

RISK FACTORS

In addition to the other information included in this annual report, the considerations listed below could have a material adverse effect on our business, operating results and financial condition, resulting in a decline in the trading price of Sibanye-Stillwater's ordinary shares or American Depositary Shares (ADSs). The risks set forth below comprise all material risks currently known to us. These factors should be considered carefully, together with the information and financial data set forth in this document.

RISKS RELATED TO SIBANYE-STILLWATER'S BUSINESS

Sibanye-Stillwater is subject to the imposition of various regulatory costs, such as mining taxes and royalties, changes to which may have a material adverse effect on Sibanye-Stillwater's operations and profits

In recent years, governments, communities, non-governmental organisations (NGOs) and trade unions in several jurisdictions have sought and, in some cases, have implemented greater cost imposts on the mining industry, including through the imposition of additional taxes and royalties. Such resource nationalism, whether in the form of cost imposts, interference in project management, mandatory social investment requirements, local content requirements or creeping expropriation could impact the global mining industry and Sibanye-Stillwater's business, operating results and financial condition.

In December 2017, during the African National Congress's (ANC) national conference, the ANC resolved that as a matter of policy, the ANC should pursue the expropriation of land without compensation, provided that such expropriation is carried out without destabilising the agricultural sector, endangering food security or undermining economic growth and job creation. On 27 February 2018, the National Assembly assigned the Constitutional Review Committee (CRC) to review section 25 of the South African Constitution and other relevant clauses to make it possible for the state to expropriate land in the public interest without compensation.

The CRC's report was adopted by South Africa's Parliament (Parliament) on 4 December 2018 and in December 2019, the draft South African Constitution Eighteenth Amendment Bill (Draft Constitution Eighteenth Amendment Bill), which introduced legislation to amend section 25 of South Africa's Constitution, was published for public comment. The Draft Constitution Eighteenth Amendment Bill authorises the state to expropriate land for the purposes of land reform, including any improvements to land, without the need of providing compensation. It further provides that national legislation must be enacted to establish the specific circumstances under which a court may determine that land may be expropriated without compensation. In order to adopt the Draft Constitution Eighteenth Amendment Bill, two-thirds of the National Assembly must vote in favour of the amendment and it must also be approved by at least six out of the nine provinces of the National Council of Provinces. The provincial hearings commenced in February 2020 and Parliamentary hearings are expected to be held in 2020.

Section 5(3) of the MPRDA provides a statutory right of access for the mining right holder to the mining area for the purposes of conducting mining operations and does not require the holder to own the land on which it conducts operations.

In South Africa, the ANC has adopted two recommended approaches to interacting with the mining industry. While the ANC has rejected the possibility of mine nationalisation for now, the first approach contemplates, among other things, greater state intervention in the mining industry, including the revision of existing royalties, the imposition of new taxes and an increase in the South African government's holdings in mining companies. For example, Sibanye-Stillwater is engaged in a dispute with a South African municipality regarding the valuation of certain property for the purposes of property-related taxes calculation. The second approach contemplates the South African government taking a more active role in the mining sector, including through the introduction of a state mining company to be involved in new projects either through partnerships or individually.

The adopted policies may impose additional restrictions, obligations, operational costs, taxes or royalty payments on mining companies, including Sibanye-Stillwater, any of which could have a material adverse effect on Sibanye-Stillwater's business, operating results and financial condition.

The South African President appointed the Davis Tax Committee to look into and review the current mining tax regime. The committee's first interim report on mining, which was released for public comment on 13 August 2015, proposed no changes to the royalty regime but recommended the discontinuation of the upfront capital expenditure write-off regime in favour of an accelerated capital expenditure depreciation regime. In addition, the report recommended retaining the so called "gold formula" for existing gold mines only, as new gold mines would be unlikely to be established in circumstances where profits are marginal or where gold mines would conduct mining of the type intended to be encouraged by the formula. The committee also recommended the phasing out of additional capital allowances available to gold mines in order to bring the gold mining corporate income tax regime in line with the tax system applicable to all taxpayers. On 13 November 2017, following a period of public comment, the Davis Tax Committee issued its final report which largely reaffirmed its initial recommendations. The South African National Treasury will continue to consider the Davis Tax Committee's final recommendations. It is not clear at this stage which, if any, of the recommendations will be adopted as legislation.

Any of the above could have a material adverse effect on Sibanye-Stillwater's business, operating results and financial condition.

Economic, political or social instability affecting the regions where Sibanye-Stillwater operates may have a material adverse effect on Sibanye-Stillwater's operations and profits

Sibanye-Stillwater is a South African domiciled company with the majority of its operations located within South Africa. Changes to or increased instability in the economic, political or social environment in South Africa or in surrounding countries could create uncertainty, which discourages investment in the region and may affect an investment in Sibanye-Stillwater. In addition, socio-political instability and unrest may also disrupt Sibanye-Stillwater's business and operations, compromise safety and security, increase costs, affect employee morale, impact Sibanye-Stillwater's ability to deliver under its operational plans, create uncertainty regarding mining licences and cause reputational damage, any of which could have a material adverse effect on Sibanye-Stillwater's business, operating results and financial condition.

In February 2018, Jacob Zuma resigned as President of South Africa and was replaced by Cyril Ramaphosa, who was re-elected into office following the 2019 general elections. It is not certain what, if any, other political, economic or social impacts the recent change in leadership will

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have on South Africa, or on Sibanye-Stillwater specifically. High levels of unemployment, particularly among the youth, and a shortage of critical skills in South Africa, despite increased government expenditure on education and training, remain issues and deterrents to foreign investment. The volatile and uncertain labour environment, which severely impacts on the local economy and investor confidence, has led and may lead to further downgrades in national credit ratings, making investment more expensive and difficult to secure. See *–Sibanye-Stillwater’s operations and profits have been and may be adversely affected by labour unrest and union activity and –A further downgrade of South Africa’s credit rating may have an adverse effect on Sibanye-Stillwater’s ability to secure financing.* This may restrict Sibanye-Stillwater’s future access to international financing and could have a material adverse effect on Sibanye-Stillwater’s business, operating results and financial condition.

