of instruments	Number of instruments
Executive directors							
Neal Froneman ²	-	1,736,343	102,710	57.20	5,875,151	-	1,633,633
Charl Keyter	-	776,882	47,734	55.85	2,666,087	-	729,148
Prescribed officers							
Chris Bateman ³	-	790,804	83,596	54.28	4,537,327	672,288	34,920
Shadwick Bessit	-	489,363	31,085	55.85	1,736,190	-	458,278
Hartley Dikgale ⁴	-	240,241	5,103	22.65	115,558	233,492	1,646
Dawie Mostert	-	431,942	26,844	55.85	1,499,318	-	405,098
Themba Nkosi	-	349,669	23,170	55.85	1,294,114	-	326,499
Wayne Robinson	-	419,040	28,103	55.85	1,569,637	-	390,937
Richard Stewart	-	434,990	27,033	55.85	1,509,874	-	407,957
Laurent Charbonnier ⁵	-	138,895	-	-	-	-	138,895
Lerato Legong ⁶	-	148,362	-	-	-	-	148,362
Robert van Niekerk	-	698,830	43,656	55.85	2,438,319	-	655,174

¹ Amounts represents pre-tax earnings paid to participants. For South African participants, these amounts were calculated by taking the Company's VWAP share price on vesting date multiplied by the number of vested units. Chris Bateman's proceeds were calculated by taking the Company's closing ADR share prices on day prior to vesting multiplied by the number of units vested

² Numbers include ADRs and JSE listed shares as a result of the dual service contract

³ Share proceeds were calculated by converting the US dollar amounts at an average exchange rate of R16.46/US\$ for the year ended 31 December 2020. Chris Bateman ceased performing a prescribed officer role on 6 September 2020

⁴ Ceased performing a prescribed officer role on 31 March 2020

⁵ Assumed a prescribed officer role on 16 November 2020

⁶ Assumed a prescribed officer role on 1 September 2020

6.4 Cash-settled share-based payments - DRDGOLD

DRDGOLD's outgoing cash-settled long-term incentive scheme (Cash-settled LTI Scheme) consisted of a grant made in November 2015 with a finite term of 5 years. No top-up awards were made as the awards vested. The awards were issued at an exercise price of nil and vested in three tranches of 20%, 30% and 50% on the 3rd, 4th and 5th anniversaries respectively, subject to individual service and performance conditions being met. The awards were settled at the 7 day volume weighted average price of the DRDGOLD share. The last tranche of the November 2015 grant vested during November 2020. The outgoing Cash-settled LTI Scheme was replaced by the New DRDGOLD LTI Scheme (refer 6.2 above).

6.5 Cash-settled share-based payments – Rustenburg BEE transaction

In terms of the Rustenburg operation transaction, a 26% equity stake in SRPM was acquired by the BBBEE SPV (the Rustenburg BEE Transaction) by a vendor financed facility from Sibanye Platinum Proprietary Limited (Sibanye Platinum), on the following terms:

- Interest at up to 0.2% above Sibanye-Stillwater's highest cost of debt. Once the capped amount is reached, interest ceases to accrue so that the capped amount is not exceeded. However, once the facility reduces below R3.5bn, interest starts to accrue again;
- Post payment of the annual Deferred Payment to Rustenburg Platinum Mines Limited (RPM) and in respect of any repayment by SRPM of shareholder loans or the distribution of dividends, 74% will be paid to Sibanye Platinum and 26% to BBBEE SPV;

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

- Of the 26% payment to BBBEE SPV, 85% will be used to service the facility owing by BBBEE SPV to Sibanye Platinum;
- The remaining 15% of any such payment or 100%, once the facility owing by BBBEE SPV to Sibanye Platinum is repaid, will be declared by BBBEE SPV as a dividend to the BBBEE SPV shareholders; and
- The facility will be capped at R3,500 million.

The IFRS 2 expense is based on 44.8% of the 26% interest relating to Bakgatla-Ba-Kgafela Investment Holdings and Siyanda Resources Proprietary Limited, as the Rustenburg Mine Community Trust and Rustenburg Mine Employees Trust are controlled and consolidated by Sibanye-Stillwater. The 44.8% interest was based on the expected discounted future cash flows of the expected PGM reserves and costs to extract the PGMs.

6.6 Cash-settled share-based payments obligations

The following table shows a reconciliation of the cash-settled share-based payment award obligation of the Group for the year ended 31 December 2020:

Figures in million - SA rand	Note	2020	2019	2018
Share-based payment on Rustenburg BEE transaction		1,468.5	1,367.6	149.7
Employee cash-settled share-based payment plans		159.9	57.5	76.0
Balance at end of the year		1,628.4	1,425.1	225.7
Reconciliation of the share-based payment obligations				
Balance at beginning of the year		1,425.1	225.7	434.5
Cash-settled share-based payments expense ¹		353.4	73.0	17.7
Fair value loss/(gain) on obligations ²	7	128.6	1,217.9	(249.9)
Cash-settled share-based payments paid ³		(274.5)	(90.9)	(21.7)
Share-based payment obligation on acquisition of subsidiary		-	-	45.1
Foreign currency translation		(4.2)	(0.6)	-
Balance at end of the year		1,628.4	1,425.1	225.7
Reconciliation of the non-current and current portion of the share-based payment obligation:				
Cash-settled share-based payment obligations		1,628.4	1,425.1	225.7
Current portion of cash-settled share-based payment obligations		(33.1)	(82.1)	(56.8)
Non-current portion of cash-settled share-based payment obligations		1,595.3	1,343.0	168.9

¹ Included in the amount is a share-based payment expense for the year ended 31 December 2020 related to cash-settled share-based payment schemes of Stillwater of R0.7 million (31 December 2019 and 31 December 2018: R8.9 million and R14.5 million, respectively) and DRDGOLD Limited of R127.8 million (31 December 2019 and 31 December 2018: R64.1 million and R3.2 million, respectively). The remainder of the expense relates to the new 2020 cash-settled share-based payment awards of the Group

² The fair value adjustment relates to the Rustenburg BEE Transaction and is included in the loss on financial instruments in profit or loss

³ Payments made during the year relate to vesting of cash-settled awards to employees and payments made on the Rustenburg BEE Transaction as well as the vesting of the last tranche of the November 2015 grant relating to DRDGOLD

6.7 Share-based payment expenses

Share based payment expenses for the year consisted of the following:

Figures in million - SA rand	Notes	2020	2019	2018
Sibanye-Stillwater 2020 Share Plan (cash-settled scheme)	6.3	(225.9)	-	-
Sibanye-Stillwater 2017 Share Plan (equity-settled scheme)	6.1	(145.2)	(194.4)	(139.2)
Sibanye-Stillwater 2013 Share Plan (equity-settled scheme)	6.1	-	(95.9)	(142.5)
Stillwater (cash-settled scheme)		(0.7)	(8.9)	(14.5)
DRDGOLD (equity-settled scheme)	6.2	(12.8)	-	-
DRDGOLD (cash-settled scheme) ¹	6.4	(127.8)	(64.1)	(3.2)
Total share-based payment expense		(512.4)	(363.3)	(299.4)
Reconciliation of the cash-settled and equity-settled share-based payment expense:				
Cash-settled share-based payment expense ²		(354.4)	(73.0)	(17.7)
Equity-settled share-based payment expense		(158.0)	(290.3)	(281.7)
Total share-based payment expense		(512.4)	(363.3)	(299.4)

¹ The DRDGOLD share-based payment expense represents a cash-settled long-term incentive scheme in which phantom shares were issued. The increase in expense relates mainly to the remeasurement of the cash-settled liability over the vesting period and an increase in the seven day volume weighted average price of the DRDGOLD share price

² Included in the cash-settled share-based payment expense is grant date fair value movements of R120.3 million and fair value movements after grant date of R232.4 million

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

7. (Loss)/gain on financial instruments

Figures in million - SA rand	Notes	2020	2019	2018
Fair value loss on gold hedge contracts ¹		(457.6)	(110.1)	(180.6)
Fair value gain on palladium hedge contract ²		36.1	-	-
Fair value (loss)/gain on derivative financial instrument	28.5	(70.2)	(3,911.5)	678.1
Fair value (loss)/gain on cash-settled share-based payment obligations (Rustenburg BEE transaction)	6.6	(128.6)	(1,217.9)	249.9
(Loss)/gain on the revised cash flow of the Deferred Payment	22.2	(2,081.0)	(724.1)	150.6
Gain/(loss) on the revised cash flow of the Burnstone Debt	28.6	264.3	(96.6)	804.6
Fair value gain on foreign currency hedge		-	-	25.3
Other		(13.3)	45.1	(23.8)
Total (loss)/gain on financial instruments		(2,450.3)	(6,015.1)	1,704.1

¹ At the end of 2017 and during 2018, Sibanye-Stillwater began a hedging program for SGL and Rand Uranium Proprietary Limited by entering into commodity hedging contracts. The contracts comprise gold zero cost collars which establish a minimum (floor) and maximum (cap) gold sales price. On 9 March 2020, Sibanye-Stillwater concluded a gold hedge agreement which commenced on 1 April 2020, comprising the delivery of 1,800 kilograms of gold (150 kilograms per month) with a zero cost collar which establishes a minimum floor of R800,000 per kilogram and a maximum cap of R1,080,000 per kilogram. For the year ended 31 December 2020, there was a realised loss of R525.9 million (2019: R284.6 million, 2018: gain of R76.9 million) and unrealised gain of R68.3 million (2019: R174.5 million, 2018: loss of R257.5 million). As hedge accounting is not applied, resulting gains or losses are accounted for as gains or losses on financial instruments in profit or loss

² On 17 January 2020, Stillwater Mining Company (wholly owned subsidiary of Sibanye-Stillwater) concluded a palladium hedge agreement which commenced on 28 February 2020, comprising the delivery of 240,000 ounces of palladium over two years (10,000 ounces per month) with a zero cost collar which establishes a minimum and a maximum cap of US\$1,500 and US\$3,400 per ounce, respectively. For year ended 31 December 2020, the unrealised gain was R36.1 million. As hedge accounting is not applied, resulting gains or losses are accounted for as gains or losses on financial instruments in profit or loss

8. Other costs and other income

8.1 Other costs

Figures in million - SA rand	2020	2019	2018
Care and maintenance	(814.4)	(765.9)	(576.5)
Change in estimate of environmental rehabilitation obligation, and right of recovery receivable and payable	-	(88.9)	66.6
Loss due to dilution of interest in joint operation	(30.2)	-	-
Non-recurring COVID-19 costs	(97.0)	-	-
Corporate and social investment costs	(257.8)	(149.9)	(70.1)
Cost incurred on employee and community trusts	(507.8)	(50.3)	-
Exploration costs	(33.0)	(10.7)	-
Non-mining royalties	(193.4)	(87.5)	(104.7)
Strike related costs	(0.6)	(402.3)	(31.7)
Service entity costs	(501.1)	(403.7)	(193.6)
Other	(291.6)	(351.2)	(105.4)
Total other costs	(2,726.9)	(2,310.4)	(1,015.4)

8.2 Other income

Figures in million - SA rand	2020	2019	2018
Income on settlement of legal dispute ¹	580.0	-	-
Change in estimate of environmental rehabilitation obligation, and right of recovery receivable and payable	464.1	-	-
Service entity income	382.9	263.8	296.5
Sundry income	230.4	220.4	13.7
Total other income	1,657.4	484.2	310.2

¹ The income of R580.0 million relates to the settlement of a legal dispute concerning a historical transaction

9. Restructuring cost

Restructuring costs of R436.2 million (2019: R1,252.4 million, 2018: R142.8 million) were incurred in 2020 and included voluntary separation packages. The restructuring costs mainly related to the SA gold operations and the Marikana operations, which amounted to R108.1 million (2019: R357 million, 2018: R14.2 million) and R271.4 million (2019: R867 million, 2018: Rnil) respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

10. Reversal of impairments/(impairments)

Figures in million - SA rand	Notes	2020	2019	2018
Impairment of property, plant and equipment	14	(0.5)	(5.1)	(2,603.3)
Impairment of goodwill	17	-	(54.3)	(436.3)
Reversal of impairment/(impairment) of equity-accounted investee		119.6	(12.3)	-
Other reversal of impairment		2.3	-	-
Impairment of loan to equity-accounted investee		-	(14.3)	(1.8)
Total reversal of impairments/(impairments)		121.4	(86.0)	(3,041.4)

31 December 2020

Reversal of impairment on investment in Rand Refinery Proprietary Limited (Rand Refinery)

Historically recognised impairment of the Group's investment in the equity-accounted Rand Refinery amounting to R119.6 million was reversed at 31 December 2020 due to improvement in the investees financial position and forecasted return to stable dividend payments. The investment in Rand Refinery is accounted for in the SA gold corporate segment.

31 December 2019

Impairment of Qinisele Resources

The goodwill that arose on the acquisition of Qinisele Resources cannot be attributed to any current Sibanye-Stillwater operating cash generating units (refer note 16.3). Qinisele Resources will perform an internal corporate function, mostly responsible for identifying, assessing and executing corporate actions. The business acquired will not generate external cash flows and has no future external mandates. Due to the factors mentioned, the recoverable amount of goodwill resulting from the application of IFRS 3 has been calculated at zero and fully impaired at year-end.

31 December 2018

Impairment of Driefontein, Kloof and Beatrix mining assets and goodwill

Ore body constraints, above inflation electricity price and wage increases at the SA gold operations have impacted the sustainability of certain shafts and resulted in these shafts being marginal to loss making. Ongoing efforts to restore these to profitability have proven to be unsuccessful. These profitability challenges were compounded during 2018 by operational disruptions, including the interruption of Eskom power at the Beatrix operations in February and seismic events at Driefontein and Kloof which affected access to mining areas, thereby impacting operational flexibility. Ongoing losses experienced at the Driefontein and Beatrix operations negatively affected group cash flow as well as the sustainability and economic viability of other operations in the SA region. As a result a decision was taken during the six months ended 31 December 2018, to impair the mining assets of and goodwill allocated to Driefontein by R2,171.8 million and R166.9 million, respectively, goodwill allocated to Kloof by R165.5 million, and mining assets of and goodwill allocated to Beatrix by R166.9 million and R103.9 million, respectively. These impairments were based on the estimated fair value less cost to sell over the life of mine calculated as expected discounted cash flows from the expected gold reserves and costs to extract the gold.

Impairment of Burnstone mine development assets

The development of the Burnstone project was initially deferred to 2020 and as a result a decision was taken at 31 December 2018 to impair the mine development assets of Burnstone by R193.6 million. This impairment was based on the estimated fair value less cost to sell based on the life of mine calculating the discounted cash flows from the expected gold reserves and costs to extract the gold. As at 31 December 2020, work associated with the development of the project is planned to commence during 2021 and the impairment assessment at year-end was updated to reflect the expected timing of this project.

11. Royalties, mining and income tax, and deferred tax

Significant accounting judgements and estimates

The Group is subject to income tax in South Africa, Zimbabwe, the United Kingdom (UK) and the US. Significant judgement is required in determining the liability for income tax 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 the best estimates of whether additional taxes will be due. The Group reassesses its judgements and estimates if facts and circumstances change. Where the facts and circumstances change or when the final tax outcome of these matters are 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 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 tax assets requires the Group to make significant

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

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. 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 Group's gold 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 or substantively 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, Zimbabwe, the UK and the US could limit the ability of the Group to obtain tax deductions in future periods.

Accounting policy

Income tax 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 and is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Deferred tax is provided on temporary differences existing at each reporting date between the tax values of assets and liabilities and their carrying amounts and reflects uncertainty related to income taxes, if any. Enacted and substantively enacted tax rates are used to determine future anticipated effective tax rates which in turn are used in the determination of deferred tax.

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 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, and interests in associates and joint ventures to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that these will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but 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.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be utilised.

11.1 Royalties

Revenue from mineral resources in South Africa are subject to the Mineral and Petroleum Resource Royalty Act 2008 (Royalty Act). 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 and unrefined minerals (which include gold refined to 99.5% and above, and PGMs) is calculated by dividing earnings before interest and taxes (EBIT) by the product of 12.5 times, in respect of refined, and 9 times, in respect of unrefined, 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% of mining revenue has been introduced on refined minerals and 7% on unrefined minerals. The effective rate of royalty tax payable for the year ended 31 December 2020 was approximately 0.5% (2019: 0.4% and 2018: 0.5%) of revenue at the SA gold operations and 3.0% (2019: 1.3% and 2018: 1.1%) of revenue at the SA PGM operations.

Figures in million - SA rand	2020	2019	2018
Current charge	(1,767.8)	(431.0)	(255.5)
SA gold royalties	(142.3)	(73.7)	(93.5)
SA PGM royalties	(1,625.5)	(357.3)	(162.0)
Prior year royalty tax refund	2.8	-	42.9
Total royalties	(1,765.0)	(431.0)	(212.6)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

11.2 Mining and income tax

South African statutory tax rates

Gold mining, mining and non-mining tax

Gold mining tax is determined according to a formula which takes into account the profit and revenue attributable to gold mining operations. Mining taxable income (SA PGM and SA gold) is determined after the deduction of all mining capital expenditure, with the provision 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 tax. In the gold mining tax formula, the percentage rate of tax payable and the ratio of gold mining profit, after the deduction of redeemable capital expenditure, to gold mining revenue is expressed as a percentage.

Non-mining income consists primarily of interest income, third party gold processing and rental income and is taxed at the South African company tax rate of 28%.

Company tax rate

Companies, other than gold mining companies, are subject to the maximum South African company tax rate of 28%.

US statutory tax rates

The US PGM operations are subject to tax in the states of Montana, New Jersey and Pennsylvania. During the year ended 31 December 2018, the New Jersey Governor signed a number of bills that implement numerous tax changes which affected the US PGM operations. The most significant change in the law resulted in tax being calculated together on all US entities under common control (greater than 50% ownership). As a result of contract changes, US PGM operations experienced a shift of its state tax exposure out of New Jersey, effective 15 March 2019.

Uncertainty over Income Tax treatments

SRPM:

As at 31 December 2020, certain tax principles applied by the Group with the acquisition of SRPM in 2016 were still open for review by the South African Revenue Service (SARS) following the Group's response to the letter of audit findings issued by SARS and to date no assessments have been raised. Management is of the opinion that the relevant expenses were claimed correctly, and that requested information has been supplied to SARS on a timely basis. Consultation with External Legal counsel confirmed that no material payment is anticipated.

Lonmin Management Services (LMS), South African branch of Lonmin Limited:

During January 2021, SARS issued an assessment to the Group relating to a transfer pricing audit on LMS for the years of assessment 2011-2014. Applying the same principles as those applied by SARS, a further exposure could exist for subsequent years of assessment. Management is of the opinion that the basis on which the deductions under consideration were claimed was correct and will follow due process with SARS in objecting to the assessment. No material payment is anticipated.

Mining and income tax

The components of mining and income tax are the following:

Figures in million - SA rand	Note	2020	2019	2018
Current tax		(5,374.3)	(1,848.7)	(95.3)
Mining tax		(4,442.1)	(1,363.9)	(36.8)
Non-mining tax		68.0	3.1	(57.6)
Company and capital gains tax		(1,000.2)	(487.9)	(0.9)
Deferred tax	11.3	516.1	3,581.7	(988.5)
Deferred tax charge		570.1	2,030.7	306.7
Deferred tax rate adjustment ¹		(54.0)	1,551.0	(1,295.2)
Total mining and income tax		(4,858.2)	1,733.0	(1,083.8)

¹ The deferred tax rate adjustment in South Africa and the US was:

Figures in million - SA rand	2020	2019	2018
South Africa	(54.0)	(23.1)	249.5
United States	-	1,574.1	(1,544.7)
Deferred tax rate adjustment	(54.0)	1,551.0	(1,295.2)

The change in the estimated long term deferred tax rate, as a result of applying the mining tax formula at the SA gold operations, at which the temporary differences will reverse amounted to a deferred tax charge of R54.0 million for the year ended 31 December 2020 (2019: charge of R23.1 million and 2018: benefit of R249.5 million)

During year ended 31 December 2018, the New Jersey Governor signed a number of bills that implement numerous tax changes which affected the US PGM operations. The most significant change in the law resulted in tax being calculated together on all US entities under common control (greater than 50% voting ownership). This resulted in an increase in the estimated deferred tax rate relating to the US PGM operations and a deferred tax charge of R1,544.7 million (US\$107.7 million) during 31 December 2018. With contract changes during 2019, the US PGM operations experienced a shift of its state tax exposure out of New Jersey state resulting in a deferred tax rate adjustment of R1,574.1 million (benefit)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

Reconciliation of the Group's mining and income tax to the South African statutory company tax rate of 28%:

Figures in million - SA rand	2020	2019	2018
Tax on profit before tax at maximum South African statutory company tax rate (28%)	(9,934.3)	364.1	402.3
South African gold mining tax formula rate adjustment	117.7	(192.6)	(53.0)
US statutory tax rate adjustment	550.3	205.4	19.4
Non-deductible amortisation and depreciation	(14.4)	(14.7)	(21.2)
Non-taxable dividend received	21.0	2.1	15.4
Non-deductible finance expense ¹	89.4	(86.3)	(118.2)
Non-deductible share-based payments	(44.2)	(81.3)	(78.9)
Non-deductible (loss)/gain on fair value of financial instruments	(890.3)	(571.1)	136.9
Non-taxable gain on foreign exchange differences	3.1	-	250.3
Non-taxable share of results of equity-accounted investees	475.9	201.9	96.4
Non-taxable reversal of impairments/(non-deductible impairments)	33.5	(21.9)	(123.2)
Non-taxable gain on acquisition	-	308.8	-
Non-deductible transaction costs	(49.5)	(94.4)	(110.0)
Tax adjustment in respect of prior periods	133.1	12.4	51.4
Net other non-taxable income and non-deductible expenditure	257.7	533.5	121.0
Change in estimated deferred tax rate	(54.0)	1,551.0	(1,295.2)
Previously unrecognised deferred tax assets utilised/(not recognised)	4,446.8	(383.9)	(377.2)
Mining and income tax	(4,858.2)	1,733.0	(1,083.8)
Effective tax rate	13.7%	133.3%	(75.4)%

¹ The non-deductible finance expense for 31 December 2020 is presented net after the reversal of an uncertain income tax treatment amounting to R181.5 million. This represents the conclusion on the section 163(j) interest limitation provided for by the US PGM operations under IFRIC 23 Uncertainty over Income Tax Treatments as at 31 December 2019

11.3 Deferred tax

Figures in million - SA rand	Notes	2020	2019	2018
Included in the statement of financial position as follows:				
Deferred tax assets		(1,576.4)	(288.9)	(76.9)
Deferred tax liabilities		7,631.0	6,656.8	10,153.2
Net deferred tax liabilities		6,054.6	6,367.9	10,076.3
Reconciliation of the deferred tax balance:				
Balance at beginning of the year		6,367.9	10,076.3	8,319.0
Deferred tax recognised in profit or loss	11.2	(516.1)	(3,581.7)	988.5
Deferred tax recognised in other comprehensive income		6.4	-	(22.8)
Deferred tax on acquisition of subsidiaries	16.4	-	-	132.2
Foreign currency translation		196.4	(126.7)	659.4
Balance at end of the year		6,054.6	6,367.9	10,076.3

The detailed components of the net deferred tax liabilities which result from the differences between the amounts of assets and liabilities recognised for financial reporting and tax purposes are:

Figures in million - SA rand	2020	2019	2018
Deferred tax liabilities			
Mining assets	11,910.3	9,759.5	11,344.4
Environmental rehabilitation obligation funds	962.2	682.3	507.7
Other	206.7	208.7	284.7
Gross deferred tax liabilities¹	13,079.2	10,650.5	12,136.8
Deferred tax assets			
Environmental rehabilitation obligation	(1,704.0)	(1,109.2)	(989.2)
Occupational healthcare obligation	(274.8)	(333.3)	(302.7)
Other provisions	(1,144.4)	(482.4)	(442.8)
Financial instruments	(426.8)	(1,351.3)	-
Tax losses and unredeemed capital expenditure	(3,436.7)	(990.3)	(304.5)
Share-based payment obligation	(37.9)	(16.1)	(21.3)
Gross deferred tax assets^{2,3}	(7,024.6)	(4,282.6)	(2,060.5)
Net deferred tax liabilities	6,054.6	6,367.9	10,076.3

¹ The aggregate amount of temporary differences associated with investments in subsidiaries, for which no deferred tax liabilities have been recognised under the IAS 12.39 exemption at 31 December 2020, amounts to R25,955.0 million (2019: R12,075.0 million and 2018: R7,897.0 million)

² Historically, deferred tax assets in WPL and EPL were only recognised to the extent of deferred tax liabilities since it was not considered probable that taxable profit would be available against which the future tax deductions could be utilised. At 31 December 2020, management recognised deferred tax assets on WPL and EPL in excess of deferred tax liabilities for the first time since it became probable that sufficient future taxable profits will be available. In total, net deferred tax assets of R951.0 million was recognised at 31 December 2020. The deferred tax asset recognition is supported by the profit history of WPL and EPL and a positive future taxable profit outlook

³ The amount of deductible temporary differences, unused tax losses as well as unredeemed capital expenditure for which no deferred tax asset is recognised in the statement of financial position, amounted to R36,408.0 million (2019: R46,220.2 million and 2018: R27,679.6 million). Tax losses 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

one year for the South African operations. 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. In Canada, tax losses expire after 20 years

11.4 Net tax, carbon tax and royalties payable/(receivable)

Figures in million - SA rand	Notes	2020	2019	2018
Included in the statement of financial position as follows:				
Tax receivable		(148.0)	(355.1)	(483.2)
Tax, carbon tax and royalties payable		796.3	508.9	88.0
Non-current portion of tax, carbon tax and royalties payable		8.6	59.1	-
Current portion of tax, carbon tax and royalties payable		787.7	449.8	88.0
Net tax, carbon tax and royalties payable/(receivable)		648.3	153.8	(395.2)
Reconciliation of the net tax, carbon tax and royalties payable/(receivable) balance:				
Balance at beginning of the year		153.8	(395.2)	(147.9)
Royalties, carbon tax and current tax	11.1, 11.2	7,144.5	2,292.6	307.9
Royalties and tax paid		(6,524.6)	(1,818.9)	(542.2)
Royalties paid		(1,706.6)	(411.5)	(234.4)
Tax paid		(4,818.0)	(1,407.4)	(307.8)
Tax payable on acquisition of subsidiaries		-	68.7	4.4
Other		-	18.6	-
Foreign currency translation		(125.4)	(12.0)	(17.4)
Balance at end of the year		648.3	153.8	(395.2)

12. Earnings per share

Accounting policy

Headline earnings is presented as an additional earnings number allowed by IAS 33 *Earnings per Share* (IAS 33) and is calculated based on the requirements set out in SAICA Circular 1/2019 (Circular). Earnings, as determined in IAS 33, is the starting point and certain remeasurements net of related tax (current and deferred) and non-controlling interest are excluded. A remeasurement is an amount recognised in profit or loss relating to any change (whether realised or unrealised) in the carrying amount of an asset or liability that arose after the initial recognition of such asset or liability.

12.1 Basic earnings per share

Basic earnings per share (EPS) is calculated by dividing the profit or loss attributable to owners of Sibanye-Stillwater by the weighted average number of ordinary shares in issue during the year.

	2020	2019	2018
Weighted average number of shares			
Ordinary shares in issue ('000)	2,923,571	2,670,030	2,266,261
Adjustment for weighting of ordinary shares in issue ('000)	(194,680)	(162,447)	(2,404)
Weighted average number of shares ('000)	2,728,891	2,507,583	2,263,857
Profit/(loss) attributable to owners of Sibanye-Stillwater (SA rand million)	29,311.9	62.1	(2,499.6)
Basic EPS (cents)	1,074	2	(110)

12.2 Diluted earnings per share

Diluted EPS is calculated by dividing the profit attributable to owners of Sibanye-Stillwater 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 awards granted to employees under the equity-settled share-based payment schemes (refer to note 6). As at 31 December 2018, these were antidilutive. The US\$ Convertible Bond was converted during October 2020 and was antidilutive for the years ended 31 December 2020, 2019 and 2018.

	2020	2019	2018
Diluted weighted average number of shares			
Weighted average number of shares ('000)	2,728,891	2,507,583	2,263,857
Potential ordinary shares ('000)	49,061	71,371	-
Diluted weighted average number of shares ('000)	2,777,952	2,578,954	2,263,857
Diluted basic EPS (cents)	1,055	2	(110)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

12.3 Headline earnings per share

Headline EPS is calculated by dividing the headline earnings attributable to owners of Sibanye-Stillwater by the weighted average number of ordinary shares in issue during the year.

Reconciliation of profit/(loss) attributable to owners of Sibanye-Stillwater to headline earnings:

Figures in million - SA rand	Notes	Gross	Net of tax
2020			
Profit attributable to owners of Sibanye-Stillwater			29,311.9
Gain on disposal of property, plant and equipment		(98.8)	(74.0)
Reversal of impairments	10	(121.4)	(121.5)
Derecognition of property, plant and equipment in Marathon project	14	37.0	28.0
Re-measurement items, attributable to non-controlling interest			1.1
Headline earnings			29,145.5
Headline EPS (cents)			1,068
2019			
Profit attributable to owners of Sibanye-Stillwater			62.1
Gain on disposal of property, plant and equipment		(76.6)	(57.9)
Impairments	10	86.0	66.6
Impairment of equity accounted associate		21.0	21.0
Gain on acquisition	16.1	(1,103.0)	(1,103.0)
Re-measurement items, attributable to non-controlling interest			3.0
Headline earnings			(1,008.2)
Headline EPS (cents)			(40)
2018			
Loss attributable to owners of Sibanye-Stillwater			(2,499.6)
Gain on disposal of property, plant and equipment		(60.2)	(47.9)
Impairments	10	3,041.4	2,530.9
Headline earnings			(16.6)
Headline EPS (cents)			(1)

12.4 Diluted headline earnings per share

Diluted headline EPS is calculated by dividing the headline earnings attributable to owners of Sibanye-Stillwater by the diluted weighted average number of ordinary shares in issue during the year.

	2020	2019	2018
Diluted headline EPS (cents)	1,049	(40)	(1)

13. Dividends

Accounting policy

Dividends are recognised as a liability on the date on which such dividends are declared.

Dividends withholding tax is a tax on shareholders receiving dividends and is applicable to all dividends paid which are subject to dividend withholding tax based on the relevant tax requirements. The Group withholds dividend tax on behalf of its shareholders at a rate of 20% on dividends paid. Amounts withheld are not recognised as part of the Group's tax charge but rather as part of the dividend paid, recognised in equity.

Cash flows from dividends paid are classified under operating activities in the statement of cash flows.

Figures in million - SA rand	2020	2019	2018
Dividend declared and paid (interim)	1,338.1	-	-
Dividend declared after 31 December 2020 (final)	9,485.5	-	-
Total dividends declared	10,823.6	-	-
Dividend per share (interim) - cents	50	-	-
Dividend per share (final) - cents	321	-	-

Dividend policy

Sibanye-Stillwater's dividend policy is to return at least 25% to 35% of normalised earnings to shareholders and after due consideration of future requirements the dividend may be increased beyond these levels. The Board, therefore, considers normalised earnings in determining what value will be distributed to shareholders. The Board believes normalised earnings provides useful information to investors regarding the extent to which results of operations may affect shareholder returns.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

Normalised earnings is defined as earnings attributable to the owners of Sibanye-Stillwater excluding gains and losses on financial instruments and foreign exchange differences, impairments, gain/loss on disposal of property, plant and equipment, occupational healthcare expense, restructuring costs, transactions costs, share-based payment on BEE transaction, gain on acquisition, net other business development costs, share of results of equity-accounted investees, after tax, and changes in estimated deferred tax rate.

In line with Sibanye-Stillwater's strategic priority of deleveraging and the commitment to shareholder returns, the Board of Directors resolved to pay a final dividend of 321 SA cents per share. Together with the interim dividend of 50 SA cents per share, which was declared and paid, this brings the total dividend for the year ended 31 December 2020 to 371 cents per share and this amounts to a payout of 35% of normalised earnings.

Reconciliation of profit/(loss) attributable to the owners of Sibanye-Stillwater to normalised earnings:

Figures in million - SA rand	2020	2019	2018
Profit/(loss) attributable to the owners of Sibanye-Stillwater	29,311.9	62.1	(2,499.6)
<i>Adjusted for:</i>			
Loss/(gain) on financial instruments	2,450.3	6,015.1	(1,704.1)
Loss/(gain) on foreign exchange differences	255.0	(325.5)	(1,169.1)
Gain on disposal of property, plant and equipment	(98.8)	(76.6)	(60.2)
(Reversal of impairments)/impairments	(121.4)	86.0	3,041.4
Gain on acquisition	-	(1,103.0)	-
Restructuring costs	436.2	1,252.4	142.8
Transaction costs	138.6	447.8	402.5
Gain on derecognition of borrowings and derivative financial instrument	-	-	(230.0)
Occupational healthcare expense	52.3	(39.6)	15.4
Loss on BTT early settlement	186.2	-	-
Income on settlement of legal dispute	(580.0)	-	-
Loss due to dilution of interest in joint operation	30.2	-	-
Loss on settlement of US\$ Convertible Bond	1,506.7	-	-
Other	-	-	18.7
Change in estimated deferred tax rate	54.0	(1,551.0)	1,295.2
Share of results of equity-accounted investees after tax	(1,699.8)	(721.0)	(344.2)
Tax effect of the items adjusted above	(1,277.3)	(1,643.8)	(345.7)
Non-controlling interest effect of the items listed above	(36.9)	(42.7)	-
Normalised earnings¹	30,607.2	2,360.2	(1,436.9)

¹ Normalised earnings is a pro forma performance measure and is not a measure of performance under IFRS, may not be comparable to similarly titled measures of other companies, and should not be considered in isolation or as alternatives to profit before tax, profit for the year, cash from operating activities or any other measure of financial performance presented in accordance with IFRS

14. 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 (CGUs) 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 and PGM price assumptions 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

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 and PGM 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.

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 ore bodies 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, *inter alia*, on the Mineral Reserves in accordance with the South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves (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 profit or loss may change where these are calculated on the units-of production method, or where the useful 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 profit or loss 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.

Costs include the purchase price of assets used in the construction of the mine, expenditure incurred to evaluate and develop new ore bodies, as well as expenditure to define mineralisation in existing ore bodies and to establish or expand productive capacity. These costs are 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 ore bodies exploited by the Group is limited to the time span of the respective mining leases.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

Land

Land is shown at cost and is not depreciated.

Other assets

Non-mining assets are recorded at cost less accumulated depreciation and accumulated impairment losses, except for land which is not depreciated. These assets include the assets of the mining operations that are not included in mine development and infrastructure. It also includes 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 profit or loss 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 Mineral Reserves.
- 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.
- For certain shafts, which have a short life and/or are marginal, the depreciation is accelerated based on an adjustment to the reserves for accounting purposes.

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: 5 years
- Computers: 3 years
- Furniture and equipment: 1 - 10 years

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 CGUs 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 CGU.

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 or loss. Impairment recognised in respect of a CGU is allocated first to goodwill to that particular CGU and thereafter 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 or loss.

When the review of the events or changes in circumstances of an asset or CGU that was previously impaired indicate that such historical carrying value is recoverable, the impairment is reversed. The impairment is only reversed to such an amount that the new carrying amount does not exceed what the historical carrying amount would have been should the asset not have been impaired. Reversal of impairment losses are recognised in profit or loss. Reversal of impairment recognised in respect of a CGU is allocated to the individual assets in the CGU.

Derecognition of property, plant and equipment

Property, plant and equipment is derecognised on disposal or closure of a shaft when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of 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 or loss.

Exploration and evaluation expenditure

All exploration and evaluation expenditure, prior to obtaining the legal rights to explore a specific area, is recognised in profit or loss. After the legal rights to explore are obtained, exploration and evaluation expenditure, comprising the costs of acquiring prospecting rights and

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

directly attributable exploration expenditure, is capitalised as a separate class of property, plant and equipment or intangible assets, on a project-by-project basis, pending determination of the technical feasibility and commercial viability.

The technical feasibility and commercial viability of extracting a mineral resource is generally considered to be determinable through a feasibility study and when proven reserves are determinable to exist. Upon determination of proven reserves, exploration and evaluation assets attributable to those reserves are first tested for impairment and then reclassified from exploration and evaluation assets to another appropriate class of property, plant and equipment. Subsequently, all cost directly incurred to prepare an identified mineral asset for production is capitalised to mine development assets. Amortisation of these assets commences once these assets are available for use, which is expected to be when the mine is in commercial production. These assets will be measured at cost less accumulated amortisation and impairment losses.

Figures in million - SA rand	Notes	Total	Mine development, infrastructure and other	Land, mineral rights and rehabilitation	Exploration and evaluation assets
2020					
Cost					
Balance at beginning of the year		107,285.1	82,046.6	23,209.5	2,029.0
Additions ¹		9,711.7	9,656.1	14.2	41.4
Change in estimates of rehabilitation assets ²		(383.9)	(108.2)	(270.3)	(5.4)
Disposals		(62.9)	(42.5)	(20.4)	-
Derecognition of property, plant and equipment ³		(1,968.3)	(1,905.2)	(63.1)	-
Transfers between classes of property, plant and equipment		-	(28.9)	28.9	-
Transfers to right-of-use assets		(1.7)	(1.7)	-	-
Assets derecognised on loss with dilution of interest in joint operation		(37.0)	(0.5)	(0.7)	(35.8)
Foreign currency translation		1,411.1	478.1	923.6	9.4
Balance at end of the year		115,954.1	90,093.8	23,821.7	2,038.6
Accumulated depreciation, amortisation and impairment					
Balance at beginning of the year		49,804.9	43,877.5	4,302.6	1,624.8
Amortisation and depreciation	4	7,468.0	6,646.7	753.4	67.9
Impairment	10	0.5	-	-	0.5
Disposals		(60.4)	(41.1)	(19.3)	-
Derecognition of property, plant and equipment		(1,968.3)	(1,905.2)	(63.1)	-
Depreciation capitalised to inventory		117.1	117.1	-	-
Foreign currency translation		(7.7)	(38.2)	24.3	6.2
Balance at end of the year		55,354.1	48,656.8	4,997.9	1,699.4
Carrying value at end of the year		60,600.0	41,437.0	18,823.8	339.2

¹ During the year, amortisation and depreciation on assets used in the development of the Blitz project was capitalised. As a result, additions include non-cash additions (or amortisation and depreciation capitalised) of R96.1 million

² Includes a decrease to the environmental rehabilitation obligation of R317.6 million, decrease to the right of recoverability liability of R40.3 million and an increase to the right of recoverability asset of R26.0 million

³ During the year, short-term ore reserve development, which was capitalised up to 31 December 2018 and fully depreciated by 2020, was derecognised as no future economic benefits are expected from its use

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

Figures in million - SA rand	Notes	Total	Mine development, infrastructure and other	Land, mineral rights and rehabilitation	Exploration and evaluation assets
2019					
Cost					
Balance at beginning of the year		99,994.6	72,811.2	25,095.3	2,088.1
Additions ¹		7,803.0	7,790.9	0.4	11.7
Change in estimates of rehabilitation assets ²	30	101.0	(99.4)	200.4	-
Disposals		(281.8)	(281.2)	(0.6)	-
Derecognition of property, plant and equipment ³		(2,409.9)	(695.0)	(1,714.9)	-
Transfers between classes of property, plant and equipment		-	(94.9)	94.9	-
Transfers to right-of-use assets		(18.8)	(18.8)	-	-
Assets acquired on acquisition of subsidiaries	16.1	3,158.6	3,152.1	6.5	-
Assets derecognised on loss of control of subsidiary		(62.7)	-	-	(62.7)
Foreign currency translation		(998.9)	(518.3)	(472.5)	(8.1)
Balance at end of the year		107,285.1	82,046.6	23,209.5	2,029.0
Accumulated depreciation, amortisation and impairment					
Balance at beginning of the year		45,436.4	38,576.2	5,276.4	1,583.8
Amortisation and depreciation	4	7,102.4	6,275.2	788.2	39.0
Impairment	10	5.1	-	-	5.1
Disposals		(257.4)	(257.4)	-	-
Derecognition of property, plant and equipment		(2,409.9)	(695.0)	(1,714.9)	-
Transfers to right-of-use assets		(15.5)	(15.5)	-	-
Depreciation capitalised to inventory		111.4	111.4	-	-
Foreign currency translation		(167.6)	(117.4)	(47.1)	(3.1)
Balance at end of the year		49,804.9	43,877.5	4,302.6	1,624.8
Carrying value at end of the year		57,480.2	38,169.1	18,906.9	404.2

¹ During the year, amortisation and depreciation on assets used in the development of the Blitz project was capitalised. As a result, additions include non-cash additions (or amortisation and depreciation capitalised) of R85.5 million

² Includes an increase to the environmental rehabilitation obligation of R105.1 million, decrease to the right of recoverability liability of R11.1 million and a decrease to the right of recoverability asset of R7.0 million

³ During the year, short-term ore reserve development, which was capitalised up to 31 December 2017 and fully depreciated by 2019, was derecognised as no future economic benefits are expected from its use

Figures in million - SA rand	Notes	Total	Mine development, infrastructure and other	Land, mineral rights and rehabilitation	Exploration and evaluation assets
2018					
Cost					
Balance at beginning of the year		101,720.7	76,529.2	21,807.9	3,383.6
Additions ¹		7,107.5	7,034.6	(0.5)	73.4
Change in estimates of rehabilitation assets	30	618.8	-	618.8	-
Disposals		(171.2)	(168.1)	(3.1)	-
Derecognition of property, plant and equipment ²		(14,416.4)	(14,287.7)	(128.7)	-
Transfers between classes of property, plant and equipment		-	192.8	134.5	(327.3)
Assets acquired on acquisition of subsidiaries	16.4	1,443.2	1,325.0	50.0	68.2
Assets derecognised on loss of control of subsidiary		(1,322.3)	(12.5)	-	(1,309.8)
Foreign currency translation		5,014.3	2,197.9	2,616.4	200.0
Balance at end of the year		99,994.6	72,811.2	25,095.3	2,088.1
Accumulated depreciation, amortisation and impairment					
Balance at beginning of the year		50,276.1	44,308.9	4,471.0	1,496.2
Amortisation and depreciation	4	6,640.6	5,900.8	739.8	-
Impairment	10	2,603.3	2,461.5	70.8	71.0
Disposals		(77.2)	(75.9)	(1.3)	-
Derecognition of property, plant and equipment ²		(14,416.4)	(14,287.7)	(128.7)	-
Assets derecognised on loss of control of subsidiary		(10.9)	(10.9)	-	-
Foreign currency translation		420.9	279.5	124.8	16.6
Balance at end of the year		45,436.4	38,576.2	5,276.4	1,583.8
Carrying value at end of the year		54,558.2	34,235.0	19,818.9	504.3

¹ During the year, amortisation and depreciation on assets used in the development of the Burnstone project was capitalised. As a result, additions include non-cash additions (or amortisation and depreciation capitalised) of R26.8 million

² During the year, short-term ore reserve development, which was capitalised up to 31 December 2016 and fully depreciated by 2018, was derecognised as no future economic benefits are expected from its use

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

15. Right-of-use assets

Accounting policy

Right-of-use assets comprise mining equipment, vehicles and office rentals (included in the mine development, infrastructure and other asset class) of which none meet the definition of investment property. These right-of-use assets comprise the initial measurement of the corresponding lease liability, any initial direct costs incurred by the lessee, and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses if applicable. The assets are depreciated over the shorter period of the lease term and useful life of the underlying asset.

If a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

Refer to the lease liabilities note (refer note 29) for additional detail.

Figures in million - SA rand	Notes	2020	2019	2018
Balance at beginning of the year		360.9	-	-
Impact of adopting IFRS 16 on 1 January 2019		-	302.0	-
Additions and modifications		65.6	43.6	-
Right-of-use assets acquired on acquisition of subsidiaries (Lonmin acquisition)	16.1	-	133.3	-
Depreciation		(124.4)	(111.7)	-
Transfers and other movements		(7.6)	(5.7)	-
Foreign currency translation		1.1	(0.6)	-
Balance at end of the year		295.6	360.9	-

16. Acquisitions

Significant accounting judgements and estimates

Expected future cash flows used to determine the fair value of, *inter alia*, property, plant and equipment and contingent consideration are inherently uncertain and could materially change over time. The fair value is significantly affected by a number of factors including reserves and production estimates, together with economic factors such as the expected commodity price, foreign currency exchange rates, and estimates of production costs, future capital expenditure and discount rates.

Accounting policy

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. Any contingent consideration is measured at fair value at the date of acquisition. 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, plus or minus changes in the portion of interest of the equity of the subsidiary not attributable, directly or indirectly, to Sibanye-Stillwater shareholders.

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 a gain recognised directly in profit or loss.

Statement of cash flows

The acquisition date fair value of deferred payments and contingent consideration relating to business combinations is part of the aggregate consideration for obtaining control of the underlying net assets. Therefore, unless the obligations are clearly part of the borrowing structure of the group, repayments of the acquisition date fair value are classified as investing activities. Additional deferred/contingent payments in excess of the grant date fair value are considered to be operating activity cash flows by nature.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

16.1 Lonmin acquisition

On 14 December 2017, Sibanye-Stillwater announced that it had reached an agreement with Lonmin Plc (Lonmin) on the terms of a recommended all-share offer to acquire the entire issued and to be issued ordinary share capital of Lonmin (the Lonmin Acquisition). The Lonmin Acquisition was effected by means of a scheme of arrangement between Lonmin and the Lonmin shareholders under Part 26 of the UK Companies Act. Under the initial terms of the Lonmin Acquisition, each Lonmin shareholder was entitled to receive: 0.967 new Sibanye-Stillwater shares for each Lonmin share (Initial offer).

On 15 May 2018, Sibanye-Stillwater received South African Reserve Bank approval for the proposed acquisition of Lonmin and on 28 June 2018, the proposed Lonmin transaction was unconditionally cleared by the UK Competition and Markets Authority. On 21 November 2018, Sibanye-Stillwater announced that the Competition Tribunal had approved the proposed acquisition of Lonmin, subject to specific conditions. In addition to the conditions agreed between Sibanye-Stillwater and the Competition Commission, a further condition had been imposed by the Competition Tribunal, namely a moratorium on retrenchments at the Lonmin operations for a period of six months from the implementation date.

On 25 April 2019, the boards of Sibanye-Stillwater and Lonmin reached agreement on the terms of an increased recommended all-share offer pursuant to which Sibanye-Stillwater, and/or a wholly owned subsidiary of Sibanye-Stillwater, was to acquire the entire issued and to be issued ordinary share capital of Lonmin (the Increased Offer). Under the terms of the Increased Offer, Lonmin shareholders was entitled to receive one new Sibanye-Stillwater share for each Lonmin share.

The Lonmin Transaction (or scheme) was approved by the UK Court and on 7 June 2019 (effective date) and all the conditions precedent to the Lonmin Transaction were fulfilled. Sibanye-Stillwater obtained control of Lonmin on this date. The effective date of the implementation of the Lonmin Transaction was 10 June 2019, when Lonmin's listing on the Financial Conduct Authority's Official List and the trading of Lonmin shares on the London Stock Exchange's Main Market for listed securities was suspended, and 290,394,531 new Sibanye-Stillwater shares were listed on the Johannesburg Stock Exchange.

The year end of Lonmin has been changed to 31 December 2019 and Lonmin was consolidated from the effective date. For the seven months ended 31 December 2019, the Marikana operations contributed revenue of R11,188 million and a net profit of R1,881 million to the Group's results.

The purchase price allocation (PPA) on the effective date was prepared on a provisional basis in accordance with IFRS 3 Business Combinations. During the measurement period, management provisionally revised the initial PPA due to new information obtained in accordance with IFRS 3. Since provisionally revising the initial PPA and up to one year of the acquisition date, no further information was obtained that required adjustments to the amounts recognised.

Consideration

The fair value of the consideration is as follows:

Figures in million - SA rand	2019
Equity instruments (290,394,531 ordinary shares)	4,306.6
Total consideration	4,306.6

Acquisition related costs

The Group incurred total acquisition related costs of R436.8 million (2020: R8.0 million, 2019: R283.9 million, 2018: R117.2 million, and prior to 2018: R27.7 million) on advisory and legal fees. These costs are recognised as transaction costs in profit or loss during the period in which incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

Identified assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

Figures in million - SA rand	Notes	2019
Property, plant and equipment	14	3,158.6
Right-of-use assets	15	133.3
Other investments		320.8
Environmental rehabilitation obligation funds	21	443.2
Other non-current assets		395.0
Inventories		5,219.5
Trade and other receivables		925.3
Other current assets		14.6
Cash and cash equivalents		2,999.3
Lease liabilities	29	(133.3)
Environmental rehabilitation obligation and other provisions	30	(1,696.9)
Other non-current liabilities		(863.0)
Borrowings	28	(2,574.8)
Trade and other payables		(2,585.7)
Other current liabilities		(99.3)
Total fair value of identifiable net assets acquired¹		5,656.6

¹ Fair value of assets and liabilities excluding property, plant and equipment, inventories, borrowings, non-current liabilities and environmental rehabilitation obligation approximate the carrying value

The fair value of property, plant and equipment was based on the expected discounted cash flows of the expected ore reserves and costs to extract the ore discounted at a real discount rate of 13.5% for the Marikana operations, an average platinum price of US\$1,025/oz and an average palladium price of US\$1,170/oz

The fair value of inventories was based on the estimated selling price less costs to complete and costs to sell

The fair value of borrowings is based on the settlement price. The Group restructured the Lonmin group entities funding arrangements to optimise financing costs. The Lonmin Pangaea Investments Management Limited (PIM) prepayment arrangement of US\$174.3 million was fully settled by cash on hand and available within the Lonmin group on 5 July 2019

The fair value of other non-current liabilities is calculated based on a discounted cash flows using an effective discount rate of 12.5%

The fair value of environmental rehabilitation obligation is calculated with updated life of mines used in the discounted cash flows of property, plant and equipment

Gain on acquisition

A gain on acquisition has been recognised as follows:

Figures in million - SA rand	2019
Consideration	4,306.6
Fair value of identifiable net assets acquired	(5,656.6)
Non-controlling interest, based on the proportionate interest in the recognised amounts of assets and liabilities ¹	247.0
Gain on acquisition	(1,103.0)

¹ The amount recognised as non-controlling interest represents the non-controlling interest holders' effective proportionate share in the fair value of the identifiable net assets acquired

The excess of the fair value of the net assets acquired over the consideration is recognised immediately in profit or loss as a gain on acquisition. The gain on acquisition is attributable to the transaction being attractively priced, and is consistent with the statement by the boards of Sibanye-Stillwater and Lonmin, that the purchase price reflected the recovery in PGM prices at the time of the increased offer, balanced against the fact that Lonmin, pre-acquisition, was financially constrained and unable to fund the significant investment required to sustain its business and associated employment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

16.2 SFA (Oxford) acquisition

On 21 February 2019, Sibanye-Stillwater announced it had agreed to acquire SFA (Oxford) Limited (SFA Oxford), an established analytical consulting company that is a globally recognised authority on PGMs and has for several years provided in-depth market intelligence on battery materials and precious metals for industrial, automotive, and smart city technologies.