In March 2019, the President of South Africa, Cyril Ramaphosa, announced in parliament that South Africa would move forward with the nationalisation of the South African Reserve Bank (SARB). Following the announcement, there have been various contradictory statements made by government officials regarding the government’s plans to nationalise the SARB, which have created uncertainty around this issue. While the SARB’s independence is constitutionally guaranteed, any economic or political instability caused by any nationalisation process, whether or not completed, may create issues with the movement of funds into or out of South Africa and impact the general business environment in South Africa, including businesses such as Sibanye-Stillwater. Any such negative impact on the South African economy may adversely affect Sibanye-Stillwater’s business, operating results and financial condition.

In addition, while the South African government has stated that it does not intend to nationalise mining assets or mining companies, certain political parties have stated publicly and in the media that the government should embark on a programme of nationalisation. See *–Sibanye-Stillwater is subject to the imposition of various regulatory costs, such as mining taxes and royalties, changes to which may have a material adverse effect on Sibanye-Stillwater’s operations and profits.* Any threats, or actual proceedings, to nationalise any of Sibanye-Stillwater’s assets could halt or curtail operations, resulting in a material adverse effect on Sibanye-Stillwater’s business, operating results and financial condition and could cause the value of Sibanye-Stillwater’s securities to decline rapidly and dramatically, possibly causing investors to lose the entirety of their respective investments.

In addition, economic and political instability in regions outside of South Africa or in surrounding countries and geopolitical events, such as the ongoing negotiations surrounding the United Kingdom’s exit from the European Union and the emergence of a trade war between the United States and China, may result in unavoidable uncertainties and events that could negatively affect costs of business, cause volatility in currency exchange rates, commodity prices, interest rates and worldwide political, regulatory, economic or market conditions and contribute to instability in political institutions, regulatory agencies and financial markets any of which could have a material adverse effect on Sibanye-Stillwater’s business, operating results and financial condition.

Mining companies are increasingly required to operate in ways that provide progressive benefits to affected communities. Failure to comply with these requirements can result in legal suits, additional operational costs, investor divestment and loss of “social licence to operate”, which could adversely impact Sibanye-Stillwater’s business, operating results and financial condition

Many mining companies face increasing pressure over their “social licence to operate”, which can be understood as the acceptance of the activities of these companies by stakeholders. While formal permission to operate is ultimately granted by host governments, many mining activities require social permission from host communities and influential stakeholders to carry out operations effectively and profitably.

These businesses are under pressure to demonstrate that, while they seek a satisfactory return on investment for shareholders, the environment, human rights and other key sustainability issues are responsibly managed and stakeholders, such as employees, host communities and the governments of the countries in which they operate, also benefit from their commercial activities. The potential consequences of these pressures and the adverse publicity in cases where companies are believed not to be creating sufficient social and economic benefit or are perceived to not be responsibly managing other sustainability issues may result in additional operating costs, higher capital expenditures, reputational damage, active community opposition (possibly resulting in delays, disruptions and stoppages), allegations of human rights abuses, legal suits, regulatory intervention and investor withdrawal.

In order to maintain its social licence to operate, Sibanye-Stillwater may need to design or redesign parts of its mining operations to minimise their impact on such communities and the environment, either by changing mining plans to avoid such impact, by modifying operations, by changing planned capital expenditures or by relocating the affected people to an agreed location. Anti-mining sentiments in some of the communities in which Sibanye-Stillwater operates have been exacerbated by high unemployment and violent crime rates, forced resettlement of residents, environmental incidents and blasting.

Responsive measures may require Sibanye-Stillwater to take costly and time consuming remedial measures, including the full restoration of livelihoods of those impacted.

In addition, Sibanye-Stillwater is obliged to comply with the terms and conditions of all the mining rights it holds in South Africa. In this regard, the social and labour plans (SLPs) provisions of our mining rights must make provision for local economic development, among other obligations. See *–Sibanye-Stillwater’s mineral rights are subject to legislation, which could impose significant costs and burdens and which impose certain ownership requirements, the interpretation of which is the subject of dispute.* In addition, as Sibanye-Stillwater has a long history of mining operations in certain regions or has purchased operations that have a long history, issues may arise regarding historical as well as potential future environmental or health impacts in those areas.

In the United States two environmental groups had an anti-mining initiative, the Citizen Initiative 186, placed on the ballot in the November 2018 general election in the state of Montana. Citizen Initiative 186 would have required the state’s Department of Environmental Quality to deny a permit for any new hard-rock mine, unless the mine’s reclamation plan provided clear and convincing evidence that the mine would not require perpetual treatment of water polluted by acid mine drainage (AMD) or other contaminants. Although Montana voted down the initiative in the general election, there is no guarantee that similar regulatory challenges will not be encountered in the future.

Delays in projects attributable to a lack of community support or other community-related disruptions or delays can translate directly into a decrease in the value of a project or into an inability to bring the project to, or maintain, production. The cost of measures and other issues

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relating to the sustainable development of mining operations has placed significant demands on Sibanye-Stillwater's resources and could increase capital and operating costs and have a material adverse effect on our reputation, business, operating results and financial condition.

Due to the mature infrastructure at Sibanye-Stillwater's mining operations, unplanned breakdowns, statutory mandated modifications and stoppages may result in production delays, increased costs and industrial accidents

Nearly all of our operating shafts and processing plants at our gold and PGM operations, including those of our recently acquired assets (including the Marikana operations), are relatively mature. Maintaining this infrastructure requires skilled people, capital allocation, management and regular, planned maintenance. Once a shaft or a processing plant has reached the end of its intended lifespan or needs modification to comply with the applicable regulatory standards, more than normal maintenance and care is required. Although we have a comprehensive maintenance strategy in place, incidents resulting in production delays, increased costs or industrial accidents may occur. There is also a risk that delays in procuring critical spares for major repairs may result in disruptions to production. Such incidents may have a material adverse effect on our business, operating results and financial condition.

Due to the nature of deep level mining and the extensive environmental footprint of Sibanye-Stillwater's operations, environmental hazards, industrial accidents, seismic activity, mining accidents and pollution may result in operational disruptions such as work stoppages which could result in increased production costs as well as financial and regulatory liabilities

Mining by its nature involves significant risks and hazards, including environmental hazards, as well as industrial and mining accidents. These include, for example, seismic events, fires, cave-ins and blockages, flooding, discharges of gasses and toxic substances, contamination of water, air or soil resources, unusual and unexpected rock formation affecting ore or wall rock characteristics, ground or slope failures, rock bursts, wild fires, radioactivity and other accidents or conditions resulting from mining activities including, among other things, blasting and the transport, storage and handling of hazardous materials.