The purchase consideration comprised an upfront payment of GBP4 million (R74.7 million) at the closing of the transaction and a deferred payment (contingent consideration), subject to a maximum payment of GBP6 million (refer note 22.2).

The acquisition was subject to the fulfilment of various conditions precedent which were completed on 4 March 2019. Sibanye-Stillwater obtained control (100%) on this date.

The PPA was prepared on a provisional basis in accordance with IFRS 3 at the effective date. No new information was obtained within one year of the acquisition date that required adjustments to the amounts recognised.

Figures in million - SA rand	2019
Consideration	127.1
Fair value of identifiable net assets acquired	(4.4)
Goodwill	122.7

The goodwill is attributable to the talent and skills of SFA (Oxford)'s workforce.

The goodwill has been allocated to the Stillwater, Rustenburg and Kroondal cash generating units (refer note 17). None of the goodwill recognised is expected to be deducted for tax purposes.

16.3 Qinisele Resources acquisition

On 29 October 2019, Sibanye-Stillwater entered in to a sale of shares agreement to buy the entire issued share capital of Qinisele Resources, a boutique advisory company that specialises in corporate finance, investor relations and research for a total of R54.8 million.

The acquisition was subject to the fulfilment of various conditions precedent which were completed on 31 October 2019 and Sibanye-Stillwater obtained control (100%) on 1 November 2019 (acquisition date).

The PPA was prepared on a provisional basis in accordance with IFRS 3 at the effective date. No new information was obtained within one year of the acquisition date that required adjustments to the amounts recognised.

Figures in million - SA rand	2019
Consideration	54.8
Fair value of identifiable net assets acquired	(0.5)
Goodwill	54.3

The goodwill is attributable to the experience and skills of Qinisele's workforce (refer note 17).

16.4 DRDGOLD acquisition

On 22 November 2017, Sibanye-Stillwater announced that it had entered into various agreements with DRDGOLD in terms of which, Sibanye-Stillwater will exchange selected surface gold processing assets and TSF (the "Far West Gold Recoveries", previously known as the WRTRP) for approximately 265 million newly issued DRDGOLD shares (the DRDGOLD Transaction), or 38.05% of the issued share capital of DRDGOLD. In addition, pursuant to the DRDGOLD Transaction, Sibanye-Stillwater had an option to subscribe for a sufficient number of DRDGOLD ordinary shares to attain a 50.1% shareholding in DRDGOLD at a 10% discount to the 30 day volume weighted average traded price (refer note 27).

Sibanye-Stillwater received approval for the DRDGOLD Transaction from the South African competition authorities in accordance with the Competition Act and on 19 July 2018 all the conditions precedent to the DRDGOLD Transaction were fulfilled. Sibanye-Stillwater obtained control (38.05%) of DRDGOLD on this date. The effective date of the implementation of the DRDGOLD Transaction was 31 July 2018, when Sibanye-Stillwater was issued the newly issued DRDGOLD shares.

DRDGOLD has a 30 June year end and is consolidated from 31 July 2018 based on its results to 31 December 2018. For the five months ended 31 December 2018, DRDGOLD contributed revenue of R1,047.5 million and a net loss of R39.9 million to the Group's results, before Sibanye-Stillwater Group adjustments.

Acquisition related costs

The Group incurred acquisition related costs of R25.0 million on advisory and legal fees. These costs are recognised as transaction costs in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

Identifiable assets acquired and liabilities assumed

The following table summarises the recognised fair value of assets acquired and liabilities assumed at the acquisition date:

Figures in million – SA rand	Notes	2018
Property, plant and equipment ¹	14	1,443.2
Environmental rehabilitation obligation funds	21	244.7
Other non-current assets		28.7
Inventories		243.5
Trade and other receivables		138.4
Cash and cash equivalents		282.8
Environmental rehabilitation obligation and other provisions	30	(672.7)
Deferred tax liabilities	11.3	(132.2)
Other non-current liabilities		(54.9)
Trade and other payables		(337.1)
Other current liabilities		(17.6)
Total fair value of identifiable net assets acquired		1,166.8

¹ The fair value of property, plant and equipment was based on the expected discounted cash flows of the expected ore reserves and costs to extract the ore discounted at a real discount rate of 9.3% and an average gold price of R580,000/kg

Goodwill

Goodwill arising from the acquisition has been recognised as follows:

Figures in million – SA rand	Note	2018
Transaction with DRDGOLD shareholders (Consideration) ¹		261.4
Fair value of identifiable net assets acquired		(1,166.8)
Non-controlling interest, based on the proportionate interest in the recognised amounts of assets and liabilities ²		940.3
Goodwill	17	34.9

¹ The purchase consideration was calculated as 61.95% of the fair value of Far West Gold Recoveries assets and liabilities. The fair value of assets and liabilities, excluding property, plant and equipment, approximate the carrying value. The fair value of property, plant and equipment was based on the expected discounted cash flows of the expected ore reserves and costs to extract the ore discounted at a real discount rate of 13.8%, an average gold price of R580,000/kg. Although Sibanye-Stillwater exchanged (i.e. disposed) the Far West Gold Recoveries assets and liabilities, the Group effectively retains control. The transaction with DRDGOLD shareholders, therefore, represents the difference between 61.95% of the fair value and carrying value of Far West Gold Recoveries assets and liabilities

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

The goodwill is attributable to DRDGOLD's proven surface retreatment capabilities.

Refer to note 17 for the allocation of goodwill. None of the goodwill recognised is expected to be deducted for tax purposes.

17. Goodwill

Significant accounting judgements and estimates

Goodwill is tested for impairment on an annual basis and whenever impairment indicators are identified. Expected future cash flows used to determine the recoverable amount of property, plant and equipment and goodwill are inherently uncertain and could materially change over time. The recoverable amount is significantly affected by a number of factors including reserves and production estimates, together with economic factors such as the expected commodity price, foreign currency exchange rates, and estimates of production costs, future capital expenditure and discount rates.

An individual operating mine does not have an indefinite life because of the finite life of its reserves. The allocation of goodwill to an individual mine will result in an eventual goodwill impairment due to the wasting nature of the mine.

Accounting policy

Goodwill is stated at cost less accumulated impairment losses. In accordance with the provisions of IAS 36 *Impairment of Assets*, the Group performs its annual impairment review of goodwill at each financial year end or whenever there are impairment indicators to establish whether there is any indication of impairment to goodwill. Goodwill is allocated to CGUs for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose. An impairment is made if the carrying amount exceeds the recoverable amount. The recoverable amount is determined as the higher of "value in use" and "fair value less cost to sell", based on the cash flows over the life of the CGUs and discounted to present value at an appropriate discount rate. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill allocated to the entity sold.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

Figures in million - SA rand	Note	2020	2019	2018
Balance at beginning of the year		6,854.9	6,889.6	6,396.0
Impairment	10	-	(54.3)	(436.3)
Goodwill on acquisition of subsidiaries		-	176.9	34.9
Foreign currency translation		310.3	(157.3)	895.0
Balance at end of the year		7,165.2	6,854.9	6,889.6

The goodwill arose on the acquisition of Cooke, Aquarius, Stillwater, DRDGOLD, SFA (Oxford) and Qinisele Resources. The goodwill on acquisition of:

- SFA (Oxford), amounting to R122.7 million, is attributable to the talent and skills of SFA (Oxford)'s workforce. At year-end, the goodwill on acquisition of SFA (Oxford) is allocated to the Stillwater (R60.2 million), Rustenburg (R44.3 million) and Kroondal (R18.2 million) CGUs, where it is tested for impairment. No impairment has been recognised.
- Qinisele Resources, amounting to R54.3 million, cannot be attributed to any current Sibanye-Stillwater operating cash generating units. Qinisele Resources will perform an internal corporate function, mostly responsible for identifying, assessing and executing corporate actions. The business acquired will not generate external cash flows and has no future external mandates. None of the goodwill recognised is expected to be deducted for tax purposes. Due to the factors mentioned, the recoverable amount of goodwill resulting from the application of IFRS 3 has been calculated at zero at acquisition in 2019 and fully impaired at year-end (refer note 10).
- Cooke, amounting to R736.7 million, was attributable to the synergies at the Group's other operations, and the underlying assets of Cooke and WRTRP. During the year ended 31 December 2016, the goodwill allocated to the Cooke CGU was impaired by R201.3 million. During the year ended 31 December 2017, the goodwill allocated to the WRTRP CGU was impaired by R99.1 million. During the year ended 31 December 2018, the goodwill allocated to the Driefontein, Kloof and Beatrix CGUs was impaired by R436.3 million.
- Aquarius, amounting to R400.6 million, was attributable to the synergies between the PGM assets in the Rustenburg area. At year end, the goodwill on acquisition of Aquarius is allocated to the Kroondal (R133.5 million) and the Rustenburg operation (R267.1 million) CGUs, where it is tested for impairment. No impairment has been recognised.
- Stillwater, amounting to R5,873.9 million (US\$449.7 million), was attributable to the premium paid, and the talent and skills of Stillwater's workforce, and is allocated to the Stillwater CGU, where it is tested for impairment. No impairment has been recognised.
- DRDGOLD, amounting to R34.9 million, was attributable to DRDGOLD's proven surface retreatment capabilities, and is allocated to the DRDGOLD CGU, where it is tested for impairment. No impairment has been recognised.

The recoverable amount of goodwill was calculated based on the value in use of the CGUs to which goodwill was allocated.

None of the goodwill recognised is expected to be deducted for tax purposes.

The Group's estimates and assumptions used in the 31 December 2020 impairment testing include:

PGM operations			Gold operations					
2018	2019	2020		2020	2019	2018		
15,050	20,600	23,278	R/4Eoz	Long-term gold price	R/kg	733,037	686,225	585,500
1,010	1,250	1,202	US\$/2Eoz	Long-term PGM (4E) basket price				
14.3	13.6	18.8 - 19.7	%	Long-term PGM (2E) basket price				
7.0	7.6	8.8	%	Nominal discount rate – South Africa ¹	%	9.66 - 13.58	12.4	12.6
5.0	5.0	6.0	%	Nominal discount rate – United States				
1.9	2.0	2.0	%	Inflation rate – South Africa	%	6.0	5.0	5.0
12 - 28	13 - 35	12 - 39	years	Inflation rate – United States				
				Life of mine	years	3 - 13	6 - 18	5 - 20

¹ Nominal discount rate for the Burnstone project is 16.8% (2019: 17.1%, 2018: 17.4%) and for the equity accounted joint venture Mimoso, 28.4% (2019: 23.3%, 2018: 19.1%)

The cash flows are based on the annual life-of-mine plan that takes into account the following:

- proved and probable ore reserves of the CGUs;
- cash flows are based on the life-of-mine plan; and
- capital expenditure estimates over the life-of-mine plan.

The recoverable amounts of the operating CGUs are sufficiently higher than the carrying values, therefore a reasonably possible adverse change in the abovementioned assumptions would not likely result in an adjustment to the carrying values.

18. Equity-accounted investments

Significant accounting judgements and estimates

Joint arrangements

Judgement is required to determine when the Group has joint control, which requires an assessment of the relevant activities and when the decisions in relation to those activities require unanimous consent. The Group has determined that the relevant activities for its joint

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

arrangements are those relating to the operating and capital decisions of the arrangement, such as the approval of the capital expenditure programme for each year, and appointing, remunerating and terminating the key management personnel or service providers of the joint arrangement. The considerations made in determining joint control are similar to those necessary to determine control over subsidiaries.

Judgement is also required to classify a joint arrangement as either a joint operation or a joint venture. Classifying the arrangement requires the Group to assess their rights and obligations arising from the arrangement. Specifically, it considers:

- The structure of the joint arrangement – whether it is structured through a separate vehicle.
- When the arrangement is structured through a separate vehicle, the Group also considers the rights and obligations arising from:
 - the legal form of the separate vehicle; and
 - the terms of the contractual arrangement

This assessment often requires significant judgement, and a different conclusion on joint control and also whether the arrangement is a joint operation or a joint venture may materially impact the accounting.

Carrying value of Mimosa and related Mineral Reserves and Mineral Resources estimates

The Group reviews and tests the carrying value when events or changes in circumstances suggest that the carrying amount may not be recoverable by comparing expected future cash flows to the carrying value. Expected future cash flows used to determine the value in use and fair value less costs to sell of Mimosa are inherently uncertain and could materially change over time. These are significantly affected by a number of factors including reserves and production estimates, together with economic factors such as spot and future PGM prices, discount rates, foreign currency exchange rates, estimates of costs to produce reserves and future capital expenditure. Mineral resources outside the approved mine plans are valued based on the *in situ* 4E ounce value. Comparable market transactions are used as a source of evidence adjusting specifically for the nature of each underlying ore body.

Mimosa functional currency

The functional currency of Mimosa, which is domiciled in Zimbabwe, has been determined as US dollar. The local currency in Zimbabwe changed to RTGS dollar during February 2019. As a result of this change, management reassessed whether there is a change in the functional currency of Mimosa. This assessment depends on the primary economic environment in which the company operates, which is considered to be the environment in which it generates and expends cash. These considerations include the currency primarily influencing sales prices, the country whose competitive forces and regulations mainly determine sales prices and the currency that influences labour, material and other costs of production. Judgements and assumptions made in determining the functional currency may have a significant impact on the results presented for the Group.

The determining factors in the above assessment were:

- The currency that mainly influences sales prices: Sales are invoiced and settled in US dollar
- The currency of the country whose competitive forces and regulations mainly determine the sales prices: The competitive forces and regulations of the US primarily influences sales prices
- The currency that mainly influences labour, material and other costs: The majority of operating costs are settled in US dollar

Accounting policy

The Group's interest in equity-accounted investees comprise interests in associates and joint ventures.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Joint ventures are arrangements in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. The interests are initially recognised at cost using the same principles as with business combinations. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and other comprehensive income of equity-accounted investees until the date on which significant influence or joint control ceases.

Results of associates and joint ventures are equity-accounted using the results of their most recent audited annual financial statements or unaudited management accounts. Any losses from associates are brought to account in the consolidated financial statements until the interest in such associates is written down to zero. The interest includes any long-term interests that in substance, form part of the entity's net investment in the equity-accounted investee, for example long-term receivables for which settlement is neither planned nor likely to occur in the foreseeable future. Thereafter, losses are accounted for only insofar as the Group is committed to providing financial support to such associates.

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, any impairment losses and loans to or from the equity-accounted investee. The carrying value together with any long-term interests that in substance form part of the net investment in the equity-accounted investee 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. Indicators of impairment include a significant or prolonged decline in the investments fair value below its carrying value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

The Group holds the following equity-accounted investments:

Figures in million - SA rand	Notes	2020	2019	2018
Rand Refinery ¹	18.1	691.1	396.9	239.3
Mimosa ²	18.2	3,928.6	2,687.7	2,492.4
Peregrine ²	18.3	1,001.1	954.1	978.0
Other equity-accounted investments		0.2	0.1	24.2
Total equity-accounted investments		5,621.0	4,038.8	3,733.9

¹ Associate

² Joint venture

18.1 Rand Refinery

Sibanye-Stillwater has a 44.4% interest in Rand Refinery Proprietary Limited (Rand Refinery), a company incorporated in 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. Rand Refinery is accounted for using the equity method.

On 18 December 2014, Rand Refinery drew down R1.029 billion under a R1.2 billion subordinated shareholders loan (the Facility), with Sibanye-Stillwater's proportional share being R384.6 million. Amounts drawn down under the Facility were repayable within two years from the first draw down date. If the loan was not repaid within two years, it would automatically convert into equity in Rand Refinery. During February 2017, Rand Refinery resolved to convert the Facility to redeemable preference shares.

There are no fixed repayment terms for the preference shares. The preference shares have a preferential right to distributions. No ordinary dividends will be declared by Rand Refinery until the preference shares have been fully redeemed. The preference shareholders do not have voting rights at shareholders' meetings. The Group accounts for the preference shares as part of the investment in Rand Refinery.

Historical impairment of R119.6 million on Rand Refinery was reversed at 31 December 2020 (refer note 10).

The equity-accounted investment in Rand Refinery movement for the year is as follows:

Figures in million - SA rand		2020	2019	2018
Balance at beginning of the year		396.9	239.3	198.4
Share of results of equity-accounted investee after tax ¹		400.1	344.5	143.7
Dividends received		(111.2)	-	-
Preference shares redeemed		(114.3)	(186.9)	(102.8)
Reversal of impairment	10	119.6	-	-
Balance at end of the year		691.1	396.9	239.3

¹ Rand Refinery is equity accounted based on its latest management accounts for the period ended 30 November, since Rand Refinery has a 31 August year-end

The Group's interest in the summarised financial statements of Rand Refinery are:

Figures in million - SA rand		2020	2019	2018
Revenue		1,131.0	811.0	644.0
Total comprehensive income		903.0	777.0	434.0
Non-current assets		724.0	667.0	699.0
Current assets		2,079.0	1,433.0	1,088.0
Non-current liabilities		(56.0)	(111.0)	(44.0)
Current liabilities		(462.0)	(104.0)	(359.0)
Net assets (100.0%)		2,285.0	1,885.0	1,384.0

Reconciliation of the total investment in Rand Refinery with attributable net assets:

Net assets (44.4%)		1,015.7	836.9	614.5
Preference shares redeemed		(114.3)	(186.9)	(102.8)
Dividend received		(111.2)	(8.2)	(8.2)
Fair value adjustment ¹		(35.5)	(35.5)	(35.5)
Impairment		-	(119.6)	(119.6)
Redeemable preference shares below 44.4% interest ²		-	14.5	35.9
Reconciling items ³		(63.6)	(104.3)	(145.0)
Total investment in Rand Refinery		691.1	396.9	239.3

¹ The investment in equity-accounted investee was fair valued at 1 July 2002, the date when significant influence was obtained

² Sibanye-Stillwater took up 37.4% of the Facility, which is less than its current proportional interest in Rand Refinery. Rand Refinery converted the Facility into redeemable preference shares, classified within equity, and therefore Sibanye-Stillwater shares in less than its current 44.4% proportional interest of the net asset value of Rand Refinery

³ Reconciling items relate to adjustments on consolidation of DRDGOLD's interest in Rand Refinery

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

18.2 Mimosa

Sibanye-Stillwater has a 50% interest in Mimosa Investments Limited (Mimosa), which owns and operates the Mimosa mine, which is a Platinum mine situated in Zimbabwe and has a functional currency of US dollar.

The equity-accounted investment in Mimosa movement for the year is as follows:

Figures in million - SA rand	2020	2019	2018
Balance at the beginning of the year	2,687.7	2,492.4	2,012.9
Share of results of equity-accounted investee after tax	1,299.7	377.1	210.5
Dividends received	(103.2)	(111.0)	(87.0)
Foreign currency translation	44.4	(70.8)	356.0
Balance at end of the year	3,928.6	2,687.7	2,492.4

The Group's interest in the summarised financial statements of Mimosa are:

Figures in million - SA rand	2020	2019	2018
Revenue	7,789.0	4,685.2	3,714.9
Amortisation and depreciation	(562.9)	(437.4)	(383.1)
Interest income	7.9	4.5	-
Finance expense	(28.1)	(43.5)	(26.0)
Income and royalty tax	(1,254.6)	(436.4)	(381.8)
Income tax	(984.2)	(282.3)	(266.6)
Royalty tax	(270.4)	(154.1)	(115.2)
Profit or loss	2,599.4	754.2	420.9
Other comprehensive income	88.9	(141.3)	712.0
Total comprehensive income	2,688.3	612.9	1,132.9
Non-current assets	5,178.0	4,723.9	4,592.3
Property, plant and equipment ²	5,178.0	4,704.8	4,592.3
Right-of-use assets	-	19.1	-
Current assets	4,635.1	2,535.1	2,047.9
Cash and cash equivalents	469.0	27.9	184.8
Other current assets	4,166.1	2,507.2	1,863.1
Non-current liabilities	(1,304.6)	(1,235.4)	(1,168.1)
Non-current financial liabilities ¹	(12.2)	(128.7)	(60.7)
Other non-current liabilities	(1,292.4)	(1,106.7)	(1,107.4)
Current liabilities	(556.3)	(553.0)	(384.6)
Current financial liabilities ¹	(476.0)	(446.5)	(377.7)
Other current liabilities	(80.3)	(106.5)	(6.9)
Net assets (100.0%)	7,952.2	5,470.6	5,087.5
Reconciliation of the total investment in Mimosa with attributable net assets:			
Net assets (50.0%)	3,976.1	2,735.3	2,543.8
Reconciling items ²	(47.5)	(47.6)	(51.4)
Total investment in Mimosa	3,928.6	2,687.7	2,492.4

¹ Non-current and current financial liabilities (excluding trade and other payables and provisions) amounted to R12.2 million (2019: R128.7 million, 2018: R60.7 million) and R52.6 million (2019: R32.0 million, 2018: R4.0 million), respectively

² The reconciling items include the difference between the carrying amount and fair value of the Mimosa's identifiable assets and liabilities on acquisition less accumulated amortisation, and foreign exchange differences on translation of assets and liabilities of the foreign joint venture

Repatriation of funds from Zimbabwe is subject to regulatory approval in Zimbabwe.

18.3 Peregrine

On 29 June 2018, Sibanye-Stillwater announced that it had entered into an Arrangement Agreement with Regulus Resources Inc. (Regulus) and a newly formed subsidiary of Regulus, Aldebaran Resources Inc. (Aldebaran), creating a strategic partnership in order to unlock value at its Altar copper-gold project in San Juan Province, Argentina (Altar Project), currently held in the US PGM operations. Under the terms of the Arrangement Agreement, Stillwater Canada LLC, an indirect, wholly-owned subsidiary of Sibanye-Stillwater (Stillwater Canada), entered into an option and joint venture agreement with Aldebaran, whereby Aldebaran has the option to earn into a maximum 80% interest in a wholly-owned subsidiary of Stillwater Canada, Peregrine Metals Limited (Peregrine) which owns the Altar Project.

The consideration for Aldebaran to acquire up to an 80% interest in the Altar Project, included:

- An upfront cash payment of US\$15 million to Sibanye-Stillwater on closing of the Arrangement Agreement;
- 19.9% of the shares of Aldebaran; and
- A commitment from Aldebaran to carry the next US\$30 million of spend at the Altar Project over a maximum of five years (inclusive of 2018 drilling that was conducted between February and May of 2018) as an initial earn-in of a 60% interest in the Altar Project (the Initial Earn-in).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

Pursuant to the Arrangement Agreement, Aldebaran may also elect to earn-in an additional 20% interest in the Altar Project by spending an additional US\$25 million over a three-year period following the Initial Earn-in.

Peregrine was a subsidiary of Stillwater Canada. On 25 October 2018, Aldebaran issued an aggregate of 15,449,555 Aldebaran shares to Sibanye-Stillwater, representing 19.9% of the current 77,635,957 issued and outstanding Aldebaran shares, and made an upfront cash payment of US\$15 million to Sibanye-Stillwater in accordance with the Arrangement Agreement. From this date, Stillwater Canada and Aldebaran act together to direct the relevant activities of and, therefore, collectively control Peregrine. As a result of the loss of control, Peregrine was derecognised as a subsidiary and accounted for as an equity-accounted investment. At 31 December 2020, the Group had a 100% legal interest in Peregrine, which is subject to an Initial Earn-in arrangement of 60% as described above (2019: 100%; 2018: 100%). At 31 December 2020, Aldebaran who is earning into the Altar Project, was not in breach of the earn-in requirements.