We have experienced and continue to remain at risk of experiencing environmental and other industrial hazards, as well as industrial and mining accidents, and we are more susceptible than other mining operations, particularly at our South African operations, to certain of these risks due to mining at depth. In the first six months of 2018, in particular, there were two anomalous safety incidents at Sibanye-Stillwater's South African operations, which resulted in the death of 12 employees (out of 24 total fatalities for the year: 21 fatalities at Sibanye-Stillwater's South African gold operations and three at Sibanye-Stillwater's South African PGM operations). In addition, on 20 March 2019, a fall of ground incident at Sibanye-Stillwater's South African PGM operations resulted in the death of an employee, and at Sibanye-Stillwater's Thembelani shaft, on 30 April 2019, approximately 1,800 employees were temporarily unable to return to the surface after a parcel of rails that were being transported underground came loose and fell down the shaft. On 28 August 2019 and 16 September 2019, two separate industrial accidents at the Marikana operations resulted in the deaths of two employees. Any future such incidents could have a material adverse effect on Sibanye-Stillwater's business, operating results and financial condition.

Seismic activity is of particular concern in the underground mining environment, particularly in South Africa, as a consequence of the extent and depth of mining. Seismic events have intermittently in the past caused death and injury to employees and contractors, and can result in safety-related stoppages. On 3 May 2018, a seismic event at the Masakhane mine at Sibanye-Stillwater's Driefontein operations resulted in the death of seven employees and injury to six other employees. At the Ikamva and Manyano mines at Sibanye-Stillwater's Kloof operations, five employees suffered non-fatal injuries due to seismic events during 21-22 May 2018. Additionally, seismic activity has also caused a loss of mining equipment, damage to and destruction of mineral properties and production facilities, monetary losses, environmental damage and potential legal liabilities.

On 11 June 2018, at the Ikamva mine at Sibanye-Stillwater's Kloof operations, five employees succumbed to heat exhaustion after they entered a temporarily suspended and appropriately barricaded area, without authorisation and contrary to company policies. The occurrence of these or similar events has led and could lead, to employee fatalities or injuries, the suspension of operations, the delay or halt of production and mine closures, and could negatively impact planned production levels. Any future such events could have a material adverse effect on Sibanye-Stillwater's business, operating results and financial condition.

Furthermore, there are risks that relevant regulators, such as the South African Department of Mineral Resources and Energy (DMRE) in South Africa and the Mine Safety and Health Administration (MSHA) or the US Occupational Safety and Health Administration (OSHA) in the United States, may impose fines and work stoppages (known as section 54 stoppages in South Africa (Section 54)) for non-compliant mining operating procedures and activities, which could reduce or halt production until lifted. The occurrence of any of these events could delay or halt production, increase production costs and result in financial and regulatory liability for Sibanye-Stillwater, which could have a material adverse effect on its business, operating results and financial condition. See also *Sibanye-Stillwater's operations are subject to environmental, health and safety regulations, which could impose additional costs and compliance requirements, and Sibanye-Stillwater has faced, and may face further, claims and liability for breaches, or alleged breaches, of such regulations and other applicable laws.*

In addition, the relevant environmental authorities have issued and may issue administrative directives and compliance notices in the future to enforce the provisions of the relevant statutes (including, but not limited to, the National Environmental Management Act, 1998 (Act No. 107 of 1998) (NEMA), the National Water Act, 1998 (Act No. 36 of 1998) (National Water Act), the National Environmental Management: Air Quality Act, 2004 (Act No. 39 of 2004) and the National Environmental Management: Waste Act, 2008 (Act No. 59 of 2008) (Waste Act) in South Africa, as well as the Clean Air Act (CAA), the Clean Water Act, the Resource Conservation and Recovery Act and the Metals Mines Reclamation Act in the United States) to take specific anti-pollution measures, continue with those measures and/or to complete those measures. The authorities may also order the suspension of part or all of Sibanye-Stillwater's operations if there is non-compliance with legislation. Contravention of some of these statutes may also constitute a criminal offence and an offender may be liable for a fine or imprisonment, or both in addition to administrative penalties.

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As a result, the occurrence of any of these events may have a material adverse effect on Sibanye-Stillwater's business, operating results and financial condition.

A further downgrade of South Africa's credit rating may have an adverse effect on Sibanye-Stillwater's ability to secure financing

Prior to 2018, the challenges facing the mining industry and other sectors, among other factors, had resulted in the downgrading of South Africa's sovereign credit rating to non-investment grade by Standard & Poor's and Fitch Ratings. Since 2018, on 23 March 2018, Moody's affirmed its Baa3 sovereign credit rating for South Africa and upgraded its outlook to stable, listing the beginning of reform under president Ramaphosa. On 26 May 2018, Standard & Poor's affirmed its non-investment sovereign credit rating for South Africa of BB with a stable outlook and on 23 November 2018 kept South Africa's sovereign credit ratings unchanged at non-investment grade. On 26 July 2019, Fitch Ratings affirmed its sub-investment grade sovereign credit rating of BB+ for South Africa and downgraded its outlook from stable to negative. On 27 March 2020, Moody's downgraded South Africa's sovereign credit rating to the non-investment grade credit rating of Ba1 with a negative outlook, citing the continuing deterioration in fiscal strength and structurally very weak growth.

The downgrading of South Africa's credit rating by Moody's to non-investment grade and the continued status of South Africa's sovereign credit rating as non-investment grade by Standard & Poor's, Moody's or Fitch Ratings may adversely affect the South African mining industry, including Sibanye-Stillwater, by making it more difficult to obtain external financing or could result in any such financing being available only at greater cost or on more restrictive terms than might otherwise be available. The recent downgrades of South Africa's sovereign credit rating could also have a material adverse effect on the South African economy as many pension funds and other large investors are required by internal rules to sell bonds once two separate agencies rate them as non-investment grade. Any such negative impact on the South African economy may adversely affect the South African mining industry and Sibanye-Stillwater's business, operating results and financial condition.

Sibanye-Stillwater's mineral rights are subject to legislation, which could impose significant costs and burdens and which impose certain ownership requirements, the interpretation of which is the subject of dispute

Our operations in South Africa are subject to legislation regulating mineral rights. This includes Broad-Based Black Economic Empowerment (BBBEE) legislation designed to effect the entry and participation of Historically Disadvantaged South Africans (HDSAs) into the mining industry and increase their participation in the South African economy.

The MPRDA, which came into effect on 1 May 2004, transferred ownership of the minerals of South Africa to the South African people, with the South African government acting as custodian thereof in order to, among other things, promote equitable access to the nation's mineral resources by South Africans, expand opportunities for HDSAs who wish to participate in the South African mining industry and advance social and economic development. Through the DMRE, the South African government, as custodian, exercises regulatory control over the exploitation of mineral resources and does so by exercising the power to grant the rights required to prospect and mine for minerals, including through the imposition of terms and conditions. The MPRDA required mining companies to apply for the right to mine and/or prospect and to apply for the conversion of "old order" prospecting rights (PRs) and mining rights to "new order" mining rights. In order to qualify for these rights, applicants need to satisfy the South African government that the granting of such a right will advance the open-ended broad-based socio-economic empowerment requirements of the 2004 Mining Charter (as amended). The MPRDA also required that mining companies submit to the DMRE SLPs, which set out their commitments relating to human resource development, labour planning and socio-economic development planning. In order to give content to the broad-based socio-economic empowerment requirements to the mining industry, the DMRE published the 2004 Mining Charter, which became effective on 1 May 2004. The 2004 Mining Charter required 26% HDSA ownership by the 2014 deadline.

In 2010, the DMRE introduced the 2010 Mining Charter containing guidelines envisaging, among other things, that mining companies should achieve a minimum of 40% of HDSA demographic representation by 2014 at executive management (board) level, senior management (executive committee) level, core and critical skills, middle management level and junior management level.

On 31 March 2015, the Chamber of Mines, which is now known as the Minerals Council SA (Minerals Council), reported that the DMRE believes that empowerment transactions by mining companies concluded after 2004 where the HDSA ownership level has fallen due to HDSA disposal of shares or for other reasons should not be included in the calculation of HDSA ownership for the purposes of, among other things, the 26% HDSA ownership guidelines under the 2004 Mining Charter and the 2010 Mining Charter. The position of the Minerals Council (including Sibanye-Stillwater) is that such historical empowerment transactions should be included in the calculation of HDSA ownership.

The DMRE and the Minerals Council jointly agreed to approach the South African courts to seek a declaratory order that will provide a ruling on the relevant legislation and the status of the 2004 Mining Charter and the 2010 Mining Charter, including clarity on the status of previous empowerment transactions concluded by mining companies and a determination on whether the ownership element of the 2004 Mining Charter and the 2010 Mining Charter should be a continuous compliance requirement for the duration of the mining right as argued by the DMRE, or a one-off requirement as argued by the Minerals Council, on the "once empowered always empowered" principle. The Minerals Council and the DMRE filed papers in court and the Main Application was placed on the roll to be heard on 15 March 2016. In February 2016, the Scholes Application was filed by a third party, Malan Scholes Inc., to consolidate the Main Application with its own application for a declaratory order on the empowerment aspects of the 2004 Mining Charter and the 2010 Mining Charter. The Minerals Council opposed the consolidation of these applications on the basis that, among other things, the right to relief in the respective applications does not depend substantially on the same questions of law and/or fact. On 3 May 2016, the court refused to consolidate the two applications. On 16 February 2018, the High Court postponed the Mining Charter hearing indefinitely to allow the Minerals Council and the South African government to engage in further discussions on this matter.

The DMRE then published the 2017 Mining Charter which came into effect on 15 June 2017. The Minerals Council launched the Interdict Application in the Gauteng Division High Court to interdict the implementation of the 2017 Mining Charter, pending the Chamber Application to set the 2017 Mining Charter aside on the basis that it was unilaterally developed and imposed on the industry and that the process that was followed

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by the DMRE in developing the 2017 Mining Charter had been seriously flawed. However, the Minister of Mineral Resources and Energy (the Minister) and the Minerals Council reached an agreement on 13 September 2017, under which the Minister of Mineral Resources undertook to suspend the 2017 Mining Charter pending the outcome of the Chamber Application. The Chamber Application has been postponed indefinitely by agreement between the DMRE and the Minerals Council on the basis that the Minerals Council has entered into a new round of discussions with the newly elected President of South Africa, Cyril Ramaphosa, and the new Minister of Mineral Resources, Gwede Mantashe. On 19 February 2018, the Gauteng Division High Court ordered that the DMRE and the Minerals Council must also involve communities affected by mining activities in these new discussions over the 2017 Mining Charter. On 4 April 2018, the Gauteng Division High Court issued a judgment finding that, once the DMRE has considered and granted a mining right application in terms of the MPRDA, then the holder of the mining right will not be legally obligated to restore the percentage ownership (irrespective of how it was measured) to the 26% HDSA ownership target referred to in the 2004 Mining Charter and in the 2010 Mining Charter where HDSA shareholding has fallen below the 26% requirement. This judgment applies to old order rights converted in terms of the MPRDA but does not apply where the terms and conditions of the right itself stipulated that the 26% HDSA ownership had to be retained.

On 19 April 2018, the DMRE filed a notice of intention to appeal the Gauteng Division High Court's judgment. In September 2018, the 2018 Mining Charter and related Implementation guidelines came into effect. The 2018 Mining Charter, which effectively repealed the 2004 Mining Charter and the 2010 Mining Charter, included a number of material changes such as: (i) existing mining right holders, who had achieved a minimum of 26% HDSA ownership on the date of commencement of the 2018 Mining Charter, shall be recognised as being compliant for the duration of that mining right; (ii) existing mining right holders who, at any stage during the existence of their mining right, achieved 26% HDSA ownership but subsequently (prior to the commencement of the 2018 Mining Charter) HDSA shareholders exited, resulting in HDSA ownership falling below 26%, shall be recognised as compliant for the duration of the mining right; and (iii) recognition of any mining right holder as being compliant in regard to historical HDSA ownership, lapses upon the transfer of the mining right or a part thereof and such recognition would not be applicable to any new applications for a mining right.