The equity-accounted investment in Peregrine movement for the year is as follows:

Figures in million - SA rand	2020	2019	2018
Balance at the beginning of the year	954.1	978.0	-
Equity-accounted investment retained on loss of control of subsidiary	-	-	956.0
Foreign currency translation	47.0	(23.9)	22.0
Balance at end of the year	1,001.1	954.1	978.0

The Group's interest in the summarised financial statements of Peregrine is:

Figures in million - SA rand	2020	2019	2018
Non-current assets	1,541.3	1,472.4	1,714.6
Current assets	7.3	3.3	23.9
Non-current liabilities	(381.6)	(369.2)	(342.6)
Current liabilities	(18.3)	(1.4)	(1.3)
Net assets (100.0%)	1,148.7	1,105.1	1,394.6
Reconciliation of the total investment in Peregrine with attributable net assets:			
Net assets (40%) ¹	459.5	442.0	557.8
Reconciling items ²	541.6	512.1	420.2
Total investment in Peregrine	1,001.1	954.1	978.0

¹ Disclosed on the basis that Aldebaran will successfully complete their earn-in obligation in terms of the agreement as described above

² The reconciling items include the difference between the carrying amount and fair value of the Peregrine's identifiable assets and liabilities on acquisition less accumulated amortisation, and foreign exchange differences on translation of assets and liabilities of the foreign equity-accounted investment

19. Interests in joint operations

Accounting policy

A joint operation is a joint arrangement in which the parties that share joint control have rights to the assets, and obligations for the liabilities, relating to the arrangement.

In relation to the Group's interests in joint operations, the following are recognised in the financial statements:

- the Group's share of the jointly controlled assets, classified according to the nature of the assets;
- any liabilities that the Group has incurred;
- the Group's share of any liabilities incurred jointly with the other ventures in relation to the joint operation;
- any income from the sale or use of the Group's share of the output of the joint operation, together with the Group's share of any expenses incurred by the joint operation; and
- any expenses that the Group has incurred in respect of its interest in the joint operation.

The Group's interests in joint operations includes a 50% interest in two joint operations each referred to as the "Notarial Pooling and Sharing Agreements". The principal activities of the joint operations are to extend the Kroondal mine over the boundary of the properties covering the Kroondal mine and expand the Marikana mine operations through mineral rights contributed by Anglo American Platinum Limited through its subsidiary, RPM.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

The Group's share of the assets, liabilities, revenue and expenses of the joint operations which are included in the consolidated financial statements is as follows:

Kroondal mine

Figures in million - SA rand	2020	2019	2018
(Loss)/gain on foreign exchange differences	(16.4)	(63.2)	132.7
Profit before tax	4,814.5	2,061.6	677.7
Profit for the year	4,814.3	2,061.4	677.7
Non-current assets	799.7	945.7	1,115.7
Current assets	3,894.5	2,303.0	1,828.2
Non-current liabilities	(7.4)	-	-
Current liabilities	(436.3)	(353.1)	(271.3)
Net assets (50.0%)	4,250.5	2,895.6	2,672.6

20. Other investments

Accounting policy

On initial recognition of an equity investment that is not held for trading, the Group may make an irrevocable election to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. These investments are subsequently measured at fair value, with dividends recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income (OCI) and are never reclassified to profit or loss.

The Group holds the following investments measured at fair value through OCI:

Figures in million - SA rand	2020	2019	2018
Rand Mutual Assurance Company Limited	158.2	112.4	67.8
Furuya Metals Company Limited	343.1	303.1	-
Aldebaran Resources Inc.	97.8	78.2	81.5
Generation Mining Limited	100.7	33.3	-
Other	147.2	71.7	6.7
Total other investments	847.0	598.7	156.0

Fair value of other investments

Other investments consists primarily of other listed investments and other short-term investment products, which are measured at fair value or which carrying amounts approximates fair value. The fair values of non-listed investments included in other investments are determined through valuation techniques that include inputs that are not based on observable market data. Fair value measurements of listed investments are categorised as level 1 under the fair value hierarchy and non-listed investments as level 3 (refer note 36.1).

21. Environmental rehabilitation obligation funds

Accounting policy

The Group's rehabilitation obligation funds includes equity-linked investments that are fair valued at each reporting date. The fair value is calculated with reference to underlying equity instruments using industry valuation techniques and appropriate models.

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 through profit or loss. 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.

Figures in million - SA rand	Notes	2020	2019	2018
Balance at beginning of the year		4,602.2	3,998.7	3,492.4
Contributions made		63.6	12.9	63.0
Payments received		(7.4)	(151.9)	-
Interest income	5.1	245.1	265.5	223.5
Fair value gain/(loss) ¹		30.5	33.8	(24.9)
Environmental rehabilitation obligation funds on acquisition of subsidiaries	16	-	443.2	244.7
Balance at end of the year		4,934.0	4,602.2	3,998.7
Environmental rehabilitation obligation funds comprise of the following:				
Restricted cash ²		702.9	610.0	633.9
Funds		4,231.1	3,992.2	3,364.8

¹ The environmental rehabilitation trust fund includes equity-linked investments that are fair valued at each reporting date

² The funds are set aside to serve as collateral against the guarantees made to the Department of Minerals and Resources for environmental rehabilitation obligations

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

Fair value of environmental rehabilitation obligation funds

Environmental rehabilitation obligation funds comprise equity-linked notes, a fixed income portfolio of bonds as well as fixed and call deposits. The environmental rehabilitation obligation funds are stated at fair value based on the nature of the fund's investments (refer note 36.1).

Credit risk

The Group is exposed to credit risk on the total carrying value of the investments held in the environmental rehabilitation obligation funds. The Group has reduced its exposure to credit risk by investing in funds with a limited number of major financial institutions.

22. Other receivables and other payables

Significant accounting judgements and estimates

Expected future cash flows used to determine the fair value of the other payables (namely the Deferred Payment, right of recovery payable and contingent consideration) and the right of recovery receivable are inherently uncertain and could materially change over time. The expected future cash flows are significantly affected by a number of factors including reserves and production estimates, together with economic factors such as the expected commodity price, currency exchange rates, and estimates of production costs, future capital expenditure and discount rates.

Accounting policy

Financial instruments included in other receivables are categorised as financial assets measured at amortised cost and those included in other payables are categorised as other financial liabilities as applicable. These assets and liabilities are initially recognised at fair value. Subsequent to initial recognition, financial instruments included in other receivables and other payables are measured at amortised cost.

Reimbursements, such as rehabilitation reimbursements from other parties are not financial instruments, and are recognised as a separate asset where recovery is virtually certain. The amount recognised is limited to the amount of the relevant rehabilitation provision. If the party that will make the reimbursement cannot be identified, then the reimbursement is generally not virtually certain and cannot be recognised. If the only uncertainty regarding the recovery relates to the amount of the recovery, the reimbursement amount often qualifies to be recognised as an asset.

Other receivables and payables that do not arise from contractual rights and obligations, such as receivables on rates and taxes, are recognised and measured at the amount expected to be received or paid.

22.1 Other receivables

Figures in million - SA rand	2020	2019	2018
Right of recovery receivable	340.2	186.8	176.8
Rates and taxes receivable	105.1	103.0	106.2
Pre-paid royalties	364.1	392.8	-
Other	48.7	52.1	66.6
Total other receivables	858.1	734.7	349.6
Reconciliation of the non-current and current portion of the other receivables:			
Other receivables	858.1	734.7	349.6
Current portion of other receivables	(36.8)	(51.2)	(35.2)
Non-current portion of other receivables	821.3	683.5	314.4

22.2 Other payables

Figures in million - SA rand	2020	2019	2018
Deferred Payment (related to Rustenburg operations acquisition)	4,354.4	2,825.6	2,205.9
Contingent consideration (related to SFA (Oxford) acquisition)	88.2	55.8	-
Right of recovery payable	39.5	79.4	83.2
Deferred consideration (related to Pandora acquisition)	307.8	275.9	-
Dissenting shareholder liability	-	-	287.1
Other	366.7	212.2	256.3
Total other payables	5,156.6	3,448.9	2,832.5
Reconciliation of the non-current and current portion of the other payables:			
Other payables	5,156.6	3,448.9	2,832.5
Current portion of other payables	(2,245.9)	(761.4)	(303.3)
Non-current portion of other payables	2,910.7	2,687.5	2,529.2

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

Right of recovery receivable and payable

Based on the first and second Notarial Pooling and Sharing agreements (PSAs) with Anglo American Platinum, Kroondal (previously Aquarius Platinum (South Africa) Proprietary Limited (AQPSA)) holds a contractual right to recover 50% of the rehabilitation obligation relating to environmental rehabilitation resulting from PSA operations from RPM (subsidiary of Anglo American Platinum), where this rehabilitation relates to property owned by Kroondal Operations. Likewise RPM holds a contractual right to recover 50% of the rehabilitation obligation relating to environmental rehabilitation resulting from PSA operations from Kroondal Operations, where the rehabilitation relates to property owned by RPM. With respect to the opencast section of the Marikana mine that is on Kroondal Operations' property, RPM have limited the contractual liability to approximately R185 million (2019: R179 million, 2018: R172 million), being a negotiated liability in terms of an amendment to the second PSA.

Deferred Payment (related to Rustenburg operations acquisition)

In terms of the Rustenburg operations transaction, the purchase consideration includes a Deferred Payment, calculated as being equal to 35% of the distributable free cash flow generated by the Rustenburg operation over a six year (1 January 2017 to 31 December 2022) period from inception (latest of transaction closing or 1 January 2017), subject to a minimum payment of R3.0 billion. The distributable free cash flow has been derived from forecast cash flow models. These models use several key assumptions, including estimates of future sales volumes, PGM prices, operating costs and capital expenditure.

The Deferred Payment movement for the year is as follows:

Figures in million - SA rand	Note	2020	2019	2018
Balance at the beginning of the year		2,825.6	2,205.9	2,194.7
Interest charge	5.2	186.8	179.0	200.4
Payment of Deferred Payment		(739.0)	(283.4)	(38.6)
Loss/(gain) on revised estimated cash flows ¹		2,081.0	724.1	(150.6)
Balance at end of the year		4,354.4	2,825.6	2,205.9

¹ The loss on revised estimated cash flows is primarily as a result of an increase in the forecasted Rand PGM basket price used to estimate the future cash flows

Deferred consideration (related to Pandora acquisition)

Lonmin acquired the remaining 50% stake in Pandora Joint Venture in 2017. The purchase price included a deferred and contingent consideration element. The deferred payment element represents a minimum consideration of R400 million, which is settled through a cash payment based on 20% of the distributable free cash flows generated from the Pandora E3 operations on an annual basis for a period of 6 years. The fair value of the deferred consideration at acquisition of Lonmin by the Group was determined using the present value of the future cash flows at a discount rate of 12.5%. The contingent consideration element is based on the extent to which 20% of the distributable free cash flows exceed R400 million. This element is valued at zero as the distributable free cash flows generated from the Pandora E3 operations are not estimated to exceed R400 million. The distributable free cash flow has been derived from forecast cash flow models. These models use several key assumptions, including estimates of future sales volumes, PGM prices, operating costs and capital expenditure.

The Pandora deferred consideration movement for the year is as follows:

Figures in million - SA rand	Note	2020	2019	2018
Balance at the beginning of the year		275.9	-	-
Deferred consideration on acquisition of subsidiary		-	235.4	-
Interest charge	5.2	49.1	40.5	-
Payment made		(17.2)	-	-
Balance at end of the year		307.8	275.9	-

Dissenting shareholder liability

Refer note 38 for the history and outcome of the dissenting shareholder dispute.

The dissenting shareholder liability movement for the year is as follows:

Figures in million - SA rand	Note	2020	2019	2018
Balance at the beginning of the year		-	287.1	1,349.7
Interest charge	5.2	-	21.2	68.1
Payments to dissenting shareholders		-	(319.4)	(1,375.8)
Dissenting shareholder liability on acquisition of subsidiary		-	-	-
Foreign currency translation reserve		-	11.1	245.1
Balance at end of the year		-	-	287.1

Fair value of other receivables and other payables

Due to the approaches applied in calculating the carrying values as described above, the fair values approximate the carrying value (refer note 36.1).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

Market risk

The Deferred Payment relating to Rustenburg and the deferred consideration relating to Pandora are sensitive to changes in the 4E basket price. A one percentage point decrease in the 4E basket price would have decreased the loss on financial instruments by R73.7 million (2019: R95.6 million). A one percentage point increase in the 4E basket price would have increased the loss on financial instruments by R73.7 million (2019: R95.6 million).

Credit risk

The carrying value of the other receivables represents the maximum credit risk exposure of the Group in relation to these receivables. The Group has reduced its exposure to credit risk by dealing with a limited number of approved counterparties (refer note 36.2).

23. Inventories

Significant accounting judgements and estimates

Inventory is held in a wide variety of forms across the value chain reflecting the stage of refinement. Prior to production as final metal the inventory is always contained within a carrier material. As such inventory is typically sampled and assays taken to determine the metal content and how this is split by metal. Measurement and sampling accuracy can vary quite significantly depending on the nature of the vessels and the state of the material. An allowance for estimation uncertainty is applied to the various categories of inventory and is dependent on the degree to which the nature and state of material allows for accurate measurement and sampling. The range used for the estimation allowance varies based on the stage of refinement. The range is based on independent metallurgists' level of confidence obtained from the outcome of the stocktake. Those results are applied in arriving at the appropriate quantities of inventory.

Accounting policy

Inventory is valued at the lower of cost and net realisable value. The Group values ore stockpiles and metal-in-process when it can be reliably measured. Cost is determined on the following basis:

- Gold reef ore stockpiles and gold-in-process are valued using weighted average cost. Cost includes production, amortisation, depreciation and related administration costs
- PGM inventory is valued using weighted average cost by allocating cost, based on the joint cost of production, apportioned according to the relative sales value of each of the PGMs produced. The group recognises the metal produced in each development phase in inventory with an appropriate proportion of cost. Cost includes production, amortisation, depreciation and related administration costs
- By-product metals are valued at the incremental cost of production from the point of split-off from the PGM processing stream
- Consumable stores are valued at weighted average cost after appropriate provision for surplus and slow-moving items

Figures in million - SA rand	2020	2019	2018
Consumable stores ¹	1,626.8	1,580.8	1,043.5
PGM ore and mill inventory	141.7	127.7	71.0
PGM in process ²	13,742.4	10,496.9	3,251.7
Gold in process	616.5	309.7	143.3
PGM finished goods	8,709.9	2,958.7	777.8
Other	115.1	29.6	7.5
Total inventories	24,952.4	15,503.4	5,294.8

¹ The cost of consumable stores consumed during the year and included in operating cost amounted to R16,404.0 million (2019: R12,784.3 million and 2018: R9,327.9 million)

² Included in PGM in process, is R4,224.5 million (2019: R3,826.5 million) relating to the Marikana operations. It also includes R3,846.6 million (2019: R4,182.4 million) relating to SRPM operations due to the processing agreements between SRPM and Anglo American Platinum Limited changing from a purchase of concentrate arrangement to a toll processing arrangement from 1 January 2019

24. Trade and other receivables

Accounting policy

Trade and other receivables, excluding trade receivables for PGM concentrate sales, prepayments and value added tax, are non-derivative financial assets categorised as financial assets measured at amortised cost.

The above non-derivative financial assets 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 year end in line with the impairment policy described in note 36. Irrecoverable amounts are written off during the period in which they are identified.

In addition to other types of PGM sales, trade receivables include actual invoiced sales of PGM concentrate, as well as sales not yet invoiced for which deliveries have been made and the control has transferred. The PGM concentrate receivables are financial assets measured at fair value through profit or loss, as the solely payments of principle and interest criteria is not met. The receivable amount calculated for the PGM concentrate delivered but not yet invoiced is recorded at the fair value of the consideration receivable at the date of delivery. At each subsequent reporting date the receivable is restated to reflect the fair value movements in the pricing mechanism which

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

are recognised in revenue. Foreign exchange movements subsequent to the recognition of a sale are recognised as a foreign exchange gain or loss in profit or loss.

Figures in million - SA rand	2020	2019	2018
Trade receivables - gold sales	42.0	-	433.8
Trade receivables - PGM sales	4,655.3	2,681.1	5,310.1
PGM sales concentrate	4,030.0	2,341.6	5,310.1
PGM sales other	625.3	339.5	-
Other trade receivables	1,020.6	889.0	436.6
Payroll debtors	268.2	251.5	127.9
Interest receivable	56.5	14.6	8.9
Financial assets	6,042.6	3,836.2	6,317.3
Prepayments	368.8	442.9	296.9
Value added tax	454.2	355.9	218.8
Total trade and other receivables	6,865.6	4,635.0	6,833.0

Fair value of trade and other receivables

The fair value of trade receivables for PGM concentrate sales are determined based on ruling market prices, volatilities and interest rates, and constitutes level 2 on the fair value hierarchy (refer note 36.1).

The fair value of trade and other receivables measured at amortised cost approximate the carrying value due to the short maturity.

Credit risk

The Group is exposed to credit risk on the total carrying value of trade and other receivables.

Trade receivables measured at amortised cost are reviewed on a regular basis and an allowance for impairment is raised when they are not considered recoverable based on an expected credit loss assessment. The Group transacts exclusively with a limited number of large international institutions and other organisations with strong credit ratings and the negligible historical level of customer default. Trade receivables are currently in a sound financial position and no impairment has been recognised.

At 31 December 2020, other receivables of R199.2 million (2019: R139.9 million and 2018: R15.8 million) were considered impaired and are provided for. Impairment allowance movements were recognised in profit or loss, except for R95.2 million of the 2019 movement which related to impaired other receivables acquired with the Lonmin acquisition in 2019. The movement through profit or loss in the 2020 financial year relates to allowance for impairment recognised in respect of other receivables.

Commodity price risk

The Group is exposed to commodity price risk on PGM concentrate receivables that are still subject to provisional pricing adjustments after the reporting date. A change in the 4E basket price of 1% percent would impact revenue and the related PGM concentrate receivables by R30.6 million.

Foreign currency sensitivity

Certain of the Group's components with SA rand as their functional currency have trade and other receivables which are settled in US dollar. The balances are sensitive to changes in the rand/US dollar exchange rate. A one percentage point change in the SA rand closing exchange rate of R14.69/US\$ would have impacted profit for the year by R43.7 million.

25. 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 due to its short-term maturity.

Figures in million - SA rand	2020	2019	2018
Cash at the bank and on hand	20,239.8	5,619.0	2,549.1
Total cash and cash equivalents	20,239.8	5,619.0	2,549.1

Fair value of cash and cash equivalents

The fair value of cash and cash equivalents approximate the carrying value due to the short maturity.

Credit risk

The Group is exposed to credit risk on the total carrying value of cash and cash equivalents. The Group has reduced its exposure to credit risk by dealing and investing with a number of major financial institutions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

26. 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.

Scheme of arrangement

The Scheme was implemented on 24 February 2020 (refer note 1.1). The impact on the Group is described in more detail below.

Sibanye-Stillwater determined that the acquisition of SGL did not represent a business combination as defined by IFRS 3. This is because neither party to the Scheme could be identified as an accounting acquirer in the transaction, and post the implementation there would be no change of economic substance or ownership in the SGL Group.

The SGL shareholders have the same commercial and economic interest as they had prior to the implementation of the Scheme and no additional new ordinary shares of SGL were issued as part of the Scheme. Following the implementation of the Scheme, the consolidated financial statements of Sibanye-Stillwater therefore reflects that the arrangement is in substance a continuation of the existing SGL Group. SGL is the predecessor of the Company for financial reporting purposes and following the implementation of the Scheme, Sibanye-Stillwater's consolidated comparative information is presented as if the reorganisation had occurred before the start of the earliest period presented.

In order to affect the reorganisation in the Group at the earliest period presented in these consolidated financial statements, a reorganisation reserve was recognised at 31 December 2017 to adjust the previously stated share capital of SGL of R34,667 million to reflect the stated share capital of the Company of R1 at that date. The reorganisation reserve was adjusted for previously recognised movements in the stated share capital of SGL between 31 December 2017 and 24 February 2020. The issue of shares at the effective date of the Scheme, was recorded at an amount equal to the net asset value of the unconsolidated SGL company at that date, with the difference recognised as a reorganisation reserve.

Since the consolidated financial statements of Sibanye-Stillwater are in substance a continuation of the existing SGL Group, the shares used in calculating the weighted average number of issued shares (refer note 12.1) is based on the issued stated share capital of the listed entity at that stage.

As a result of the above, earnings per share measures are based on SGL's issued shares for comparative periods. For purposes of Sibanye-Stillwater's earnings per share measures for the year ended 31 December 2020, shares issued as part of the Scheme were treated as issued from the beginning of the current reporting period so as to reflect the unchanged continuation of the Group. No weighting was required as there were no changes in the issued share capital of SGL from the beginning of the current year up to the effective date of the Scheme. Shares issued after the implementation of the Scheme were time-weighted as appropriate.

Authorised and issued

Although the Scheme was retrospectively implemented for accounting purposes, the roll forward below shows the movement of the legally issued shares of the Company and SGL for the periods indicated.

Figures in thousand	Company	SGL	
	2020	2019	2018
Authorised number of shares	10,000,000	10,000,000	10,000,000
Reconciliation of issued number of shares:			
Number of shares in issue at beginning of the year ¹	-*	2,266,261	2,168,721
Scheme implemented ²	2,670,030	-	-
Shares issued under Sibanye-Stillwater/SGL Share Plan ³	6,932	4,442	10,394
Issued upon conversion of US\$ Convertible Bond ⁴	248,040	-	-
Shares delisted (share buy-back) ⁵	(1,431)	-	-
Shares issued for cash ⁶	-	108,932	-
Shares issued with acquisition of subsidiary ⁷	-	290,395	-
Capitalisation issue ⁸	-	-	87,146
Number of shares in issue at end of the year	2,923,571	2,670,030	2,266,261

¹ Since the Scheme was retrospectively implemented, the stated share capital presented in the consolidated statement of changes in equity reflects the legally issued shares of the Company from the earliest period presented, being one ordinary share at 31 December 2018 and 31 December 2019

² From 1 January 2020 to 23 February 2020, shares of the listed entity presented for the Group were those of SGL. From 24 February 2020, these were exchanged for shares of Sibanye-Stillwater retrospectively presented for the Group in the consolidated statement of changes in equity. The Scheme was implemented on a share-for-share basis with no change in the total number of issued listed shares

³ Upon implementation of the Scheme, the SGL equity-settled share plan was transferred to the Company and is settled in the Company's shares from the effective date onwards (refer note 6.1)

⁴ Refer note 28.5

⁵ The Group entered into a repurchase and cancellation of shares agreement with certain shareholders which resulted in the total issued shares of Sibanye-Stillwater decreasing by 1,431,197 shares

⁶ On 15 April 2019, Sibanye-Stillwater raised net capital of R1.7 billion from a placing of 108,932,356 new ordinary no par value shares to existing and new institutional investors

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

⁷ On 10 June 2019, 290,394,531 shares were issued to the shareholders of Lonmin Limited (refer note 16.1)

⁸ On 11 April 2018, 87,145,885 shares were issued with four capitalisation issue shares for every 100 existing share held

* Less than one thousand

All the Company's ordinary no par value 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.

Retrospective roll forward of stated share capital and reorganisation reserve:

	SGL		Scheme impact	Reorgani- sation reserve	Company	
	Amount (million)	Shares (thousand)	Amount (million)	Amount (million)	Amount (million)	Shares (thousand)
Balance at 31 December 2017	34,667.0	2,168,721	(34,667.0)	34,667.0	-*	-*
Shares issued under SGL Share Plan	-	10,394	-	-	-	-
Capitalisation issue	-	87,146	-	-	-	-
Balance at 31 December 2018	34,667.0	2,266,261	(34,667.0)	34,667.0	-*	-*
Shares issued for cash	1,688.4	108,932	(1,688.4)	1,688.4	-	-
Shares issued on Lonmin acquisition	4,306.6	290,395	(4,306.6)	4,306.6	-	-
Shares issued under SGL Share Plan	-	4,442	-	-	-	-
Balance at 31 December 2019	40,662.0	2,670,030	(40,662.0)	40,662.0	-*	-*
Scheme implemented ¹				(17,660.7)	17,660.7	2,670,030
Shares issued under Company Share Plan				-	-	6,932
Issued upon conversion of US\$ Convertible Bond ²				-	12,573.2	248,040
Shares delisted (share buy-back)				-	(84.1)	(1,431)
Balance at 31 December 2020				23,001.3	30,149.8	2,923,571

¹ The stated share capital value of the Company on Scheme implementation amounts to the net asset value of the unconsolidated SGL company on the effective date of the Scheme. The reorganisation reserve is the balance between the previously presented stated share capital and the revised stated share capital value of the Company. There was no change in the issued share capital of the SGL Group from 31 December 2019 to the effective date of the Scheme

² Refer note 28.5

* Less than R0.1 million or one thousand shares as indicated

Repurchase of shares

On 2 November 2020, the directors of the Company decided to make an offer to certain holders of the Company's ordinary shares, via an Odd-lot offer to holders of fewer than 100 shares of the Company and a specific repurchase in terms of the JSE Listings Requirements and the South African Companies Act, 2008 to holders of 100 to 400 Company shares. This resulted in a total repurchase to the value of R84.1 million including directly attributable incremental transaction costs and a decrease of 1,431,197 in the issued shares of the Company. The average price paid for the repurchased shares amounted to R58.80 per share.

27. Non-controlling interests

Accounting policy

Non-controlling interests

The Group recognises any non-controlling interest in an acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets on an acquisition by acquisition basis. Subsequently, the carrying amount of non-controlling interest is the amount of the interest at initial recognition plus the non-controlling interest's subsequent share of changes in equity.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

The Group's non-controlling interests relates to the following subsidiaries:

Figures in million - SA rand	2020	2019	2018
Non-controlling interest of DRDGOLD	1,223.8	1,135.2	913.2
Non-controlling interest of Platinum Mile	36.6	21.1	18.4
Non-controlling interests of Group Technical Security Management	4.8	5.4	4.4
Non-controlling interests of Marikana ¹	970.5	306.0	-
Total non-controlling interests	2,235.7	1,467.7	936.0

¹ Included in Marikana's NCI is NCI of WPL amounting to R689.5 million (2019: R253.3 million)

DRDGOLD is a company incorporated in South Africa with its head office in Johannesburg. DRDGOLD's primary listing is on the JSE Limited and its secondary listing is on the New York Stock Exchange. It's gold production is derived from retreatment of surface tailings in South Africa. Following Sibanye-Stillwater's exercise of its option to acquire an additional 12.05% in DRDGOLD effective 10 January 2020, non-controlling interests hold a 49.9% (2019: 61.95%, 2018: 61.95%) with an effective holding of 49.3% (2019: 61.4%, 2018: 61.4%) after considering the impact of treasury shares held by DRDGOLD. The Group calculated the net asset value of DRDGOLD at the effective date of the option exercise, to which the additional ownership percentage was applied to determine the reattribution between non-controlling interest and the Group amounting to R220.0 million.

WPL, acquired as part of the Lonmin acquisition, consist of PGM mining and processing operations located on the Western Limb of the Bushveld Complex, close to the town of Rustenburg, in the North West province of South Africa and smelting and refining operations located in Brakpan, East of Johannesburg. Non-controlling interests hold an effective 4.75% interest in WPL.

The summarised financial information of these subsidiary groups is provided below. This information is based on amounts before inter-company eliminations.

Figures in million - SA rand	2020	2019	2018
DRDGOLD Limited			
Revenue	5,051.0	3,621.0	1,047.5
Profit for the year	1,254.5	460.2	(39.9)
Total comprehensive income	1,485.1	459.1	(43.8)
Profit attributable to NCI	619.2	285.1	(24.7)
Net increase/(decrease) in cash and cash equivalents	1,626.0	334.0	(73.4)
Dividends paid	358.7	85.0	-
Non-current assets	3,620.3	3,393.1	3,581.9
Current Assets	2,671.2	972.2	591.0
Non-current liabilities	(1,055.3)	(1,108.6)	(1,275.6)
Current liabilities	(592.5)	(463.3)	(425.2)
Net assets	4,643.7	2,793.5	2,472.1
Western Platinum Proprietary Limited			
Revenue	26,781.2	11,124.5	-
Profit for the year	7,239.3	763.7	-
Total comprehensive income	7,250.9	763.7	-
Profit attributable to NCI	444.4	17.0	-
Net decrease in cash and cash equivalents	6,249.4	(2,070.2)	-
Dividends paid	-	-	-
Non-current assets	5,094.3	7,749.5	-
Current Assets	14,737.2	6,832.0	-
Non-current liabilities	(20,737.6)	(22,462.3)	-
Current liabilities	(2,625.9)	(2,201.7)	-
Net assets	(3,532.0)	(10,082.6)	-

28. Borrowings and derivative financial instrument

Significant accounting judgements and estimates

Borrowings

Expected future cash flows used to determine the fair value of borrowings (namely the Burnstone Debt) 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 the expected commodity price, foreign currency exchange rates, and estimates of production costs, future capital expenditure and discount rates.

Derivative financial instrument

Up to the date of settlement, gains and losses on the derivative financial instrument were attributable to changes in various valuation inputs, including the movement in the Company share price, change in US dollar/ rand exchange rate, bond market value and credit risk spreads. Although many inputs into the valuation are observable, the valuation method separates the fair value of the derivative from the

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

quoted fair value of the US\$ Convertible Bond by adjusting certain observable inputs. These adjustments require the application of judgement and certain estimates. Changes in the relevant inputs impact the fair value gains and losses recognised.

Accounting policy

Borrowings

Borrowings are non-derivative financial liabilities categorised as other financial liabilities. 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.

Derivative financial instruments

Derivatives are initially recognised at fair value using option pricing methodologies. Any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes are recognised in profit or loss.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the fair value hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Borrowings

Figures in million - SA rand	Notes	2020	2019	2018
US\$600 million RCF	28.1	6,977.7	5,711.9	2,726.5
R6.0 billion RCF	28.2	-	-	5,896.4
R5.5 billion RCF	28.3	-	2,500.0	-
2022 and 2025 Notes	28.4	10,135.7	9,609.8	9,808.7
US\$ Convertible Bond	28.5	-	4,578.6	4,496.6
Burnstone Debt	28.6	1,263.3	1,330.4	1,145.1
Other borrowings	28.7	-	-	425.6
Franco-Nevada liability		2.1	2.0	2.0
Stillwater Convertible Debentures		3.8	3.5	3.8
Total borrowings		18,382.6	23,736.2	24,504.7
Reconciliation of the non-current and current portion of the borrowings:				
Borrowings		18,382.6	23,736.2	24,504.7
Current portion of borrowings		(885.6)	(38.3)	(6,188.2)
Non-current portion of borrowings		17,497.0	23,697.9	18,316.5

The current portion of borrowings will be repaid out of operational cash flows or it will be refinanced by utilising available Group facilities.

Derivative financial instrument

Figures in million - SA rand	Note	2020	2019	2018
Reconciliation of the non-current and current portion of the derivative financial instrument:				
Derivative financial instrument	28.5	-	4,144.9	408.9
Non-current portion of derivative financial instrument		-	4,144.9	408.9

Roll forward of borrowings in the current year were as follows:

Figures in million - SA rand	Notes	2020	2019	2018
Balance at beginning of the year		23,736.2	24,504.7	25,649.5
Borrowings acquired on acquisition of subsidiary	16.1	-	2,574.8	-
Loans raised		16,289.2	18,981.7	17,130.2
Loans repaid		(18,335.1)	(22,008.3)	(21,231.5)
US\$ Convertible Bond converted into shares		(5,578.2)	-	-
Unwinding of loans recognised at amortised cost	5.2	393.2	374.4	538.3
Accrued interest (related to the 2022 and 2025 Notes, and US\$ Convertible Bond)		857.7	769.9	942.5
Accrued interest paid		(866.3)	(777.7)	(907.2)
Gain on derecognition of borrowings		-	-	(179.7)
(Gain)/loss on the revised cash flow of the Burnstone Debt		(264.3)	96.6	(804.6)
Loss/(gain) on foreign exchange differences and foreign currency translation		2,150.2	(779.9)	3,367.2
Balance at end of the year		18,382.6	23,736.2	24,504.7

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

28.1 US\$600 million RCF

On 21 May 2018, Sibanye-Stillwater cancelled and refinanced the US\$350 million revolving credit facility (RCF) by drawing under the US\$600 million RCF. The purpose of the facility was to refinance the US\$350 million RCF, finance ongoing capital expenditure and working capital.

Terms of the US\$600 million RCF

Facility:	US\$600 million		
Interest rate:	LIBOR		
Interest rate margin:	1.85% if net debt to adjusted EBITDA is equal to or less than 2.50x 2.00% if net debt to adjusted EBITDA is greater than 2.50x		
Utilisation fee:	Where the total outstanding loans under the RCF fall within the range of the percentage of the total loan as set out below, Sibanye-Stillwater shall pay an utilisation fee equal to the percentage per annum set out opposite such percentage range.		
	% of the total loans		
	Less than or equal to 33⅓%		0.15%
	Greater than 33⅓% and less than or equal to 66⅔%		0.30%
	Greater than 66⅔%		0.50%
Term of facility:	Three years, subject to 2 one-year extensions at the lenders option. As at 31 December 2020, US\$525 million of the facility lenders (i.e. seven of the eight lenders) have exercised the first one year extension option, and US\$450 million of the facility lenders (i.e. six of the eight lenders) have exercised the second one year extension option.		
Borrowers:	SGL, Stillwater, Kroondal, SRPM and WPL.		
Security and/or guarantors:	The facility is unsecured and guaranteed by the Company, SGL, Stillwater, Kroondal, SRPM and WPL.		

Figures in million - SA rand	2020	2019	2018
Balance at beginning of the year	5,711.9	2,726.5	-
Loans raised	7,218.1	9,067.1	5,391.6
Loans repaid	(6,802.2)	(5,826.2)	(2,744.7)
Loss on foreign exchange differences	-	6.4	73.1
Loss/(gain) on foreign exchange differences	849.9	(261.9)	6.5
Balance at end of the year	6,977.7	5,711.9	2,726.5

28.2 R6.0 billion RCF

On 15 November 2016, Sibanye-Stillwater cancelled and refinanced a R4.5 billion Facility by drawing under the R6.0 billion RCF. The purpose of the facility was to refinance the R4.5 billion Facility, finance ongoing capital expenditure, working capital and general corporate expenditure requirements which may include the financing of future acquisitions of business combinations. This facility was refinanced and cancelled in November 2019.

Terms of the R6.0 billion RCF

Facility:	R6.0 billion		
Interest rate:	JIBAR		
Interest rate margin:	During the Covenant adjustment period, being 30 June 2017 to 31 December 2019, the margin will be based on the following net debt to adjusted EBITDA ratios:		
	Net debt to adjusted EBITDA ratios		Margin %
	0.00:1 – 3.00:1		2.40%
	3.00:1 – 3.25:1		2.65%
	3.25:1 – 3.50:1		2.90%
	After the covenant adjustment period the margin will return to 2.4%		
Term of facility:	Three years		
Borrowers:	SGL, SRPM and Kroondal		
Security and/or guarantors:	The facility was unsecured and guaranteed by SGL, Stillwater, SRPM and Kroondal.		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

Figures in million - SA rand	2020	2019	2018
Balance at beginning of the year	-	5,896.4	5,536.4
Loans raised	-	1,150.0	360.0
Loans repaid	-	(5,046.4)	-
Inter Bank transfer	-	(2,000.0)	-
Balance at end of the year	-	-	5,896.4

28.3 R5.5 billion RCF

Sibanye-Stillwater refinanced its R6.0 billion Revolving Credit Facility (RCF), which matured on 15 November 2019, by entering into a new R5.5 billion RCF on 25 October 2019 and drawing under the new RCF on 11 November 2019. The purpose of the facility was to refinance facilities, finance ongoing capital expenditure and general corporate expenditure requirements.

Terms of the R5.5 billion RCF

Facility:	R5.5 billion
Interest rate:	JIBAR
Interest rate margin:	2.40% if net debt to adjusted EBITDA is equal to or less than 2.00x 2.60% if net debt to adjusted EBITDA is greater than 2.00x
Term of facility:	Three years, subject to two one-year extensions at the lenders option. All facility lenders have approved the first extension with the loan facility now maturing on 11 November 2023.
Borrowers:	SGL, Kroondal, SRPM and WPL.
Security and/or guarantors:	The facility is unsecured and guaranteed by the Company, SGL, Stillwater, Kroondal, SRPM and WPL.

Figures in million - SA rand	2020	2019	2018
Balance at beginning of the year	2,500.0	-	-
Loans raised	5,000.0	500.0	-
Loans repaid	(7,500.0)	-	-
Inter Bank transfer	-	2,000.0	-
Balance at end of the year	-	2,500.0	-

28.4 2022 and 2025 Notes

On 27 June 2017, Stillwater completed a two-tranche international corporate bond offering 6.125% Notes due on 27 June 2022 (the 2022 Notes) and 7.125% Notes due on 27 June 2025 (the 2025 Notes) (together the 2022 and 2025 Notes) with the proceeds applied towards the partial repayment of the Stillwater Bridge Facility, raised for the acquisition of Stillwater. On 19 September 2018, Sibanye-Stillwater concluded the repurchase of a portion of the 2022 and 2025 Notes issued by Stillwater. The total purchase price was approximately US\$345 million (nominal value of US\$349 million) and was funded from existing cash resources, including the US\$500 million advance proceeds from the Streaming transaction.

Terms of the 2022 and 2025 Notes

Facility:	US\$500 million 6.125% Senior Notes due 2022 (the 2022 Notes) US\$550 million 7.125% Senior Notes due 2025 (the 2025 Notes)
Outstanding nominal value:	2022 Notes: US\$353.7 million 2025 Notes: US\$346.9 million
Interest rate:	2022 Notes: 6.125% 2025 Notes: 7.125%
Term of the Notes:	2022 Notes: Five years 2025 Notes: Eight years
Issuer:	Stillwater
Guarantors:	Each of the Notes are fully and unconditionally guaranteed, jointly and severally by the Guarantors (the Company, SGL, Kroondal, SRPM and WPL). The Guarantees rank equally in right of payment to all existing and future senior debt of the Guarantors.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

Figures in million - SA rand	2020	2019	2018
Balance at beginning of the year	9,609.8	9,808.7	12,597.7
Loans raised	-	-	-
Loans repaid	-	-	(5,107.4)
Accrued interest paid	(741.6)	(672.2)	(795.5)
Interest charge	763.5	664.9	836.6
Unwinding of amortised cost	58.6	47.9	196.7
Gain on derecognition of borrowings	-	-	(128.8)
Loss/(gain) on foreign exchange differences	445.4	(239.5)	2,209.4
Balance at end of the year	10,135.7	9,609.8	9,808.7

28.5 US\$ Convertible Bond

The US\$ Convertible Bond was launched and priced on 19 September 2017 with the proceeds applied towards the partial repayment of the Stillwater Bridge Facility, raised for the acquisition of Stillwater (the "Bonds"). On 11 September 2018, Sibanye-Stillwater concluded the repurchase of a portion of the Bonds. An aggregate principal amount of US\$66 million for a total purchase price of approximately US\$50 million was repurchased. Following the repurchase, the outstanding nominal value amounted to US\$384 million.

On 11 September 2020 a bondholder elected to convert a US\$200,000 bond into 127,967 ordinary shares of the Company. On 18 September 2020, SGL issued notice to exercise its rights to redeem all the Bonds in full on 19 October 2020 (Optional Redemption Notice). Following the issue of the Optional Redemption Notice and subject to the conditions of the Bonds, bondholders could still exercise their conversion rights by delivering a conversion notice. Following receipt of the conversion notices, SGL could elect to settle the Bonds in shares of the Company or in cash to the value of the shares, subject to the conditions of the Bonds. Conversion notices were received for Bonds with a nominal value of US\$383 million and all converted bonds were settled through the issue of 247,912,467 ordinary shares in the Company. No conversion notices were received for Bonds to the value of \$0.8 million and these were redeemed for cash at nominal value, including unpaid accrued interest.

Upon implementation of the Scheme on 24 February 2020, SGL became a subsidiary of the Company, which in turn became the new holding company of the Group (refer note 26). Consequently, even though SGL was the Bond issuer, the converted Bonds were settled in shares of the Company.

The Bonds consisted of two components under IFRS. The conversion option component was recognised as a derivative financial liability measured at fair value through profit or loss. The bond component was recognised as a financial liability measured at amortised cost using the effective interest method. Both financial liabilities were extinguished upon settlement of the Bonds. Before derecognition, interest was accrued up to the settlement date on the amortised cost component based on the original effective interest rate.

The loss on settlement was attributed to the derivative component and measured as the difference between the fair value of the Sibanye-Stillwater shares issued on the respective settlement dates, the carrying amount of the amortised cost component immediately before settlement and the carrying amount of the derivative component. Sibanye-Stillwater shares issued on settlement of the Bonds were measured at the fair value on the dates of issue to the bondholders by applying a volume weighted average price (VWAP) on the day.

Terms of the US\$ Convertible Bond

Issue size:	US\$450 million
Outstanding nominal value:	US\$nil
Coupon:	1.875%
Maturity date:	Original maturity date: 26 September 2023 (six years), early redemption finalised: 19 October 2020
Conversion premium:	35%
Reference share price:	US\$1.2281, being the volume weighted average price of a share on the JSE from launch to pricing on 19 September 2017, converted at a fixed exchange rate.
Initial conversion price:	US\$1.6580
Issuer:	SGL
Guarantors:	The Company, Stillwater and Kroondal

The table below sets out the details relating to the settlement of the Bonds:

	2020
Number of shares issued ('thousands)	248,040.0
Number of bonds settled	1,916.0
Fair value of Company shares issued ('millions)	12,573.2
Range of VWAPs on settlement (ZAR)	46.5 - 51.5
Cash redemption amount ('millions)	13.2
Derivative element settlement value ('millions)	6,995.0
Bond element settlement value ('millions)	5,578.2

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

The tables below illustrate the movement in the amortised cost element and the derivative element respectively:

Convertible bond at amortised cost

Figures in million - SA rand	2020	2019	2018
Balance at beginning of the year	4,578.6	4,496.6	4,357.1
Loans repaid ¹	(13.2)	-	(745.2)
Loans converted into shares ²	(5,578.2)	-	-
Accrued interest paid	(124.7)	(105.5)	(111.7)
Interest charge	94.2	105.0	105.9
Unwinding of amortised cost	186.8	196.8	185.8
Gain on derecognition of borrowings	-	-	(50.9)
Loss/(gain) on foreign exchange differences	856.5	(114.3)	755.6
Balance at end of the year	-	4,578.6	4,496.6

¹ The amount for the year ended 31 December 2020 relates to the redemption of Bonds for which no conversion notice was received. The amount for the year ended 31 December 2018 relates to the repurchase of a portion of the Bonds

² Calculated as the amortised cost on the date of settlement

Derivative financial instrument at fair value

Figures in million - SA rand	Note	2020	2019	2018
Balance at beginning of the year		4,144.9	408.9	1,093.5
Loss/(gain) on financial instruments ¹	7	70.2	3,911.5	(678.1)
Settlement of derivative financial instrument		(6,995.0)	-	-
Loss on settlement of US\$ Convertible Bond ²		1,506.7	-	-
Gain on derecognition of derivative financial instrument		-	-	(50.3)
Loss/(gain) on foreign exchange differences		1,273.2	(175.5)	43.8
Balance at end of the year		-	4,144.9	408.9

¹ The loss/(gain) on the financial instrument is attributable to changes in various valuation inputs, including in the movement in the Company's share price, change in USD/ZAR exchange rate, bond market value and credit risk spreads

² Relates to the difference between the fair value of the Company shares issued on date of settlement, carrying value of the derivative liability before settlement and the carrying value of the amortised cost element on date of settlement

28.6 Burnstone Debt

Sibanye Gold Eastern Operations (SGEO) has bank debt of US\$178.1 million (R1,883.9 million) (the Burnstone Debt) outstanding as part of the net assets acquired on 1 July 2014.

Terms of the Burnstone Debt

Facility:	A1: US\$0.2 million A2: US\$7.8 million A3: US\$51.0 million A4: US\$119.1 million
Interest rate:	A1 and A2: Interest free A3 and A4: Interest free until 1 July 2017, then at LIBOR
Interest rate margin:	A3 and A4: 4% from 1 July 2017
Term of loan:	No fixed term
Repayment period:	A1: Repaid on 1 July 2014 A2: From 1 July 2017 the first 50% of Burnstone's free cash flow (as defined in the settlement agreement) will be used to repay the Wits Gold Loan and the balance of 50% to repay A2. A3 and A4: On settlement of A2, 90% of Burnstone's free cash flow will be used to repay the Wits Gold Loan and the balance of 10% to repay the Burnstone Debt. On settlement of the Wits Gold Loan and interest, 30% of Burnstone's free cash flow will be used to repay the Burnstone Debt and the balance will be distributed to Wits Gold. The Bank Lenders will continue to participate in 10% of Burnstone's free cash flow after the Burnstone Debt has been repaid in full to a maximum amount of US\$63.0 million under a revenue participation agreement.
Security:	The Burnstone Debt is fully secured against the assets of Burnstone (of R2.0 billion) and there is no recourse to the Group. The security package includes a cession over the bank accounts, insurance policies' proceeds, special and general notarial bonds over movable assets and mortgage bonds over property.

The Burnstone Debt facilities of US\$178.1 million (R1,883.9 million) were initially recognised at the acquisition fair value using level 3 assumptions, being R1,007.6 million, in terms of IFRS 13. The expected free cash flows to repay the loan as detailed above were based on the estimates and assumptions to determine the fair value at acquisition:

- A US\$ swap forward curve adjusted with the 4% interest rate margin above;

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

- The annual life of mine plan that takes into account the following:
 - Proved and probable ore reserves of Burnstone;
 - Cash flows are based on the life-of-mine plan of 20 years; and
 - Capital expenditure estimates over the life-of-mine plan.

Figures in million - SA rand	Note	2020	2019	2018
Balance at beginning of the year		1,330.4	1,145.1	1,537.5
Accrued interest and unwinding of amortised cost		147.8	120.1	152.9
(Gain)/loss on revised estimated cash flows ¹	7	(264.3)	96.6	(804.6)
Loss/(gain) on foreign exchange differences		49.4	(31.4)	259.3
Balance at end of the year		1,263.3	1,330.4	1,145.1

¹ At 31 December 2020, the expected free cash flows expected to repay the loan as detailed above were revised as a result of revised cash flows over the life of mine plan due to:

- Revised forecast costs and capital expenditure; and
- Revised long term gold prices 2020: R733,037/kg (2019: R686,225/kg and 2018: R585,500/kg) and exchange rates 2020: R16.00/US\$ (2019: R14.00/US\$ and 2018: R14.00/US\$) based on a LOM of 20 years. A2 is discounted using a 5.8% discount rate and A3 and A4 is discounted at 9.5%

28.7 Other borrowings

Short-term credit facilities

Sibanye-Stillwater has uncommitted loan facilities with various banks to fund capital expenditure and working capital requirements at its operations. These facilities have no fixed terms, are short-term in nature and interest rates are market related.

Figures in million - SA rand	2020	2019	2018
Balance at beginning of the year	-	425.6	478.7
Loans raised	4,071.1	8,264.6	10,798.6
Loans repaid	(4,019.7)	(11,135.7)	(10,854.6)
Unwinding of amortised cost	-	9.6	2.9
Borrowings acquired on acquisition of subsidiary	-	2,574.8	-
Other	-	1.3	-
Gain on foreign exchange differences	(51.4)	(140.2)	-
Balance at end of the year	-	-	425.6

28.8 Fair value of financial instruments and risk management

Fair value of borrowings

The fair value of variable interest rate borrowings approximates its carrying amounts as the interest rates charged are considered marked related. Fair value of fixed interest rate borrowings was determined through reference to ruling market prices and interest rates.