In addition, under the 2018 Mining Charter, the renewal of existing mining rights shall be subject to the mining charter requirements that were applicable at the time a mining right renewal application was lodged with the DMRE (i.e. any application for renewal lodged prior to 27 September 2018 will be processed in accordance with the 2004 Mining Charter, as read with the 2010 Mining Charter, and all renewal applications lodged on or after 27 September 2018 in terms of 2018 Mining Charter). A category for pending applications is provided for all applications that have been both lodged and accepted prior to the commencement of the 2018 Mining Charter and such applications are to be processed in terms of the 2010 Mining Charter with a 26% HDSA ownership requirement. However, once a mining right is granted and executed, the holder of the mining right is required to achieve a minimum of 30% HDSA ownership within a period of five years from the effective date of the mining right.

For all applications for new mining rights, the 2018 Mining Charter requires a minimum of 30% HDSA ownership. At a minimum, the HDSA ownership must be comprised as follows: (i) 5% non-transferrable carried interest to qualifying employees; (ii) 5% non-transferrable carried interest to host communities; and (iii) 20% effective ownership in the form of shares to a BEE entrepreneur. There have also been material adjustments to the minimum compliance requirements relating to, among other things, employment equity, inclusive procurement and supplier and enterprise development, which all mining companies must comply with within five years from the commencement of the 2018 Mining Charter.

On 26 March 2019, the Minerals Council filed an application in the Gauteng Division High Court of South Africa for the judicial review and setting aside of certain clauses of the 2018 Mining Charter. In the alternative to the above, the Minerals Council may apply for a declaratory judgment confirming that the relevant clauses in the 2018 Mining Charter are inconsistent with the principle of legality as enshrined in the South African Constitution and ask that they be set aside. On 27 March 2019, the DMRE published a media statement indicating that it intended to oppose the Minerals Council's application and would file its responding documentation in due course. For further details, see the section entitled *Further Information—Environmental and Regulatory Matters—Mineral Rights*.

Any adjustment to the ownership structure of Sibanye-Stillwater's mining assets in order to meet BBBEE requirements could have a material adverse effect on the value of Sibanye-Stillwater's securities. Further, Sibanye-Stillwater may in the future incur significant costs or have to issue additional shares as a result of changes in the interpretation of existing laws and guidelines or the imposition of new laws relating to HDSA ownership requirements, which may have a material adverse effect on Sibanye-Stillwater's business, operating results and financial condition.

In terms of section 47 of the MPRDA, the Minister of Mineral Resources may suspend or cancel the existing mining rights or, under section 23(3) of the MPRDA, refuse to grant applications for new mining rights by mining companies, including Sibanye-Stillwater, should such holders of mining rights be deemed not to be in compliance with the requirements of the MPRDA as read with South Africa's mining industry empowerment requirements. If the Minister of Mineral Resources were to determine that Sibanye-Stillwater is not in compliance with the requirements of the MPRDA and its empowerment requirements, Sibanye-Stillwater may be required to engage in remedial steps, including changes to management and actions that require shareholder approval.

The BBBEE Act, 2003 (the BBBEE Act) and the BBBEE Codes do not require the DMRE to apply the BBBEE Codes when determining the qualification criteria for the issuing of mining rights, nor do they require that the DMRE apply the BBBEE Codes as a requirement for the retention of existing mining rights. The BBBEE Codes will nevertheless apply to mining companies if they wish to be scored for the purpose of contracting with state institutions.

If the DMRE were to determine that Sibanye-Stillwater is not in compliance with the MPRDA, for any reason, including HDSA ownership, Sibanye-Stillwater may challenge such a decision in court. Any such court action may be expensive and there is no guarantee that Sibanye-Stillwater's challenge would be successful.

There is no guarantee that any steps Sibanye-Stillwater has already taken or might take in the future will ensure the retention of its existing mining rights, the successful renewal of its existing mining rights, the granting of applications for new mining rights or that the terms of renewals of its mining rights would not be significantly less favourable than the terms of its current mining rights. Any further adjustment to the ownership structure of Sibanye-Stillwater's South African mining assets in order to meet BBBEE requirements could have a material adverse effect on the value of Sibanye-Stillwater's securities.

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In addition, an amendment bill to the MPRDA, namely the MPRDB, was passed by both the National Assembly and the NCOP on 27 March 2014. In January 2015, the President referred the MPRDB back to Parliament for reconsideration and, on 1 November 2016, the Portfolio Committee on Mineral Resources tabled non-substantial revisions to the MPRDB in the National Assembly and a slightly revised version of the MPRDB was passed by the National Assembly and referred to the NCOP. On 3 March 2017, the National Assembly passed certain minor amendments to the MPRDB. The National Assembly referred the MPRDB to the NCOP where the Select Committee had received comments on the draft legislation. On 16 February 2018, President Ramaphosa announced that the MPRDB was at an advanced stage in Parliament. On 22 August 2018, the Minister of Mineral Resources announced his desire for the MPRDB to be withdrawn. The MPRDB has remained under consideration in the NCOP for several months.

Any such change in law could have a material adverse effect on Sibanye-Stillwater's business, operating results and financial condition.

Title to Sibanye-Stillwater's properties may be subject to challenge

Certain of Sibanye-Stillwater's properties may be subject to the rights or the asserted rights of various occupants or claimants to land under restitution and other legislation, which could have an impact on Sibanye-Stillwater's ability to develop or operate its mining interests. For example, in South Africa, the Extension of Security of Tenure Act (1997), the Restitution of Land Rights Act (1994) and the Prevention of Illegal Eviction from and Unlawful Occupation of Land Act (1998) and the Labour Tenants Act (1996) protect various rights to claim and occupy land. Such legislation is complex and sets out the requirements as to how land owners are to deal with certain rights. There is no assurance that Sibanye-Stillwater will be able to successfully predict when these land owner rights will be challenged, which could therefore negatively affect the business results of new or existing projects. Where consultation with occupants or claimants to land is statutorily or otherwise mandated, relations may not remain amicable and disputes may lead to reduced access to properties or delays in operations. For example, in September 2018, a notice of a land claim over certain of the Kroondal operations property was published in the Government Gazette, which Sibanye-Stillwater is opposing. Title to Sibanye-Stillwater's properties, particularly undeveloped ones, may also be defective or subject to challenge. Title review does not necessarily preclude third parties from contesting ownership.

Sibanye-Stillwater's US properties in Montana include a number of unpatented mining and mill site claims. The validity of unpatented mining claims on public lands is often uncertain, and possessory rights of claimants may be subject to challenge.