The table below shows the fair value and carrying amount of borrowings where the carrying amount does not approximate fair value:

Figures in million - SA rand	Carrying value	Fair value		
		Level 1	Level 2	Level 3
31 December 2020				
2022 and 2025 Notes ¹	10,135.7	10,637.0	-	-
Burnstone Debt ²	1,263.3	-	-	2,075.3
Total	11,399.0	10,637.0	-	2,075.3
31 December 2019				
2022 and 2025 Notes ¹	9,609.8	10,138.4	-	-
US\$ Convertible Bond ³	4,578.6	-	4,724.5	-
Burnstone Debt ²	1,330.4	-	-	1,441.0
Total	15,518.8	10,138.4	4,724.5	1,441.0
31 December 2018				
2022 and 2025 Notes ¹	9,808.7	9,312.0	-	-
US\$ Convertible Bond ³	4,496.6	-	3,736.1	-
Burnstone Debt ²	1,145.1	-	-	1,075.6
Total	15,450.4	9,312.0	3,736.1	1,075.6

¹ The fair value is based on the quoted market prices of the notes

² The fair value of the Burnstone Debt has been derived from discounted cash flow models. These models use several key assumptions, including estimates of future sales volumes, gold prices, operating costs, capital expenditure and discount rate. The fair value estimate is sensitive to changes in the key assumptions, for example, increases in the market related discount rate would decrease the fair value if all other inputs remain unchanged. The extent of the fair value changes would depend on how inputs change in relation to each other

³ The fair value of the amortised cost component of the US\$ Convertible Bond is based on the quoted price of the instrument after separating the fair value of the derivative component

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

Liquidity risk

The following are contractually due, undiscounted cash flows resulting from maturities of financial liabilities including interest payments:

Figures in million - SA rand	Total	Within one year	Between one and five years	After five years
31 December 2020				
Other payables	5,088.8	2,307.5	2,723.3	58.0
Trade and other payables	8,523.8	8,523.8	-	-
Borrowings				
- Capital				
US\$600 million RCF	6,977.7	872.6	6,105.1	-
2022 and 2025 Notes	10,291.9	-	10,291.9	-
Burnstone Debt	114.3	-	11.7	102.6
Franco-Nevada liability	2.1	2.1	-	-
Stillwater Convertible Debentures	3.8	3.8	-	-
- Interest	6,680.6	809.5	1,563.5	4,307.6
Total	37,683.0	12,519.3	20,695.5	4,468.2
31 December 2019				
Other payables	3,808.6	775.4	2,918.6	114.6
Trade and other payables	7,739.5	7,739.5	-	-
Borrowings				
- Capital				
US\$600 million RCF	5,711.9	-	5,711.9	-
R6.0 billion RCF	2,500.0	-	2,500.0	-
2022 and 2025 Notes	9,808.4	-	4,951.8	4,856.6
US\$ Convertible Bond	5,376.0	-	5,376.0	-
Burnstone Debt	109.0	-	109.0	-
Franco-Nevada liability	2.0	2.0	-	-
Stillwater Convertible Debentures	3.5	3.5	-	-
- Interest	7,820.8	1,184.2	2,698.3	3,938.3
Total	42,879.7	9,704.6	24,265.6	8,909.5
31 December 2018				
Other payables	3,386.8	293.3	1,968.9	1,124.6
Trade and other payables	5,159.9	5,159.9	-	-
Borrowings				
- Capital				
US\$600 million RCF	2,726.5	-	2,726.5	-
R6.0 billion RCF	5,896.4	5,896.4	-	-
2022 and 2025 Notes	10,053.6	-	5,075.6	4,978.0
US\$ Convertible Bond	5,510.4	-	5,510.4	-
Burnstone Debt	2,552.9	-	-	2,552.9
Franco-Nevada liability	2.0	2.0	-	-
Stillwater Convertible Debentures	3.8	3.8	-	-
Other borrowings	252.3	252.3	-	-
- Interest	9,386.9	1,543.8	3,568.6	4,274.5
Total	44,931.5	13,151.5	18,850.0	12,930.0

Market risk

Foreign currency sensitivity

Certain of the Group's US dollar borrowing facilities have been drawn down by companies with SA rand as their functional currency, therefore some of the Group's borrowings are sensitive to changes in the rand/US dollar exchange rate. The Group is also exposed to foreign currency risk on intercompany loans denominated in foreign currencies to the extent that foreign exchange differences are recognised in profit or loss. A one percentage point change in the SA rand closing exchange rate of R14.69/US\$ (2019: R14.00/US\$ and 2018: R14.35/US\$) would have changed the profit for the year by R147.9 million (2019: R102.2 million and 2018: R38.7 million).

Interest rate sensitivity

As at 31 December 2020, the Group's total borrowings amounted to R18,382.6 million (2019: R23,736.2 million and 2018: R24,504.7 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.

The portion of Sibanye-Stillwater's interest-bearing borrowings at period end that is exposed to interest rate fluctuations is R18,376.7 million (2019: R23,730.7 million and 2018: R24,498.9 million). This debt is normally rolled for periods between one and three months and is therefore exposed to the rate changes in this period.

At 31 December 2020, of the total borrowings, Rnil (2019: R2,500.0 million and 2018: R6,322.0 million) is exposed to changes in the JIBAR rate and R8,241.0 million (2019: R7,042.3 million and 2018: R3,871.6 million) is exposed to changes in the LIBOR rate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

The table below summarises the effect of a change in finance expense on the Group's profit or loss had JIBAR and LIBOR 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

Figures in million - SA rand	Change in interest expenses for a change in interest rate ¹					
	(1.5)%	(1.0)%	(0.5)%	0.5%	1.0%	1.5%
31 December 2020						
- JIBAR	-	-	-	-	-	-
- LIBOR	122.4	81.6	40.8	(40.8)	(81.6)	(122.4)
Change in finance expense	122.4	81.6	40.8	(40.8)	(81.6)	(122.4)
31 December 2019						
- JIBAR	37.5	25.0	12.5	(12.5)	(25.0)	(37.5)
- LIBOR	105.6	70.4	35.2	(35.2)	(70.4)	(105.6)
Change in finance expense	143.1	95.4	47.7	(47.7)	(95.4)	(143.1)
31 December 2018						
- JIBAR	88.5	59.0	29.5	(29.5)	(59.0)	(88.5)
- LIBOR	79.2	52.8	26.4	(26.4)	(52.8)	(79.2)
Change in finance expense	167.7	111.8	55.9	(55.9)	(111.8)	(167.7)

¹ Interest rate sensitivity analysis is performed on the borrowings balance at 31 December

The exposure to interest rate changes and the contractual repricing dates

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates at the reporting dates is as follows:

Figures in million - SA rand	2020	2019	2018
Floating rate with exposure to change in JIBAR	-	2,500.0	6,322.0
Floating rate with exposure to change in LIBOR	8,157.5	7,042.3	3,871.6
Non-current borrowings exposed to interest rate changes	8,157.5	9,542.3	10,193.6
The Group has the following undrawn borrowing facilities:			
Committed	7,336.3	5,688.0	5,987.1
Uncommitted	2,459.7	1,050.0	757.7
Total undrawn facilities	9,796.0	6,738.0	6,744.8
All of the above facilities have floating rates. The undrawn committed facilities have the following expiry dates:			
- within one year	229.2	-	103.6
- later than one year and not later than two years	229.2	672.0	-
- later than two years and not later than three years	6,877.9	5,016.0	5,883.5
Total undrawn committed facilities	7,336.3	5,688.0	5,987.1

28.9 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.

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 (cash)/debt to adjusted earnings before interest, taxes, depreciation and amortisation (EBITDA), but does not set absolute limits for this ratio.

Figures in million - SA rand	2020	2019	2018
Borrowings ¹	17,119.3	26,550.7	23,768.5
Cash and cash equivalents ²	20,205.9	5,586.3	2,499.4
Net (cash)/debt ³	(3,086.6)	20,964.4	21,269.1
Adjusted EBITDA ⁴	49,384.9	14,956.0	8,369.4
Net (cash)/debt to adjusted EBITDA (ratio) ⁵	(0.1)	1.4	2.5

¹ Borrowings are only those borrowings that have recourse to Sibanye-Stillwater. Borrowings, therefore, exclude the Burnstone Debt and include the derivative financial instrument up to the settlement of the US\$ Convertible Bond

² Cash and cash equivalents exclude cash of Burnstone

³ Net (cash)/debt represents borrowings and bank overdraft less cash and cash equivalents. Borrowings are only those borrowings that have recourse to Sibanye-Stillwater and, therefore, exclude the Burnstone Debt and include the derivative financial instrument up to the settlement of the US\$ Convertible Bond. Net (cash)/debt excludes cash of Burnstone

⁴ The adjusted EBITDA calculation is based on the definitions included in the facility agreements for compliance with the debt covenant formula, except for impact of new accounting standards and acquisitions, where the facility agreements allow the results from the acquired operations to be annualised. Adjusted EBITDA may not be comparable to similarly titled measures of other companies. Adjusted 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

⁵ Net (cash)/debt to adjusted EBITDA ratio is a pro forma performance measure and is defined as net (cash)/debt as of the end of a reporting period divided by adjusted EBITDA of the 12 months ended on the same reporting date. This measure constitutes pro forma financial information in terms of the JSE Listing Requirements, and is the responsibility of the Board

Reconciliation of profit/(loss) before royalties, carbon tax and tax to adjusted EBITDA:

Figures in million - SA rand	2020	2019	2018
Profit/(loss) before royalties, carbon tax and tax	37,250.0	(856.3)	(1,224.3)
Adjusted for:			
Amortisation and depreciation	7,592.4	7,214.1	6,613.8
Interest income	(1,065.4)	(560.4)	(482.1)
Finance expense	3,151.8	3,302.5	3,134.7
Share-based payments	512.4	363.3	299.4
Loss/(gain) on financial instruments	2,450.3	6,015.1	(1,704.1)
Loss/(gain) on foreign exchange differences	255.0	(325.5)	(1,169.1)
Share of results of equity-accounted investees after tax	(1,699.8)	(721.0)	(344.2)
Change in estimate of environmental rehabilitation obligation, and right of recovery receivable and payable	(464.1)	88.9	(66.6)
Gain on disposal of property, plant and equipment	(98.8)	(76.6)	(60.2)
(Reversal of impairments)/impairments	(121.4)	86.0	3,041.4
Gain on derecognition of borrowing and derivative financial instrument	-	-	(230.0)
Gain on acquisition	-	(1,103.0)	-
Loss on BTT early settlement	186.2	-	-
Restructuring costs	436.2	1,252.4	142.8
Transaction costs	138.6	447.8	402.5
Loss on settlement of US\$ Convertible Bond	1,506.7	-	-
Loss due to dilution of interest in joint operation	30.2	-	-
Income on settlement of dispute	(580.0)	-	-
IFRS 16 lease payments	(147.7)	(131.7)	-
Occupational healthcare expense	52.3	(39.6)	15.4
Adjusted EBITDA	49,384.9	14,956.0	8,369.4

29. Lease liabilities

Accounting policy

At the inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Lease liabilities are initially measured at the present value of the future lease payments at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the relevant incremental borrowing rate.

Subsequently, lease liabilities are measured at amortised cost using the effective interest method. Lease liabilities are remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group also elected to apply the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option, and lease contracts for which the underlying asset is of low value. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term to the extent applicable.

In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

Figures in million - SA rand	Notes	2020	2019	2018
Balance at beginning of the year		382.8	-	-
Impact of adopting IFRS 16 on 1 January 2019		-	302.0	-
New leases and modifications		65.8	51.5	-
Lease liabilities on acquisition of subsidiaries	16.1	-	133.3	-
Repayment of lease liabilities		(147.7)	(131.7)	-
Interest charge	5.2	33.9	33.9	-
Re-classification and other		(8.8)	(5.7)	-
Foreign currency translation		0.8	(0.5)	-
Balance at end of the year		326.8	382.8	-
Current portion of lease liabilities		(103.6)	(110.0)	-
Non-current lease liabilities		223.2	272.8	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

Lease payments not recognised as a liability but expensed during the year

Figures in million - SA rand	2020	2019
Short-term leases	17.1	8.6
Leases of low value assets	83.2	34.4
Variable lease payments	10.8	6.5
Total	111.1	49.5

Maturity Analysis

The lease liabilities are secured by the related underlying assets. The undiscounted maturity analysis of lease liabilities at 31 December is as follows:

Figures in million - SA rand	Total	Within one year	Between one and five years	After five years
Contractual undiscounted cash flows - 2020	391.0	131.0	244.6	15.4
Contractual undiscounted cash flows - 2019	474.9	140.0	297.8	37.1

30. Environmental rehabilitation obligation and other provisions

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.

The provision is calculated using the following assumptions:

	Inflation rate	Discount rate	LOM
2020			
SA gold operations	6%	3.99% - 10.86%	1 – 21 years
SA PGM operations	6%	3.99% - 10.80%	1 – 32 years
US PGM operations	2%	1.45% - 1.65%	24 – 38 years
2019			
SA gold operations	6%	6.69% - 9.99%	1 – 19 years
SA PGM operations	6%	6.69% - 10.09%	1 – 31 years
US PGM operations	2%	2.32% - 2.39%	25 – 37 years
2018			
SA gold operations	6%	6.27% - 9.73%	1 – 19 years
SA PGM operations	6%	6.27% - 9.81%	1 – 28 years
US PGM operations	2%	2.87% - 3.02%	26 – 38 years

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.

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 risk-free rate that is adjusted to reflect the current market assessments of the time value of money.

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 or reversed against the relevant asset or liability to the extent that it meets the definition of dismantling and removing the item and restoring the site on which it is located. Costs that relate to an existing condition caused by past operations and do not have a future economic benefit are recognised in profit or loss. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in profit or loss. The present value 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 recognised in profit or loss 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

Figures in million - SA rand	Notes	2020	2019	2018
Balance at beginning of the year		8,714.8	6,294.2	4,678.7
Interest charge	5.2	683.8	578.7	398.8
Utilisation of environmental rehabilitation obligation ¹		(97.2)	(34.9)	(32.3)
Change in estimates charged to profit or loss ²		(374.6)	88.9	(90.4)
Change in estimates capitalised ²		(317.6)	105.1	618.8
Environmental rehabilitation obligation on acquisition of subsidiaries	16	-	1,696.9	672.7
Foreign currency translation		24.6	(14.1)	47.9
Balance at end of the year		8,633.8	8,714.8	6,294.2
Environmental rehabilitation obligation and other provisions consists of:				
Environmental rehabilitation obligation		8,516.6	8,597.6	6,176.2
Other provisions		117.2	117.2	118.0
Environmental rehabilitation obligation and other provisions		8,633.8	8,714.8	6,294.2

¹ The cost of ongoing current programmes to prevent and control environmental disturbances, including reclamation activities, is charged to cost of sales as incurred

² Changes in estimates result from changes in reserves and corresponding changes in life of mine, changes in discount rates, changes in closure cost estimates and changes in laws and regulations governing environmental matters

The Group's mining operations are required by law to undertake rehabilitation works as part of their ongoing operations. The Group makes contributions into environmental rehabilitation obligation funds (refer note 21) and holds guarantees to fund the estimated costs.

Post closure water management liability

The Group continues to monitor the potential risk of long-term Acid Mine Drainage (AMD) and other groundwater pollution challenges also experienced by peer mining groups. AMD relates to the acidification and contamination of naturally occurring water resources by pyrite-bearing ore contained in underground mines, rock dumps, tailings facilities and pits on surface. As yet, the Group has not been able to reliably determine the financial impact that AMD and groundwater pollution may have on the Group, nor the timing of possible outflow. The potential for AMD generation and other groundwater impacts how, where and if they will manifest and the associated environmental / closure liability will be determined as part of the Group's quantification of any post-closure latent and residual environmental impacts using a robust and defensible risk assessment process – this will be a requirement in the proposed amended Financial Provisioning (FP) Regulations that comes into effect in June 2021. As per the recent closure process undertaken at our Cooke Operations, detailed studies to understand the hydrology and hydrogeology were undertaken, including the modelling of worst-case scenarios assuming waste on surface cannot be removed. These studies further included the modeling of the mined out void, re-watering rate and natural groundwater flow in the dolomite aquifer overlaying the mined-out area, including the relationship with adjacent mining areas and surface water resources to understand cumulative impacts. The conclusions from the studies were used to inform a risk assessment and closure strategy to reliably predict water quality impacts as part of long term sustainable closure solution. In addition, in the December 2020 closure liability assessments, the Group makes financial provision of R795.8 million (undiscounted) for what it specifically termed "Post Closure Aspects" – this includes but is not limited to amongst others, post-closure water management aspects such as initial and post-decant surface and groundwater monitoring, wetlands, biomonitoring and aquatics monitoring and care-and-maintenance monitoring.

The Group, has a robust water conservation and demand management, compliance and closure water management strategy that aims to define and sustainably mitigate the potential risk of AMD and groundwater pollution. The Group operates a comprehensive water quality monitoring program, including bio-monitoring, as an early detection of potential AMD and groundwater pollution and has launched an initiative to understand the mining impacts on the various catchments within which the Group operates.

31. Occupational healthcare obligation

Significant accounting judgements and estimates

The Group recognises management's best estimates to settle any occupational healthcare claims against the Group's operations. The ultimate outcome of the number, timing and amount of successful claims to be paid out remains uncertain. The provision is consequently subject to adjustment in the future and actual costs incurred in future periods could differ materially from the estimates.

Estimates that were used in the assessment include value of benefits per claimant, disease progression rates, required contributions, timing of payments, tracing pattern, period discount rates, period inflation rates and a 60% take-up rate. These estimates were informed by a professional opinion. Management discounted the possible cash outflows using a discount rate of 6.65% (2019: 8.25% and 2018: 8.83%).

In assessing whether the Group has control, joint control or significant influence over the trust that administers the claim settlement process (refer below), judgement was applied in determining whether voting rights are relevant to determine power over the key activities of the trust, as well as analysing the influence of the various parties. No control, joint control or significant influence was identified, however should any key considerations change in future periods, these conclusions will be reassessed.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

The estimated costs of settlement claims are reviewed at least annually and adjusted as appropriate for changes in cash flow predictions or other circumstances.

Based on estimates to date, the net present value of expected settlement claims is recognised and provided for in full in the financial statements. The estimated cash flows are discounted using a risk-free rate with similar terms to the obligation to reflect the current market assessments of the time value of money.

Annual changes in the provision consist of finance costs relating to the change in the present value of the provision and changes in estimates.

On 3 May 2018, the Occupational Lung Disease Working Group (the Working Group), including Sibanye-Stillwater, agreed to an approximately R5 billion class action settlement with the claimants (Settlement Agreement).

On 26 July 2019 the Gauteng High Court in Johannesburg approved the R5 billion Settlement Agreement in the silicosis class action suit. This Settlement Agreement provides compensation to all eligible workers suffering from silicosis and/or tuberculosis who worked in the Occupational Lung Disease Working Group companies' mines from 12 March 1965 to the date of the Settlement Agreement.

The Settlement Agreement required the formation of the Tshiamiso Trust (the Trust) to administer the claim settlement process, which includes tracing claimants, assessing and processing submitted claims and paying benefits to eligible claimants. The Trust will be funded by the participants to the Working Group through contributions determined in accordance with the Settlement Agreement. In addition, a special purpose vehicle was created with the objective of performing certain functions on behalf of the Working Group as set out in the deed of the Trust and Settlement Agreement. The special purpose vehicle and Trust are not controlled by the Group.

On 19 December 2019 Sibanye-Stillwater provided a guarantee for an amount not exceeding R1,372 million in respect of administration contributions, initial benefit contributions and benefit contributions to the Trust as required by the trust deed.

Sibanye-Stillwater currently has provided R1,194.6 million for its share of the settlement cost. The provision is consequently subject to adjustment in the future based on the number of eligible workers and changes in other assumptions.

Figures in million - SA rand	Notes	2020	2019	2018
Balance at beginning of the year		1,282.1	1,274.1	1,153.3
Interest charge	5.2	96.3	115.5	105.4
Change in estimate recognised in profit or loss		52.3	(39.6)	15.4
Payments made	34	(236.1)	(67.9)	-
Balance at the end of the year		1,194.6	1,282.1	1,274.1
Reconciliation of the non-current and current portion of the occupational healthcare obligation:				
Occupational healthcare obligation		1,194.6	1,282.1	1,274.1
Current portion of occupational healthcare obligation		(156.9)	(148.7)	(109.9)
Non-current portion of occupational healthcare obligation		1,037.7	1,133.4	1,164.2

DRDGOLD is not a party to the Working Group's mediated settlement agreement and DRDGOLD maintains the view that it is too early to consider settlement of the matter, mainly for the following reasons:

- the applicants have as yet not issued and served a summons (claim) in the matter to DRDGOLD;
- there is no indication of the number of potential claimants that may join the class action against the DRDGOLD respondents; and
- many principles upon which legal responsibility may be founded, are required to be substantially developed by the trial court (and possibly subsequent courts of appeal) to establish liability on the bases alleged by the applicants.

In light of the above there is inadequate information for DRDGOLD to determine if a sufficient legal and factual basis exists to establish liability, and to quantify such potential liability.

32. Deferred revenue

Significant accounting judgements and estimates

Upfront cash deposits received for streaming transactions have been accounted for as contract liabilities (deferred revenue) in the scope of IFRS 15. These contracts are not financial instruments because they will be satisfied through the delivery of non-financial items (i.e. delivering of metal ounces) as part of the Group's expected sale requirements, rather than cash or financial assets. It is the intention to satisfy the performance obligations under these streaming arrangements through the Group's production, and revenue will be recognised over duration of the contracts as the Group satisfies its obligation to deliver metal ounces. Since these contracts are of a long-term nature and the Group received a portion of the consideration at the inception, these contracts contain a significant financing component under IFRS 15. The Group therefore made a critical estimate of the discount rate that should be applied to the contract liabilities over the life of contracts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

Inputs to the model to unwind the Wheaton International advance received to revenue

The advance received has been recognised on the statement of financial position as deferred revenue. The deferred revenue will be recognised as revenue in profit or loss based on the metal ounces/credits in relation to the expected total amount of metal credits to be delivered over the term of the arrangement.

Each period management estimates the cumulative amount of the deferred revenue obligation that has been satisfied and, therefore, recognised as revenue. Key inputs into the model are:

Key input	Estimate at year end	Further information
Estimated financing rate over life of arrangement	4.6% - 5.2%	Refer note 5.2
Remaining life of stream	88 years	The starting point for the life of the stream is the approved life of mine for the US PGM operations. However, as IFRS 15 requires the constraint on revenue recognition to be considered, it is more prudent to include a portion of resources in the life of stream for the purposes of revenue recognition. This will reduce the chance of having a significant decrease in revenue recognised in the future, when the life of mine is updated to include a conversion of resources to reserves. As such, Sibanye-Stillwater management have determined that it is appropriate to include 50% of inferred resources.
Palladium entitlement percentage	4.5%	The palladium entitlement percentage will be either 4.5%, 2.25% or 1% over the life of the mine, depending on whether or not the advance has been fully reduced, and a certain number of contractual ounces have been delivered (375,000 ounces for the first trigger drop down to 2.25% and 550,000 ounces for the second trigger drop down rate to 1%).
Monthly cash percentage	18%	The monthly cash payment to be received is 18%, 16%, 14% or 10% of the market price of the metal credit delivery to Wheaton International while the advance is not fully reduced. After the advance has been fully reduced, the cash percentage is 22%, 20%, 18% or 14%. The percentage applicable depends on the investment grade of the Group and its leverage ratio. As long as Sibanye-Stillwater's current investment grade conditions as stipulated in the contract have been satisfied, the monthly cash percentage decreases if the Group's leverage ratio increases above 3.5:1. The balance of the ounces in the monthly delivery (i.e. 100%-18%= 82%) is then used to determine the utilisation of the deferred revenue balance.
Commodity prices	Five day simple average calculated the day before delivery	The value of each metal credit delivery is determined in terms of the contract.

Any changes to the above key inputs could significantly change the quantum of the cumulative revenue amount recognised in profit or loss.

Any changes in the life of mine are accounted for prospectively as a cumulative catch-up in the year that the life of mine estimate above changes, or the inclusion of resources changes.

Inputs to the model to unwind the BTT advance received to revenue

The advance received was recognised on the statement of financial position as deferred revenue. Before the early settlement of the BTT project (refer below), the deferred revenue was recognised as revenue in profit or loss based on the metal ounces/credits in relation to the expected total amount of metal credits to be delivered over the term of the arrangement.

Each period, up to the early settlement of the BTT project, management estimated the cumulative amount of the deferred revenue obligation that had been satisfied and, therefore, recognised as revenue. Key inputs into the model before settlement were:

		Further information
Estimated financing rate over life of arrangement	11.5%	Refer note 5.2
Remaining life of stream	6 years	The life of the stream was determined by the reserves of the Marikana Easterns' Tailings Dam no.1.
6E PGM entitlement percentage	23%	The 6E PGM entitlement percentage ranged from 23% to 38% based on a weighted 6E PGM basket price that was determined monthly.
Monthly cash percentage	20%	The monthly cash payment received was a percentage of the 6E PGM weighted basket price, ranging from 16% to 20%, and was based on a weighted 6E PGM basket price that is determined monthly. This cash payment was capped at a minimum of \$106 per ounce and a maximum of \$280 per ounce.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

Commodity prices	Average monthly basket price	The monthly basket price for any calendar month was calculated by dividing the sum of the monthly average value of weighted 6E PGM basket by the total number of ounces for such calendar month.
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Since the BTT project was early settled (refer below), there are no remaining significant accounting judgements or estimates at 31 December 2020 relating to this stream.

Accounting policy

Consideration received in advance is recognised as a contract liability (deferred revenue) under IFRS 15 as control has not yet transferred. Where a significant financing component is identified as a result of the difference in the timing of advance consideration received and when control of the metal promised transfers, interest expenses on the deferred revenue balance is recognised in finance costs.

Where a contract has a period of a year or less between receiving advance consideration and when control of the metal promised transfers, the group may elect on a contract-by-contract basis to apply the IFRS 15 practical expedient not to adjust for the effects of a significant financing component.

Wheaton Stream

In July 2018, the Group entered into a gold and palladium supply arrangement in exchange for an upfront advance payment of US\$500 million (Wheaton Stream). The arrangement has been accounted for as a contract in the scope of IFRS 15 whereby the advance payment has been recorded as deferred revenue. The revenue from the advance payment is recognised as the gold and palladium is allocated to the appropriate Wheaton International account. An interest cost, representing the significant financing component of the upfront deposit on the deferred revenue balance, is also recognised as part of finance costs. This finance cost increases the deferred revenue balance, ultimately resulting in revenue when the deferred revenue is recognised over the life of mine.

Forward gold sale – April 2019

On 11 April 2019, the Group concluded a forward gold sale arrangement whereby the Group received a cash prepayment of US\$125 million (approximately R1.75 billion) in exchange for four fortnightly deliveries of 26,476 ounces of gold (totaling 105,906 ounces or 3,294 kilograms) between 1 October 2019 and 15 November 2019. The revenue from the prepayment was recognised in four equal parts on delivery of the gold. The gold price delivered under the prepayment was hedged with a cap price of \$1,323 per ounce and a floor price of \$1,200 per ounce. The Group received, and recognised, the difference between the floor price and the spot price (subject to a maximum of the cap price) on delivery of the gold.

Forward gold sale – October 2019

On 21 October 2019, the Group concluded a forward gold sale arrangement whereby the Group received a cash prepayment of R1.1 billion in exchange for future delivery of 8,482 ounces (263.8 kilograms) of gold every two weeks from 10 July 2020 to 16 October 2020 subject to an initial reference price of R17,371 per ounce comprising 80% of the prevailing price on execution date. The initial forward sale was unhedged and the Group would have received (or paid) the difference between the spot price and the prepayment price of R17,371/oz. On 6 July 2020, before the first delivery date, the Group agreed revised terms in which the ounces to be delivered every two weeks were reduced from 8,482 ounces (263.8 kilograms) to 6,523.2 ounces (202.9 kilograms), totaling 52,185.2 ounces (1,623.1 kilograms). In addition, a floor of R27,700/oz and a cap of R33,386/oz was introduced. The final delivery was made on 15 October 2020.

BTT stream and WPL forward platinum sale

During 2016 Lonmin secured funding of US\$50 million to build the BTT plant, through a finance metal streaming arrangement receivable in instalments. The US\$50 million was accounted for as deferred revenue as it would be repaid by way of discounted value of PGM metal sales. Contractual deliveries were at a discounted price and the value of the discount over and above the US\$50 million upfront payment was prorated over the project lifetime and charged to the consolidated income statement as a finance expense. The plant was commissioned during February 2018. The Group determined the fair value of the BTT deferred revenue to be R628 million at acquisition and R607 million at 31 December 2019.

On 24 January 2020, Western Platinum Proprietary Limited (WPL), Eastern Platinum Limited and Lonmin (collectively the "Purchasers"), subsidiaries of Sibanye-Stillwater, entered into a Release and Cancellation Agreement ("the Release Agreement") with RFW Lonmin Investments Limited ("the Seller") in respect of the BTT. The Release Agreement sets out the terms and conditions upon which the Purchasers have purchased the Seller's entire interest in the metals purchase agreement for an amount of US\$50 million to be settled in cash. The BTT transaction was implemented and the liability settled on 6 March 2020. WPL concluded a forward platinum sale arrangement on 3 March 2020 to fund the settlement of the BTT liability. WPL received a cash prepayment of US\$50 million (R771 million) in exchange for the future delivery of 72,886 ounces of platinum on set dates between June and December 2020. The platinum price delivered under the prepayment was hedged with a cap price of US\$1,050 per ounce and a floor price of US\$700 per ounce. The Group received, and recognised, the difference between the floor price and the monthly average price (subject to a maximum of the cap price) on delivery of the platinum. The final delivery under the forward platinum sale arrangement was made on 7 December 2020.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

The following table summarises the changes in deferred revenue:

Figures in million - SA rand	Note	2020	2019	2018
Balance at beginning of the year		8,167.1	6,555.4	-
Deferred revenue advance received ¹		770.6	2,859.3	6,555.4
BTT early settlement payment		(787.1)	-	-
Deferred revenue recognised during the period ²		(2,256.4)	(2,227.5)	(160.3)
Interest charge	5.2	349.2	352.3	160.3
Loss on BTT early settlement		186.2	-	-
Deferred revenue recognised on acquisition of subsidiary		-	627.6	-
Balance at the end of the year		6,429.6	8,167.1	6,555.4
Reconciliation of the non-current and current portion of the deferred revenue:				
Deferred revenue		6,429.6	8,167.1	6,555.4
Current portion of deferred revenue		(66.9)	(1,270.6)	(30.1)
Non-current portion of deferred revenue		6,362.7	6,896.5	6,525.3

¹ The R770.6 million received relates to the WPL forward platinum sale arrangement entered into on 3 March 2020

² Revenue recognised during the year ended 31 December 2020 relates to R785.1 million recognised in respect of the WPL forward platinum sale arrangement entered into on 3 March 2020 (2019: Nil), R1,108.0 million in respect of the October 2019 forward gold sale arrangement (2019: R1,751.4 million in respect of the April 2019 forward gold sale arrangement) and R344.5 million relating to the Wheaton Stream (2019: R414.0 million, 2018: R160.3 million). Included in revenue recognised for the year ended 31 December 2020, is R18.8 million (2019: R62.1 million) in respect of the BTT

33. Trade and other payables

Accounting policy

Trade and other payables, excluding payroll creditors and leave pay accruals are non-derivative financial liabilities categorised as other financial liabilities. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Provision is made for employee entitlement benefits accumulated as a result of employees rendering services up to the reporting date. Liabilities arising in respect of wages and salaries, annual leave and other benefits due to be settled within 12 months of the reporting date are measured at rates which are expected to be paid when the liability is settled. Termination benefits are expensed and an accrual raised at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, they are discounted.

All other employee entitlement liabilities are measured at the present value of estimated payments to be made in respect of services rendered up to reporting date.

Figures in million - SA rand	2020	2019	2018
Trade creditors	4,325.1	3,208.0	2,200.0
Accruals and other creditors	4,166.2	3,195.6	2,952.7
Other	32.5	1,335.9	7.2
Financial liabilities	8,523.8	7,739.5	5,159.9
Payroll creditors	2,491.5	1,898.2	1,465.3
Leave pay accrual	2,016.4	1,692.5	1,152.6
VAT payable	175.7	135.7	78.5
Total trade and other payables	13,207.4	11,465.9	7,856.3

Fair value of trade and other payables

The fair value of trade and other payables approximate the carrying value due to the short maturity.

Liquidity risk

Trade and other creditors are expected to be settled within 12 months from the reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

34. Cash generated by operations

Figures in million - SA rand	Notes	2020	2019	2018
Profit/(Loss) for the year		30,621.6	432.8	(2,520.7)
Royalties	11.1	1,765.0	431.0	212.6
Carbon tax		5.2	12.9	-
Mining and income tax	11.2	4,858.2	(1,733.0)	1,083.8
Interest income	5.1	(1,065.4)	(560.4)	(482.1)
Finance expense	5.2	3,151.8	3,302.5	3,134.7
Profit before interest, royalties and tax		39,336.4	1,885.8	1,428.3
<i>Non-cash adjusting items:</i>				
Amortisation and depreciation	4	7,592.4	7,214.1	6,613.8
Share-based payments	6.7	512.4	363.3	299.4
Loss/(gain) on financial instruments		1,904.8	5,731.3	(1,591.3)
Gain on foreign exchange differences		(409.9)	(461.4)	(241.3)
Share of results of equity-accounted investees after tax	18	(1,699.8)	(721.0)	(344.2)
(Reversal of impairments)/Impairments	10	(121.4)	86.0	3,041.4
Gain on derecognition of borrowings and derivative financial instrument	28.4, 28.5	-	-	(230.0)
Loss on settlement of US\$ Convertible Bond	28.5	1,506.7	-	-
Occupational healthcare expense	31	52.3	(39.6)	15.4
Change in estimate of environmental rehabilitation obligation		(464.1)	89.6	(90.4)
Gain on acquisition	16.1	-	(1,103.0)	-
Deferred revenue recognised	32	(2,256.4)	(2,227.5)	-
Loss on BTT early settlement	32	186.2	-	-
<i>Cash adjusting items:</i>				
Income on settlement of dispute	8.2	(580.0)	-	-
Payment of occupational healthcare liability	31	(236.1)	(67.9)	-
Other non-cash and cash adjusting items		(138.0)	(183.8)	(192.1)
Total cash generated by operations		45,185.5	10,565.9	8,709.0

35. Change in working capital

Figures in million - SA rand	2020	2019	2018
Inventories	(9,026.8)	(5,000.0)	(924.8)
Trade and other receivables	(2,167.0)	3,115.2	(461.0)
Trade and other payables	1,758.7	1,259.2	315.8
Total change in working capital	(9,435.1)	(625.6)	(1,070.0)

36. Financial instruments and risk management

Accounting policy

On initial recognition, a financial asset is classified as measured at either amortised cost, fair value through other comprehensive income, or fair value through profit or loss.

The Group initially recognises debt instruments issued and trade and other receivables, on the date these are originated. All other financial assets and financial liabilities are recognised initially when the Group becomes a party to the contractual provisions of the instrument.

The classification of financial assets at initial recognition that are debt instruments depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets that are debt instruments refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

The Group recognises an allowance for expected credit losses (ECLs) on all debt instruments not held at fair value through profit or loss to the extent applicable. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

For trade and other receivables due in less than 12 months, the Group applies the simplified approach in calculating ECLs, as permitted by IFRS 9. Therefore, the Group does not track changes in credit risk, but instead, recognises a loss allowance based on the financial asset's lifetime ECL at each reporting date. Impairment losses are recognised through profit or loss.

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual 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.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognised in profit or loss.

36.1 Accounting classifications and measurement of fair values

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

• Other receivables and other payables

Due to the approaches applied in calculating the carrying values as described in note 22, the fair values approximate the carrying value.

• Trade and other receivables/payables, and cash and cash equivalents

The carrying amounts approximate fair values due to the short maturity of these instruments for financial instruments measured at amortised cost. The fair value for trade receivables measured at fair value through profit or loss (PGM concentrate sales) are determined based on ruling market prices, volatilities and interest rates.

• Environmental rehabilitation obligation funds

Environmental rehabilitation obligation funds comprise equity-linked notes, a fixed income portfolio of bonds as well as fixed and call deposits. The environmental rehabilitation obligation funds are stated at fair value based on the nature of the fund's investments. The fair value of publicly traded instruments is based on quoted market values.

For the environmental rehabilitation obligation funds categorised as level two on the fair value hierarchy, equity-linked notes have a fixed component of 5% capital guarantee and equity-linked portion which is linked to the performance of the JSE top 40 index. Fair value is determined by the fund manager based on the composition of the underlying investment portfolio, relevant equity prices and the terms of the investments. The fixed income portfolio consists of instruments such as government bonds and inflation-linked bonds. Valuations are performed by the fund manager based on the composition of the portfolio, the relevant investment terms and through reference to market related interest rates.

• Other investments

The fair values of listed investments are based on the quoted prices available from the relevant stock exchanges. The carrying amounts of other short-term investment products with short maturity dates approximate fair value. The fair values of non-listed investments are determined through valuation techniques that include inputs that are not based on observable market data. These inputs include price/book ratios as well as marketability and minority shareholding discounts which are impacted by the size of the shareholding.

• Borrowings

The fair value of variable interest rate borrowings approximates its carrying amounts as the interest rates charged are considered marked related. However, since there is also fixed interest rate borrowings, fair values are disclosed in note 28.

• Derivative financial instruments

The fair value of derivative financial instruments is estimated based on ruling market prices, volatilities and interest rates, option pricing methodologies based on observable quoted inputs. All derivatives are carried on the statement of financial position at fair value.

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).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

The following table set out the Group's significant financial instruments measured at fair value by level within the fair value hierarchy:

Figures in million - SA rand	2020			2019			2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets measured at fair value									
- Environmental rehabilitation obligation funds	4,111.0	823.0	-	3,578.3	1,023.9	-	3,634.0	364.7	-
- Trade receivables - PGM concentrate sales	-	4,030.0	-	-	2,341.6	-	-	5,310.1	-
- Other investments	603.4	-	243.6	414.7	-	184.0	81.5	-	74.5
- Palladium hedge contract	-	-*	-	-	-	-	-	-	-
Financial liabilities measured at fair value									
- Derivative financial instrument	-	-	-	-	4,144.9	-	-	408.8	-
- Gold hedge contracts	-	-*	-	-	68.3	-	-	240.8	-

* Less than R0.1 million

In the normal course of its operations, the Group is exposed to market risks, including commodity price, foreign currency, interest rate, liquidity and credit risk associated with underlying assets, liabilities and anticipated transactions. In order to manage these risks, the Group has developed a comprehensive risk management process to facilitate control and monitoring of these risks.

36.2 Risk management activities

Controlling and managing risk in the Group

Sibanye-Stillwater has policies in areas such as counterparty exposure, hedging practices and prudential limits which have been approved by Sibanye-Stillwater's Board of Directors (the Board). Management of financial risk is centralised at Sibanye-Stillwater's treasury department (Treasury), which acts as the interface between Sibanye-Stillwater'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 CFO.

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-Stillwater 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 a limited number of 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.

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 limited number of approved counterparties. The Group approves these counterparties according to its risk management policy and ensures that they are of good credit quality.

The carrying value of the financial assets represents the combined maximum credit risk exposure of the Group. 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 (refer notes 21, 22, 24 and 25).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

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 (refer note 28.8).

Uncommitted borrowing facilities are maintained with several banking counterparties to meet the Group's normal and contingency funding requirements (refer note 28.8).

Working capital and going concern assessment

For the year ended 31 December 2020, the Group realised a profit of R30,621.6 million (31 December 2019: R432.8 million, 2018: loss of R2,520.7 million). As at 31 December 2020 the Group's current assets exceeded its current liabilities by R34,755.5 million (31 December 2019: R11,836.9 million, 31 December 2018: R562.7 million) and the Group's total assets exceeded its total liabilities by R70,716.0 million (31 December 2019: R31,138.3 million, 31 December 2018: R24,724.4 million). During the year ended 31 December 2020 the Group generated net cash from operating activities of R27,149.3 million (31 December 2019: R9,464.0 million, 31 December 2018: R12,197.2 million).

The Group currently has committed undrawn debt facilities of R7,336.3 million at 31 December 2020 (31 December 2019: R5,688.0 million, 31 December 2018: R5,987.1 million) and cash balances of R20,239.8 million (31 December 2019: R5,619.0 million, 31 December 2018: R2,549.1 million). The most immediate debt maturity is the US\$353.7 million June 2022 High Yield bond maturity, and an early restructure and/or settlement of this tranche could be undertaken during 2021. Additionally, during March 2021 the Group successfully extended the first maturity date for the remaining lender, as a result US\$150 million of the USD Revolving Credit Facility (RCF) matures in April 2022, with the US\$450 million balance of the USD RCF maturing in April 2023. As at 31 December 2020 only US\$475 million of the US\$600 million USD RCF was drawn. The R5.5 billion RCF was fully repaid during August 2020 with the full balance being undrawn at 31 December 2020 and available until November 2023, given the exercise of the first extension option. During October 2020 the US\$ Convertible bond was settled through cash (R13.2 million) and the issue of shares (R12,573.2 million, refer note 28.5), further strengthening the balance sheet whilst preserving cash. Given the high level of available cash and undrawn facilities and resultant strong liquidity position, no imminent refinancing of debt is required.

The Group's leverage ratio (net (cash)/debt to adjusted EBITDA) as at 31 December 2020 was (0.1):1 (31 December 2019 was 1.4:1, 31 December 2018 was 2.5:1) and its interest coverage ratio (adjusted EBITDA to net finance charges) was 79.8:1 (31 December 2019 was 6.5:1, 31 December 2018 was 4.9:1). Both considerably better than the maximum permitted leverage ratio of at most 2.5:1 (up to 31 December 2019 3.5:1); and minimum required interest coverage ratio of 4.0:1, calculated on a quarterly basis, required under the US\$600 million RCF and the R5.5 billion RCF.

Gold and PGMs are sold in US dollars with most of the South African operating costs incurred in rand, as such the Group's results and financial condition will be impacted if there is a material change in the rand/US dollar exchange rate. High levels of volatility in commodity prices may also impact on profitability. Due to the nature of deep level mining, industrial and mining accidents may result in operational disruptions such as stoppages which could result in increased production costs as well as financial and regulatory liabilities. Further, Sibanye-Stillwater's operations may be adversely affected by production stoppages caused by labour unrests, union activity or other factors.

Any additional regulatory restrictions imposed by the South African government to reduce the spread of the COVID-19 pandemic (refer below) could adversely affect the 2021 production outlook of the South African operations. Presently, there are no COVID-19 related work stoppages being imposed by either the Federal government and the State of Montana. However, the ongoing need to maintain COVID-19 protocols in the US, due to state and federal guidelines and the Montana Operation's own processes to manage its COVID-19 exposures, is having an impact on productivity and may adversely affect the 2021 production outlook of the US PGM operations. These productivity impacts include, but are not limited to, staggered shift arrangements, duplicate transport, mandatory screening, contact tracing and quarantining where necessary. These factors could impact on cash generated or utilised by the Group, as well as adjusted EBITDA and financial covenants.

The following events, reported in our annual report for the year ended 31 December 2020, impacted on the profitability of the Group for the year under review:

- Anglo American Platinum Limited's (Anglo Plats) temporary shutdown of its converter plant (force majeure declared on 6 March 2020) – during the force majeure period, material produced by the Rustenburg, Platinum Mile and Kroondal operations was delivered to our Marikana processing facility. The converter plant at Anglo Plats was brought back into production on 12 May 2020 and Anglo Plats lifted the force majeure. On 31 May 2020 the converter plant was again shut down due to a water leak in the high-pressure cooling section of the converter which was repaired by mid-June 2020. The toll treatment agreement between Anglo Plats and our Rustenburg operation, and the purchase of concentrate agreement with our Kroondal and Platinum Mile operations continued after Anglo repaired and recommissioned its converter plant.
- COVID-19 outbreak in South Africa – the President of the Republic of South Africa announced a nation-wide lockdown from midnight 26 March 2020, which was amended through a notice published by the South African government on 16 April 2020 allowing for our South African mining operations to be conducted at a reduced capacity of not more than 50%. From 17 April 2020, management commenced implementing its strategy to mobilise the required employee complement to safely ramp up production at our South African operations to the initial restricted 50%. Subsequent directives issued by the Minister of Mineral Resources and Energy and the easing of lockdown restrictions allowed for the controlled ramp up of production under stringent regulations. These measures had a significant adverse impact on our production from our South African operations during Q2 2020. At 30 June 2020 the SA Gold and SA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

PGM operations were at a production capacity of 86% and 73%, respectively. Our strategy to safely mobilise employees and ramp up to near normal production levels by the end of H2 2020 was successfully delivered. By the end of December 2020 the SA gold operations were almost ramped up to normal production capacity, however the momentum of ramping up into January 2021 was disturbed by Christmas break whereby the pace of employees returning back was slower than anticipated, especially those foreign nationals returning from the SADC countries where stricter border controls were implemented. The return to work was impacted due to the extended screening process and compliance requirements linked to the National Government level 3 lockdown regulations which was imposed in December 2020 and January 2021. By the end of December 2020, the SA PGM operations were ramped up to normal production capacity, however the momentum of ramping up into January 2021 was also disturbed by Christmas break whereby the pace of employees returning back was slower than anticipated due to the extended screening process. The extended period of screening was caused by the compliance requirements to level 3 National government lockdown regulations which require every employee returning from the Christmas break to be tested and screened for COVID-19. In H1 2020, capital expenditure at the South African operations was deferred to H2 2020 mainly due to the COVID-19 lockdowns, with capital expenditure in H2 2020 mainly incurred in the Infrastructure, safety and compliance projects. The deferral of such capital expenditure projects will flow into Q1 2021 and is also reflected as an increase in the 2021 capex plan.

- Although no formal lock down was experienced at our US PGM operations during 2020, the operational performance of our US PGM operations was negatively impacted by COVID-19, with proactive COVID-19 measures required to mitigate the spread of the COVID-19 pandemic and contain liquidity for the Group. This, amongst others, resulted in the deferral of capital project activity, the delay in receipt of key sustaining and growth capital items and a curtailment in recycling operation activity for a portion of 2020. The need to demobilize key project contractors during the onset of COVID-19, together with force majeure declaration's on key project infrastructure, contributed to the Stillwater East (Blitz) project being delayed by 24 months. Our recycling operations saw a noticeable market liquidity driven slow down early on in the pandemic, although a recovery in the secondary supply market occurred during the second half of 2020. The US PGM Operations saw production losses of approximately 4% due to COVID-19 during 2020.

During December 2020 and January 2021 South Africa experienced a second wave of COVID-19 infections which was contained. Although the South African government introduced a level 3 lock down commencing from 28 December 2020, which was subsequently reduced to level 1 lock down, this did not impose further restrictions on our South African operations. COVID-19 infection rates remain high across the United States and our Montana Operations continue to operate under strict COVID-19 protocols. Although further waves of COVID-19 infections could result in further restrictions on the Group which could affect its operational performance, management believes that the educational, safety and continued awareness measures already embedded at all our operations should limit the spread of infections.

The Group has thoroughly demonstrated its ability to proactively manage liquidity risk through these extraordinary times. Our improved geographical and commodity diversification, along with improved commodity prices, cost containment, and increased operational scale have enabled management to successfully mitigate the simultaneous impact of these abnormal events during 2020, navigating the Group to well below its targeted leverage ratio of below 1:1.

Notwithstanding the exceptionally strong current liquidity position and financial outlook, further amendments to COVID-19 regulations or uncontrolled infection rates could impose additional restrictions on both our US PGM and South African operations that may adversely impact the production outlook for 2021. This could deteriorate the Group's forecasted liquidity position and may require the Group to further increase operational flexibility by adjusting mine plans, reducing capital expenditure and/or selling assets. The Group may also, if necessary, be required to consider options to increase funding flexibility which may include, amongst others, additional loan facilities or debt capital market issuances, streaming facilities, prepayment facilities or, in the event that other options are not deemed preferable or achievable by the Board, an equity capital raise. The Group could also, with lender approval, request covenant amendments or restructure facilities. During past adversity management has successfully implemented similar actions.

Management believes that the cash generated by its operations, cash on hand, the unutilised debt facilities as well as additional funding opportunities will enable the Group to continue to meet its obligations as they fall due. The consolidated financial statements for the year ended 31 December 2020, therefore, have been prepared on a going concern basis.

Market risk

The Group is exposed to market risks, including foreign currency, commodity 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.

The effects of reasonable possible changes of relevant risk variables on profit or loss or shareholders' equity are determined by relating the reasonable possible 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 risk

Sibanye-Stillwater's operations are all located in South Africa except for Stillwater and Mimosa, which are located in the US and Zimbabwe, respectively, and its revenues are sensitive to changes in the US dollar gold and PGM price and the rand/US dollar exchange rate (the exchange rate). Depreciation of the rand against the US dollar results in Sibanye-Stillwater's revenues and operating margin increasing. Conversely, should the rand appreciate against the US dollar, revenues and operating margins would decrease. The impact on

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

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-Stillwater 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.

In the ordinary course of business, the Group enters into transactions, such as gold sales and PGM 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 produce or deliver. 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 also exists on account of financial instruments being denominated in a currency that is not the functional currency and being of a monetary nature. This includes but is not limited to US\$600 million RCF (refer note 28.1), Burnstone Debt (refer note 28.6) and Franco-Nevada liability.

For additional disclosures, refer notes 3 and 28.

Foreign currency economic hedging experience

During 2020, a number of intra month (i.e. up to 21 days) forward exchange rate contracts were executed to hedge a known currency inflow. During 2019 the same principle was applied to known currency inflows related to PGM sales.

As at 31 December 2020 and 31 December 2019, Sibanye-Stillwater had no outstanding foreign currency contract positions. As at 31 December 2018, Sibanye-Stillwater had a foreign currency contract position of US\$12.1 million at a weighted average rate of R14.11/US\$.

Commodity price risk

The market price of commodities 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 and PGM basket prices have historically fluctuated widely and are affected by numerous industry factors over which the Group does not have any control (refer note 24). The aggregate effect of these factors on the gold and PGM basket prices, all of which are beyond the control of the Group, is difficult for the Group to predict.

Commodity price hedging policy

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 and PGM production. Commodity 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

At 31 December 2020, Sibanye-Stillwater had the following gold and palladium commodity price hedges outstanding:

- A total of 450kg gold at an average floor price of R800,000/kg and capped price of R1,080,000/kg which matures in March 2021.
- A total of 130,000oz palladium at an average floor price of US\$1,500/oz and capped price of US\$3,400/oz which matures in February 2022.

Commodity price contract position

As of 31 December 2020 and 2019, Sibanye-Stillwater had no outstanding commodity forward sale contracts for mined production.

Interest rate risk

The Group's income and operating cash flows are dependent of changes in market interest rates. The Group's interest rate risk arises from long-term borrowings.