In addition, Sibanye-Stillwater pays annual maintenance fees and has obtained mineral title reports and legal opinions for some of the unpatented mining claims or mill sites making up portions of its US properties, in accordance with applicable laws and what Sibanye-Stillwater believes is standard industry practice. However, Sibanye-Stillwater cannot be certain that applicable laws will not be changed nor that Sibanye-Stillwater's possessory rights to any of its unpatented claims may not be deemed defective and challenged.

As a result, any such legislation could change the cost of holding unpatented mining claims and could significantly affect Sibanye-Stillwater's ability to develop ore reserves located on unpatented mining claims. All of the foregoing could adversely affect the economic and financial viability of future mining operations at such mines. Although it is impossible to predict at this point what any legislated royalties might be, enactment could adversely affect the potential for development of such federal unpatented mining claims.

Sibanye-Stillwater may experience unforeseen difficulties, delays or costs in implementing its business strategy and operational plan

The ability to grow the business will depend on the successful implementation of Sibanye-Stillwater's existing and proposed strategic initiatives and operational plans at its historical operations, recently acquired operations and proposed acquisitions.

The successful implementation of Sibanye-Stillwater's strategic initiatives and operational plans depends upon many factors, including those outside its control. Sibanye-Stillwater may prove unable to deliver on production targets and other strategic initiatives. Unforeseen difficulties, delays or costs may adversely affect the successful implementation of Sibanye-Stillwater's business strategy and plans, and such strategy and plans may not result in the anticipated benefits. For example, factors such as volatility in commodity pricing, high fixed costs, safety related issues, organised labour action and technical issues may result in a failure to meet operations targets or strategic goals. See *–Due to the nature of deep level mining and the extensive environmental footprint of Sibanye-Stillwater's operations, environmental hazards, industrial accidents, seismic activity, mining accidents and pollution may result in operational disruptions such as work stoppages which could result in increased production costs as well as financial regulatory liabilities, –Sibanye-Stillwater's operations and profits have been and may be adversely affected by labour unrest and union activity, –Sibanye-Stillwater's mineral reserves are estimates based on a number of assumptions, which, if changed, may require Sibanye-Stillwater to lower estimated mineral reserves, –Our business is subject to high fixed costs which may impact its profitability, –Power stoppages, fluctuations and usage constraints may force Sibanye-Stillwater to halt or curtail operations and –Power cost increases in South Africa and elsewhere may adversely affect Sibanye-Stillwater's results of operations.* Any such difficulties, delays or costs could prevent Sibanye-Stillwater from fully implementing its business strategy, which could have a material adverse effect on its business, operating results and financial condition.

In addition, any existing or future initiatives may not be implemented as planned; turn out to be less effective than anticipated; only become effective later than anticipated; or not be effective at all. Any of the above could have a negative impact on Sibanye-Stillwater's business, operating results and financial condition.

Changes in the market price for gold and PGMs, which in the past have fluctuated widely, affect the profitability of Sibanye-Stillwater's gold and PGM mining operations and the cash flows generated by those operations

Sibanye-Stillwater's revenue from its gold and platinum mining operations are primarily derived from the sale of gold and PGMs that it produces. Sibanye-Stillwater does not generally enter into commodity derivatives or other hedging arrangements in order to establish a price in advance of the sale of its gold or PGM production. However, Sibanye-Stillwater may consider commodity derivatives or other hedging from time to time to

RISK FACTORS continued

protect cash flows of marginal assets. As a result, it is generally fully exposed to changes in the gold and PGM prices, which could lead to reduced revenue should the gold or PGM price decline. For example, during the year ended 31 December 2019, the gold price fluctuated between US\$1,270/oz and US\$1,546/oz. During the year ended 31 December 2019, the platinum price fluctuated between US\$777/oz and US\$985/oz, the palladium price fluctuated between US\$1,260/oz and US\$1,993/oz and the rhodium price fluctuated between US\$2,460/oz and US\$6,150/oz. In its US recycling business, Sibanye-Stillwater regularly enters into fixed forward sales contracts for metal produced from catalyst recycling, normally making these commitments at the time the catalyst material is purchased. For Sibanye-Stillwater's fixed forward sales related to recycling of catalysts, Sibanye-Stillwater is subject to the customers' compliance with the terms of the agreements, their ability to terminate or suspend the agreements and their willingness and ability to pay.

The market price for 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. For example, gold has historically been used as a hedge against unstable or lower economic performance, thus improved economic performance, particularly in the United States, may have a negative impact on the price for gold. After falling 45% between September 2011 and December 2015, when it hit a low of US\$1,060/oz, the gold price recovered in fiscal 2017 hitting US\$1,300/oz, before slightly declining again to US\$1,285/oz at the end of fiscal 2018. At 31 December 2019, the gold price was US\$1,528/oz. The market price for PGMs has been similarly volatile. In addition, as of 31 March 2020, the gold, platinum, palladium and rhodium prices were US\$1,609/oz, US\$725/oz, US\$2,284/oz and US\$10,500/oz, respectively, following the outbreak of COVID-19. For more information on COVID-19, see *–HIV/AIDS, tuberculosis and the spread of other contagious diseases, such as coronavirus (COVID-19), pose risks to Sibanye-Stillwater in terms of lost productivity and increased costs.*

Should the gold or PGM price decline below Sibanye-Stillwater's production costs, it may experience losses and, should this situation remain for an extended period, Sibanye-Stillwater may be forced to curtail or suspend some or all of its projects, operations and/or reduce operational capital expenditures. Sibanye-Stillwater might not be able to recover any losses incurred during, or after, such events. A sustained period of significant gold or PGM price volatility may also adversely affect Sibanye-Stillwater's ability to undertake new capital projects or to make other long-term strategic decisions. The use of lower gold and PGM prices in reserve calculations and Life of Mine (LoM) plans could also result in material impairments of Sibanye-Stillwater's investment in gold or PGM mining properties or a reduction in its reserve estimates and corresponding restatements of its reserves and increased amortisation, reclamation and closure charges.

In addition, changes in demand drivers for PGMs may cause the prices of PGMs to fall over the short or long term. For example, PGM prices are linked to demand for catalytic converters in automobiles, among other things. Any economic downturn or other event that reduces the sale of automobiles will likely impact the price of PGMs. In addition, high PGM prices may cause demand destruction, which would cause the price of such PGMs to fall. In addition, the increase in the number of electric cars in the future may reduce the price for PGMs by reducing demand for catalytic converters (which require PGMs) used in gasoline powered vehicles.

Any of the above could have a material adverse effect on Sibanye-Stillwater's business, operating results and financial condition.

Because gold and PGMs are generally sold in US Dollars, while the majority of Sibanye-Stillwater's gold production and a substantial amount of Sibanye-Stillwater's PGM production costs are denominated in Rand, Sibanye-Stillwater's operating results and financial condition will be materially harmed if there is a material change in the value of the Rand

Gold and PGMs are principally sold throughout the world in US dollars, but Sibanye-Stillwater's costs of production at its operations in South Africa are primarily incurred in Rand. Recent volatility in the Rand has made our costs and results of operations less predictable than when currency exchange rates are more stable. The Rand has experienced significant devaluation against the US dollar falling from R10.34/US\$ as at 31 December 2013 to R15.54/US\$ as at 31 December 2015, before strengthening again to R14.00/US\$ as at 31 December 2019. On 27 March 2020, following Moody's downgrade of South Africa's sovereign credit rating to non-investment grade, the value of the Rand was further devalued to R17.62/US\$. See *–A further downgrade of South Africa's credit rating may have an adverse effect on Sibanye-Stillwater's ability to secure financing.* Any significant increase or appreciation of the Rand against the US dollar would increase our operating costs in US dollar terms, and reduce revenue in Rand terms, which could materially adversely affect our operating results and financial condition from the South African operations. Conversely, a weakening of the Rand may result in higher inflation in South Africa, which would increase the prices Sibanye-Stillwater pays for products and services. In light of these factors and the likely impact on cash flow, our management regularly re-evaluates its current growth capital expenditure plans. Certain projects may be deferred or placed on care and maintenance until commodity prices sustainably improve, and/or currency exchange rate volatility has subsided. Should a strong Rand/US dollar exchange rate persist without a corresponding gain in commodity prices, Sibanye-Stillwater may consider increasing operational flexibility by adjusting mine plans, reducing capital expenditure or selling assets and, if necessary, consider options to increase funding flexibility. Also see *–Sibanye-Stillwater has a large amount of indebtedness and is subject to various covenants and restrictions, and failure to comply with the covenants or difficulties in obtaining additional financing or refinancing could adversely affect Sibanye-Stillwater's business, operating results and financial condition.* All of the above could have a material adverse effect on Sibanye-Stillwater's business, operating results and financial condition.

Increased regulatory oversight, uncertainty relating to the London Interbank Offered Rate (LIBOR) calculation process and potential phasing out of LIBOR after 2021 may adversely affect the amounts of interest Sibanye-Stillwater pays under its debt arrangements and adversely affect Sibanye-Stillwater's business, operating results and financial condition

LIBOR is the basic rate of interest used in lending between banks on the London interbank market and is widely used as a reference for setting the interest rate on loans globally. We have used LIBOR as a reference rate in certain of our credit facilities and loans, such that the interest due to our creditors pursuant to these loans is calculated using LIBOR. As of 31 December 2019, we had approximately R5,712 million (US\$408 million) of debt outstanding that was indexed to LIBOR. In addition, US\$150 million (R2,100 million) of Sibanye-Stillwater's R5.5 billion RCF will mature in 2021, under the existing LIBOR regime.

RISK FACTORS continued

Regulators and law enforcement agencies in the United Kingdom and elsewhere are conducting civil and criminal investigations into whether the banks that contribute to the British Bankers' Association (BBA) in connection with the calculation of daily LIBOR may have been under-reporting or otherwise manipulating or attempting to manipulate LIBOR. A number of BBA member banks have entered into settlements with their regulators and law enforcement agencies with respect to this alleged manipulation of LIBOR. On July 27, 2017, the United Kingdom Financial Conduct Authority (FCA), which regulates LIBOR, published the FCA Announcement (the FCA Announcement). The FCA Announcement indicates that the continuation of LIBOR on the current basis is not guaranteed after 2021. The Secured Overnight Financing Rate, has been proposed by the Alternative Reference Rate Committee, a committee convened by the US Federal Reserve that includes major market participants and on which regulators participate, as an alternative rate to replace US Dollar LIBOR. It is not currently possible to predict the effect of the FCA Announcement, including any discontinuation or change in the method by which LIBOR rates are determined, or how any such changes or alternative methods for calculating benchmark interest rates would be applied to any particular existing agreement containing terms based on LIBOR, such as our existing loan agreements. Any such changes or developments in the method pursuant to which LIBOR rates are determined may result in an increase in reported LIBOR rates or any alternative rates. If that were to occur, the amount of interest Sibanye-Stillwater pays under its credit facilities and any other financing arrangements may be adversely affected, which may adversely affect Sibanye-Stillwater's business, operating results and financial condition.

Sibanye-Stillwater has a large amount of indebtedness and is subject to various covenants and restrictions, and failure to comply with the covenants or difficulties in obtaining additional financing or refinancing could adversely affect Sibanye-Stillwater's business, operating results and financial condition

In order to conclude the Stillwater Acquisition, Sibanye-Stillwater temporarily increased its debt. Sibanye-Stillwater raised a US\$2.65 billion bridge loan for the Stillwater Acquisition, which was subsequently refinanced through the US\$1 billion Rights Issue, a US\$1.05 billion bond offering and 2023 Convertible Bond. As a result of the increased borrowing, Sibanye-Stillwater's leverage ratio increased from 0.6 times as at 31 December 2016 to 2.6 times as at 31 December 2017, and to 2.5 times as at 31 December 2018. As at 31 December 2019, Sibanye-Stillwater had committed undrawn debt facilities of R5,688 million (US\$406 million) and a leverage ratio of 1.4 times. Sibanye-Stillwater's credit facilities contain financial and/or other covenants and restrictions. 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. Specifically, Sibanye-Stillwater's borrowing facilities permit a leverage ratio of 3.5:1 through to 31 December 2019, and 2.5:1, thereafter, calculated on a quarterly basis. Although Sibanye-Stillwater plans to deleverage over time to its targeted leverage ratio of no greater than 1.0:1, there can be no guarantee that this will be achieved. Further, Sibanye-Stillwater's plans to deleverage may be impacted by the outbreak of COVID-19. For more information on COVID-19, see *–HIV/AIDS, tuberculosis and the spread of other contagious diseases, such as coronavirus (COVID-19), pose risks to Sibanye-Stillwater in terms of lost productivity and increased costs.*

Sibanye-Stillwater is also required to make production deliveries under the precious metals purchase agreement with Wheaton Precious Metals International Ltd. (Wheaton International) (the Agreement with Wheaton), which could make obtaining additional financing on favourable terms more difficult to arrange. Furthermore, there is no certainty that Sibanye-Stillwater will receive all funds pursuant to the Streaming Agreement, or that it will be able to meet its delivery obligations thereunder.