For additional disclosures, refer to note 28.8.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

37. Commitments

Figures in million - SA rand	2020	2019	2018
Capital expenditure			
Authorised	7,534.8	5,972.3	4,411.7
Kloof	1,515.6	1,289.8	970.2
Driefontein	884.8	846.1	830.9
Beatrix	169.4	231.7	218.0
SGL corporate	961.0	762.4	-
Cooke	54.1	55.1	195.5
Burnstone	8.0	5.4	40.4
Kroondal	318.9	220.3	131.6
Platinum Mile	-	19.9	72.3
Rustenburg operation	2,573.7	2,033.1	1,830.0
Marikana	63.4	153.4	-
Other ¹	985.9	355.1	122.8
Contracted for	772.7	594.5	281.8
Other guarantees	1,487.8	1,420.5	266.7

¹ Includes authorised capital expenditure relating to DRDGOULD of R605.1 million (2019: R133.5 million, 2018: R37.5 million)

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.

38. 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 or for contingent liabilities where a present obligation arising from a past event exists but is not recognised because either it is not probable that an out-flow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be determined with sufficient reliability. The assessment of such contingencies inherently involves the exercise of significant judgement and estimates of the outcome of future events.

Purported Class Action Lawsuits

In 2018, two groups of plaintiffs filed purported class action lawsuits, subsequently consolidated into a single action (Class Action), against Sibanye Gold Limited and Neal Froneman (collectively, the Defendants) in the United States District Court for the Eastern District of New York, alleging violations of the US securities laws. Specifically, the Class Action alleged that the Defendants made false and/or misleading statements about its safety practices and record and thereby violated the US securities laws. The Class Action sought an unspecified amount of damages. The Defendants filed a motion to dismiss the Class Action. On 10 November 2020, the Court granted the Defendants' motion to dismiss in its entirety and ordered that the case be closed. Judgment in favour of the Defendants was entered on 12 November 2020. The Plaintiffs' time to file a notice of appeal expired on 14 December 2020. Therefore, this action is now terminated.

Delaware Supreme Court rules in favour of Sibanye-Stillwater in dissenting shareholder action

The Court of Chancery of the State of Delaware in the United States of America (the Court), in a Memorandum Opinion dated 21 August 2019, ruled in favour of Sibanye Gold Limited in the appraisal action brought by a group of minority shareholders (the Dissenting Shareholders) of the Stillwater Mining Company (Stillwater), following the acquisition of Stillwater by Sibanye Gold Limited in May 2017 for a cash consideration of US\$18 per Stillwater share.

In terms of the ruling, the Dissenting Shareholders (together owning approximately 4.5% of Stillwater shares outstanding at the time) received the same US\$18 per share consideration originally offered to, and accepted by other Stillwater shareholders, plus interest. The remaining payment of approximately US\$21 million due to the Dissenting Shareholders has been paid by Sibanye-Stillwater during the six months ended 31 December 2019.

Certain of the Dissenting Shareholders filed an appeal with the Supreme Court of the State of Delaware and oral arguments were completed on 15 July 2020. On 12 October 2020, the Delaware Supreme Court issued an opinion affirming in whole the trial court's opinion. On 28 October 2020, the Delaware Supreme Court issued a mandate to the trial court closing the case. Therefore, this action is now terminated.

Arbitration case Redpath USA Corporation versus Stillwater Mining Company

In 2015, Redpath USA Corporation (the Contractor) was hired by Stillwater to advance the Benbow decline as part of the Blitz project. During November 2019 the Contractor filed a claim wherein the contractor has raised a dispute over additional and rework costs of establishing a decline at the Stillwater Mine after drilling errors caused a water inundation that required significant remediation. The Contractor assumed the additional costs and is now wanting to recover those costs, in an amount of approximately US\$20 million, from the

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

Company. After engaging outside counsel and based on the terms of the contract that supports the Company's position, management believes the Contractor's claim is without merit and disputes the arbitration demand claim in the legal documents served on the Contractor.

39. Related-party transactions

Sibanye-Stillwater entered into related-party transactions with Rand Refinery, and its subsidiaries during the year as detailed below. 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 note 1.3 for the Group structure which provides further detail on the relationship between parent and subsidiary companies.

Rand Refinery

Rand Refinery, in which Sibanye-Stillwater holds a 44.4% 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 2019 and 2018. For the year ended 31 December 2020, the Group received a dividend of R111.2 million from Rand Refinery, and sold gold and paid refining fees to Rand Refinery. Refer note 18.1 for additional information in respect of the Group's investment in Rand Refinery.

The table below details the transactions and balances between the Group and its related-parties:

Figures in million - SA rand	2020	2019	2018
Rand Refinery			
Gold sales	298.0	505.5	616.2
Refining fees paid	(31.0)	(24.8)	(29.1)
Trade payable	(6.4)	(4.5)	(3.1)

Key management remuneration

The disclosure below incorporates remuneration for services rendered to various companies within the Group during the year.

The executive directors and prescribed officers were paid the following remuneration during the year:

Figures in thousands - SA rand	Salary	Cash bonus accrued for 2020 paid in 2021	Accrual of share-based payment benefits	Pension scheme contributions	Expense allowance and other benefits	2020	2019	2018
Executive directors								
Neal Froneman ¹	13,336	13,405	30,292	838	102	57,973	31,917	35,760
Charl Keyter	6,353	6,526	15,067	937	80	28,963	16,024	17,697
Prescribed officers								
Chris Bateman ²	7,058	3,484	52,404	959	3,054	66,959	25,289	16,885
Shadwick Bessit ³	4,218	4,022	5,749	769	31	14,789	10,595	688
Hartley Dikgale ⁴	977	712	26,852	65	553	29,159	7,898	8,761
Dawie Mostert	3,870	3,660	8,553	545	27	16,655	9,284	10,112
Themba Nkosi	3,788	3,178	8,005	292	23	15,286	8,117	7,265
Wayne Robinson	4,532	4,483	9,848	381	28	19,272	10,044	10,925
Richard Stewart	4,075	3,669	10,635	467	27	18,873	9,428	12,986
Robert van Niekerk	5,156	5,486	11,700	589	44	22,975	13,547	13,508
Laurent Charbonnier ⁵	1,315	773	515	11	-	2,614	-	-
Lerato Legong ⁶	1,144	945	630	156	-	2,875	-	-
Total	55,822	50,343	180,250	6,009	3,969	296,393	142,143	134,587

¹ Entered into a dual service contract with effect 1 January 2020. Remuneration paid by Stillwater in US dollars was converted at the average exchange rate of R16.46/US\$ for the year ended 31 December 2020

² Remuneration paid in US dollars was converted at the average exchange rate of R16.46/US\$ for the year ended 31 December 2020. Ceased performing a prescribed officer role on 6 September 2020

³ Ceased performing a prescribed officer role on 16 January 2021

⁴ Ceased performing a prescribed officer role on 31 March 2020

⁵ Assumed a prescribed officer role on 16 November 2020, remuneration paid in GBP was converted at the average exchange rate of R21.10/GBP for the year ended 31 December 2020

⁶ Assumed a prescribed officer role on 1 September 2020

Total key management personnel compensation recognised under IFRS:

Figures in thousands - SA rand	2020	2019	2018
Short-term employee benefits	110,134.0	106,605.0	83,635.0
Post-employment benefits	6,008.0	5,300.0	4,546.0
Share-based payment	127,096.6	120,477.7	46,406.0
Total	243,238.6	232,382.7	134,587.0

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

The non-executive directors were paid the following fees during the year:

Figures in thousands - SA rand	Directors	Committee	Expense	2020	2019	2018
	fees	fees	allowance			
Timothy Cumming	1,042	743	124	1,909	1,795	1,698
Savannah Danson	1,042	638	-	1,680	1,609	1,480
Barry Davison ¹	-	-	-	-	666	1,649
Harry Kenyon-Slaney	1,199	775	140	2,114	1,699	-
Richard Menell	1,679	354	81	2,114	1,831	1,723
Sello Moloko ²	-	-	-	-	1,407	1,802
Nkosemntu Nika	1,042	638	28	1,708	1,609	1,435
Keith Rayner	1,042	822	-	1,864	1,881	1,723
Susan van der Merwe	1,042	638	36	1,716	1,609	1,491
Jerry Vilakazi	1,042	380	-	1,422	1,362	1,289
Vincent Maphai	2,669	-	87	2,756	822	-
Elaine Jay Dorward-King ³	906	201	-	1,107	-	-
Wang Bin ⁴	255	72	-	327	-	-
Lu Jiongjie ⁴	255	72	-	327	-	-
Total	13,215	5,333	496	19,044	16,290	14,290

¹ Resigned as a non-executive director on 28 May 2019

² Resigned as a non-executive director on 30 September 2019

³ Appointed as a non-executive director 27 March 2020

⁴ Appointed and resigned as a non-executive director on 24 February 2020 and 27 March 2020, respectively

The directors' and prescribed officers' share ownership at 31 December 2020 was¹:

	Number of shares			2020	%	
	2020	2019	2018		2020	2019
Executive directors						
Neal Froneman ^{2,10}	4,829,128	4,858,723	4,555,954	0.17	0.18	0.20
Charl Keyter ^{2,10}	1,775,994	1,673,316	1,530,119	0.06	0.06	0.07
Non-executive directors						
Timothy Cumming ²	1,242	242	106	-	-	-
Barry Davison ⁴	-	-	1,567,710	-	-	0.07
Richard Menell ²	84,625	108,625	108,625	-	-	-
Sello Moloko ⁴	-	-	111,534	-	-	-
Keith Rayner ²	68,992	68,992	68,992	-	-	-
Susan van der Merwe ²	1,027	1,028	1,028	-	-	-
Vincent Maphai ²	50,000	-	-	-	-	-
Savannah Danson ²	2,519	-	-	-	-	-
Harry Kenyon-Slaney ^{2,5}	16,852	-	-	-	-	-
Elaine Dorward-King ^{2,6}	4,800	-	-	-	-	-
Total share ownership by directors	6,835,179	6,710,926	7,944,068			
Prescribed officers						
Chris Bateman ⁷	-	32,747	32,747	-	-	-
Shadwick Bessit ⁸	94,707	31,652	219,782	-	-	0.01
Hartley Dikgale ⁷	-	184,311	114,744	-	0.01	0.01
Dawie Mostert ^{3,10}	38,975	38,975	50,743	-	-	-
Themba Nkosi ^{2,10}	59,022	796	19,107	-	-	-
Wayne Robinson ^{2,10}	184,333	73,292	39,321	0.01	-	-
Richard Stewart ^{2,10}	105,303	362,747	421,653	-	0.01	0.02
Robert van Niekerk ^{3,10}	24,341	257,732	271,537	-	0.01	0.01
Laurent Charbonnier ^{2,9}	35,620	-	-	-	-	-
Lerato Legong ²	-	-	-	-	-	-
Total	7,377,480	7,693,178	9,113,702			

¹ Following the implementation of the Scheme (refer note 26), the Directors' shareholdings are in Sibanye Stillwater Limited

² Share ownership in the Company at the date of this report is unchanged (except as described in footnote 10 below)

³ Share ownership in the Company at the date of this report was (except as described in footnote 10 below):

- Dawie Mostert – 6,100 shares
- Robert van Niekerk – 366 shares

⁴ Resigned during 2019

⁵ Harry Kenyon-Slaney holds 4,213 ADRs which convert to 16,852 ordinary shares in the Company

⁶ Appointed during 2020. Elaine Dorward-King holds 1,200 ADRs at 31 December 2020 which convert to 4,800 ordinary shares in the Company

⁷ Ceased performing a prescribed officer role during 2020

⁸ Ceased performing a prescribed officer role during 2021 before the annual financial report was authorised for issue

⁹ Appointed during 2020. Laurent Charbonnier holds 8,905 ADRs at 31 December 2020 which convert to 35,620 ordinary shares in the Company

¹⁰ At the date of this report, the following directors and prescribed officers had shares in escrow following the March 2021 vesting in terms of the equity-settled share-based payment scheme:

- Neal Froneman – 2,725,411 shares and 319,165 ADRs
- Charl Keyter – 2,037,730 shares
- Dawie Mostert – 989,754 shares
- Themba Nkosi – 795,975 shares

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2020

- *Wayne Robinson – 915,070 shares and 9,036 ADRs*
- *Richard Stewart – 1,135,892 shares*
- *Robert Van Niekerk – 1,598,602 shares*

None of the directors' associates held any direct shareholding in the Company's issued share capital.

40. Events after reporting date

There were no events that could have a material impact on the financial results of the Group after 31 December 2020, other than those disclosed below.

Keliber Oy (Keliber) – Battery metals investment

On 23 February 2021 Keliber and the Company entered into an investment agreement that enables Keliber to significantly advance its lithium project in Central Ostrobothnia, Finland. The Keliber project consists of several advanced stage lithium spodumene deposits, with significant exploration upside in close proximity to the existing project. Based on a feasibility study completed in 2019 and improved in 2020, Keliber currently has 9.3 million tonnes of ore reserves, sufficient for more than 13 years of operation. Planned annual production is 15,000 tonnes of battery grade lithium hydroxide. The project includes the development of a chemical plant in Kokkola, approximately 50 kilometers from the mining area, which will produce battery grade lithium hydroxide. The Group intends to play a key role as an industrial anchor investor in the forthcoming financing of the construction of Keliber's lithium project. Production is anticipated to start in 2024 and none of the future lithium hydroxide production has been committed to any offtake party.

Under the investment agreement the Group will make an initial phased equity investment of €30 million, for an approximate 30% equity shareholding into Keliber. In the first tranche the Group subscribed for shares in Keliber for €15 million and simultaneously, on the same terms as Sibanye-Stillwater's €30 million phased investment, a further €10 million equity issuance was offered to the existing Keliber shareholders, which was fully subscribed. The investment agreement allows the Group to finance development work of a further €15 million in two tranches over a twelve-month period. In addition to, and subject to the completion of the initial investment and funding, the Group has a guaranteed option to achieve the majority shareholding in Keliber, should it wish to do so, by contributing further equity financing for the development of the project.

The investment in Keliber resulting from the €15 million subscription in the first tranche will be treated as an equity accounted associate. Further subscriptions of tranche two and three will be assessed at the time of subscription to determine whether the Group has at that stage obtained sufficient voting rights and/or potential voting rights to obtain accounting control over Keliber.

Phembani Black Economic Empowerment (BEE) transaction

During April 2021, the Group restructured the previously highly indebted Lonmin Limited (changed to Sibanye UK Limited on 25 March 2021) broad-based black economic empowerment (B-BBEE) structure in relation to Western Platinum Proprietary Limited (WPL) and Eastern Platinum Limited (collectively referred to as "Marikana"), so as to ensure the sustainability of the B-BBEE shareholding in Marikana and facilitate the realisation of value to the B-BBEE shareholders (Restructuring Transaction).

The Restructuring Transaction resulted in the cancellation of the previous preference share funding provided to a special purpose vehicle (Phembani SPV) held by the Phembani Group Proprietary Limited group (Phembani Group). As replacement, the Group subscribed for new preference shares at a nominal amount in the Phembani SPV. These preference shares will earn dividends capped to R2.6 billion and will be funded through 90% of the dividends attributable to the Phembani Group as and when paid by Marikana. The preference shares will be redeemed at the earlier of 12.5 years from the issue date or when the capped dividend amount is reached.

The new arrangement provides the Marikana shareholders with access to distributable Marikana dividends in the short and medium term through the introduction of a 10% trickle dividend while any shareholder loans or specified intercompany debt is outstanding. Thereafter, the Marikana shareholders will participate fully in their attributable portion of Marikana's dividends. However, a 90% portion of the Phembani Group's attributable dividends will continue to be applied against the preference dividends until the preference shares have been redeemed. As part of the Restructuring Transaction, Incwala Platinum Proprietary Limited is also released from its obligation to repay the historical loans made to it by WPL.

The Group is in the process of assessing the accounting impact of this transaction.

SHAREHOLDER INFORMATION

Registered shareholder spread at 31 December 2020

	Number of holders	% of total shareholders ¹	Number of shares ²	% of issued capital ^{1,3}
1—1,000 shares	12,455	54.65	4,292,402	0.15
1,001—10,000 shares	7,602	33.36	23,247,078	0.80
10,001 – 100,000 shares	1,611	7.07	54,095,180	1.85
100,001—1,000,000 shares	867	3.80	286,553,074	9.80
1,000,001 shares and above	254	1.11	2,555,382,773	87.41
Total	22,789	100.00	2,923,570,507	100.00

¹ Figures may not add due to rounding

² As of 26 March 2021, the issued share capital of Sibanye-Stillwater consisted of 2,954,975,358 ordinary shares

³ To our knowledge: (1) Sibanye-Stillwater is not directly or indirectly owned or controlled (a) by another entity or (b) by any foreign government; and (2) there are no arrangements the operation of which may at a subsequent date result in a change in control of Sibanye-Stillwater. To the knowledge of Sibanye-Stillwater's management, there is no controlling shareholder of Sibanye-Stillwater

Public and non-public shareholdings at 31 December 2020

	Number of holders	% of total shareholders ¹	Number of shares	% of issued capital ¹
Non-public shareholders	34	0.15	428,316,089	14.65
Directors	10	0.04	6,728,903	0.23
Prescribed Officers	9	0.04	1,427,863	0.05
Share trust	1	0.00	19,233,755	0.66
Government Employees Pension Fund (Public Investment Corporation) ²	14	0.06	400,925,568	13.71
Public shareholders	22,755	99.85	2,495,254,418	85.35
Total	22,789	100.00	2,923,570,507	100.00

¹ Figures may not add due to rounding

² This is the aggregate shareholding for the Government Employees Pension Fund the majority of which is managed by the Public Investment Corporation (PIC)

Foreign custodians above 5% at 31 December 2020

	Number of shares	%
Bank of New York Depository Receipts	441,815,262	15.11
J.P. Morgan Chase Bank	224,086,212	7.66
State Street Bank and Trust Company	222,892,258	7.62

SHAREHOLDER INFORMATION continued

Beneficial shareholder categories at 31 December 2020

	Number of holders	% of total shareholders ²	Number of shares ¹	% of issued capital ¹
Other Managed Funds	20,674	90.72	118,850,513	4.07
Unit Trusts/Mutual Fund	736	3.23	902,994,870	30.89
Pension Funds	516	2.26	686,509,275	23.48
Private Investor	366	1.61	86,247,670	2.95
American Depository Receipts	108	0.47	441,815,262	15.11
Custodians	92	0.40	71,624,629	2.45
Insurance Companies	62	0.27	83,752,208	2.86
Exchange-Traded Fund	45	0.20	55,727,600	1.91
Hedge Fund	35	0.15	33,715,901	1.15
Trading Position	33	0.14	105,085,864	3.59
Sovereign Wealth	31	0.14	209,585,961	7.17
Medical Aid Scheme	27	0.12	5,063,879	0.17
University	22	0.10	6,843,204	0.23
Charity	15	0.07	2,767,413	0.09
Stock Brokers	7	0.03	2,858,372	0.10
Foreign Government	6	0.03	803,184	0.03
Corporate Holding	4	0.02	151,827,959	5.19
Investment Trust	4	0.02	36,514,842	1.25
Local Authority	4	0.02	5,967,058	0.20
Black Economic Empowerment	1	0.00	6,307,069	0.22
ESG	1	0.00	26,241	0.00
Total	22,789	100.0	3,014,888,974	103.12

¹ Shareholder totals within beneficial shareholder categories equates to more than the issued shares 2,923,570,507 and 100% of issued share capital as it incorporates stock on loan from institutional investors

² Figures may not add due to rounding

The tables below show the change in the percentage ownership of Sibanye-Stillwater's major shareholders, to the knowledge of Sibanye-Stillwater's management, between 2018 and 2020.

Investment management shareholdings more than 5% at 31 December¹

	2020		2019		2018	
	Number of shares	%	Number of shares	%	Number of shares	%
Government Employees Pension Fund (PIC) ²	336,133,667	11.50	244,814,334	9.17	223,673,695	9.87
BlackRock Inc	195,153,251	6.67	95,256,378	3.57	37,035,123	1.63
Ninety One Plc ³	112,240,906	3.84	158,890,234	5.95	113,304,131	5.00
Exor Investments UK LLP	69,604,441	2.38	176,159,937	6.60	184,601,372	8.15

¹ A list of the investment managers holding, to the knowledge of Sibanye-Stillwater's management, directly or indirectly, 5% or more of the issued share capital of Sibanye-Stillwater as of 26 March 2021 is set forth below:

	Number of shares	%
Government Employees Pension Fund (PIC) ²	381,552,794	12.91
BlackRock Inc	222,006,019	7.52
Ninety One Plc ³	112,694,707	3.81
Exor Investments UK LLP	50,439,267	1.71

² This represents funds managed by the PIC as an investment fund manager, which holds the majority of its shares in the Government Employees Pension Fund

³ Investec Asset Management changed its name to Ninety One Plc during March 2020

SHAREHOLDER INFORMATION continued

Beneficial shareholdings more than 5% at 31 December¹

	2020		2019		2018	
	Number of shares	%	Number of shares	%	Number of shares	%
Gold One South Africa SPV (RF) (Pty) Ltd	148,390,135	5.08	448,891,942	16.81	454,608,714	20.06
Government Employees Pension Fund (PIC) ²	400,925,568	13.71	270,816,493	10.14	230,531,383	10.17

¹ A list of the individuals and organisations holding, to the knowledge of Sibanye-Stillwater's management, directly or indirectly, 5% or more of the issued share capital of Sibanye-Stillwater as of 26 March 2021 is set forth below:

	Number of shares	%
Gold One South Africa SPV (RF) (Pty) Ltd	127,222,436	4.31
Government Employees Pension Fund (PIC) ²	444,973,331	15.06

² This is the aggregate shareholding for the Government Employees Pension Fund the majority of which is managed by the Public Investment Corporation (PIC)

Sibanye-Stillwater's ordinary shares are subject to dilution as a result of any non-pre-emptive share issuance, including upon the exercise of Sibanye-Stillwater's outstanding share options, issues of shares by the Board in compliance with BEE legislation or in connection with acquisitions.

The principal non-United States trading market for the ordinary shares of Sibanye-Stillwater is the JSE Limited, on which they trade under the symbol "SSW". Sibanye-Stillwater's American depository shares (ADSs) trade in the United States on the NYSE under the symbol "SBSW". The ADRs representing the ADSs were issued by the Bank of New York Mellon (BNYM) as Depositary. Each ADS represents four ordinary shares.

No public takeover offers by third parties have been made in respect of Sibanye-Stillwater's shares or by Sibanye-Stillwater in respect of other companies' shares during the last and current fiscal year.

ADMINISTRATION AND CORPORATE INFORMATION

SIBANYE STILLWATER LIMITED (SIBANYE-STILLWATER)

Incorporated in the Republic of
South Africa

Registration number 2014/243852/06

Share code: SSW and SBSW

Issuer code: SSW

ISIN: ZAE000259701

LISTINGS

JSE: SSW

NYSE: SBSW

WEBSITE



www.sibanyestillwater.com

REGISTERED AND CORPORATE OFFICE

Constantia Office Park
Bridgeview House, Building 11, Ground floor
Cnr 14th Avenue & Hendrik Potgieter Road
Weltevreden Park 1709
South Africa

Private Bag X5
Westonaria 1780
South Africa
Tel: +27 11 278 9600
Fax: +27 11 278 9863

COMPANY SECRETARY

Lerato Matlosa
Tel: +27 10 493 6921
Email: lerato.matlosa@sibanyestillwater.com

DIRECTORS

Dr Vincent Maphai* (Chairman)
Neal Froneman (CEO)
Charl Keyter (CFO)
Timothy Cumming*
Savannah Danson*
Dr Elaine Dorward-King*
Harry Kenyon-Slaney*
Richard Menell*[^]
Nkosemntu Nika*
Keith Rayner*
Susan van der Merwe*
Jeremiah Vilakazi*
Sindiswa Zilwa*[#]

* Independent non-executive

[^] Lead independent director

[#] Appointed 1 January 2021

INVESTOR ENQUIRIES

James Wellsted

Senior Vice President: Investor Relations

Cell: +27 83 453 4014

Tel: +27 10 493 6923

Email: james.wellsted@sibanyestillwater.com or
ir@sibanyestillwater.com

JSE SPONSOR

JP Morgan Equities South Africa Proprietary Limited

Registration number 1995/011815/07

1 Fricker Road

Illovo

Johannesburg 2196

South Africa

Private Bag X9936
Sandton 2146
South Africa

AUDITORS

Ernst & Young Inc. (EY)

102 Rivonia Road

Sandton 2196

South Africa

Private Bag X14
Sandton 2146
South Africa
Tel: +27 11 772 3000

AMERICAN DEPOSITARY RECEIPTS 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: shrelations@bnymellon.com

Tatyana Vesselovskaya

Relationship Manager

BNY Mellon

Depositary Receipts

Direct line: +1 212 815 2867

Mobile: +1 203 609 5159

Fax: +1 212 571 3050

Email: tatyana.vesselovskaya@bnymellon.com

TRANSFER SECRETARIES SOUTH AFRICA

Computershare Investor Services Proprietary Limited

Rosebank Towers

15 Biermann Avenue

Rosebank 2196

PO Box 61051
Marshalltown 2107
South Africa

Tel: +27 11 370 5000

Fax: +27 11 688 5248



www.sibanyestillwater.com