In the near-term, Sibanye-Stillwater expects to manage its liquidity needs from cash generated by its operations, cash on hand, the committed and unutilised debt facilities, as well as additional funding opportunities. Sibanye-Stillwater, if necessary in order to manage its covenants, may also consider options to increase funding flexibility which may include, among others, streaming facilities, prepayment facilities, facility restructuring, or in the event that other options are not deemed preferable by the Board, an equity capital raise. However, there can be no assurance that funding will be available to Sibanye-Stillwater on acceptable terms, if at all, and that any of the measures which Sibanye-Stillwater may undertake to increase liquidity or actively manage its covenants would be successful. If Sibanye-Stillwater's cost of debt were to increase or if it were to encounter other difficulties in obtaining financing, its sources of funding may not match its financing needs, which could have a material adverse effect on Sibanye-Stillwater's business, operating results and financial condition.

Sibanye-Stillwater's operations and profits have been and may be adversely affected by labour unrest and union activity

Sibanye-Stillwater's workforce is unionised across all its operations, with a total of approximately 69,024 employees as of 31 December 2019. Organised labour dynamics in the mining sector, particularly in South Africa, are volatile and uncertain and, as such, they have had, and may in the future have, a material adverse impact on our operations, production and financial performance. A recent increase in union activity and labour unrest in South Africa has resulted in more frequent industrial disputes and extended negotiations that have, along with other factors, negatively affected South Africa's sovereign debt rating and subsequently the credit ratings of the country's leading mining companies. For example, AMCU called a brief strike at the Kroondal operations during May 2016, which was later interdicted by the Labour Court of South Africa on the basis that it was unprotected. Between 6 June 2017 and 3 July 2017, despite communication with employees and agreement with the National Union of Mineworkers (NUM), employees at Cooke embarked on an unprotected strike following the implementation of measures to combat illegal mining following signs of collusion between illegal miners and employees. The illegal mining threatened the sustainability of the Cooke operations and posed a significant risk to the safety of employees and the surrounding communities. As a result of assisting illegal miners, 77 employees were arrested. Following a court interdict obtained by Sibanye-Stillwater on 8 June 2017, disciplinary measures were taken against striking employees, resulting in the dismissal of 99 employees, 407 employees being placed on final warnings and forfeiting their salaries and a further 869 employees forfeiting annual leave, in order to compensate for non-productive shifts. Approximately 300kg of planned gold production, equivalent to about R160 million in revenue, was lost at the Cooke operations during the strike. See also *–Theft of gold, PGM and production inputs, as well as illegal artisanal mining, may occur on some of Sibanye-Stillwater's properties. These activities are difficult to control, can disrupt Sibanye-Stillwater's business and can expose Sibanye-Stillwater to liability.*

RISK FACTORS continued

In October 2015, Sibanye-Stillwater concluded a three-year labour agreement with the NUM, UASA and Solidarity in relation to Sibanye-Stillwater's gold mines, but AMCU, which currently has minority recognition status at Beatrix and Kloof and majority status at Driefontein, rejected, and continued to reject, further alternative offers made by Sibanye-Stillwater. Despite the acceptance of the labour agreement by the NUM, UASA and Solidarity, and the extension thereof to all other employees, during March 2016, AMCU threatened industrial action should a higher wage not be agreed. This was averted by Sibanye-Stillwater entering into an agreement with AMCU for a marginally higher wage. In November 2017, Sibanye-Stillwater entered into a three-year wage agreement with AMCU, the NUM and Solidarity at the Kroondal operations effective from 1 July 2017.

In November 2018, Sibanye-Stillwater concluded the 2018 Wage Agreement, with the NUM, UASA and Solidarity. Subsequently, despite ongoing attempts by Sibanye-Stillwater to reach a fair and reasonable outcome during negotiations with AMCU representatives, on 19 November 2018, Sibanye-Stillwater received notice from AMCU that it intended to embark on a protected strike action at Sibanye-Stillwater's gold mines, starting on 21 November 2018. On 13 December 2018, Sibanye-Stillwater, the NUM, UASA and Solidarity entered into an additional wage agreement, extending the 2018 Wage Agreement to other employees at Sibanye-Stillwater's gold mines who were not parties to the 2018 Wage Agreement on the basis that the NUM, UASA and Solidarity collectively represented the majority of Sibanye-Stillwater's employees. In response to the November 2018 strike, Sibanye-Stillwater launched an urgent application to interdict the strike. On 21 December 2018, the Labour Court dismissed Sibanye-Stillwater's application on the basis that there was insufficient evidence to demonstrate that the NUM, UASA and Solidarity collectively had the majority of Sibanye-Stillwater's employees as their members.

On 14 January 2019, Sibanye-Stillwater received an additional notice from AMCU that it intended to embark on a secondary, protected strike at Sibanye-Stillwater's South African PGM operations in support of the primary strike at Sibanye-Stillwater's South African gold operations. In response to the secondary strike, on 18 January 2019, Sibanye-Stillwater launched an urgent application to interdict the primary strike on an interim basis, contending that the strike was unprotected because the wage agreement had been extended to employees who were non-parties, and thus such employees could not continue the strike concerning wages. On 22 January 2019, the secondary strike took place for one day with partial support from AMCU. On 8 February 2019, Sibanye-Stillwater's application to interdict the strike was dismissed due to the fact that the Labour Court upheld AMCU's special plea that the matter was *res judicata*, as the Labour Court previously determined in December 2018 that the NUM, UASA, and Solidarity did not represent the majority of Sibanye-Stillwater's employees and therefore the 2018 Wage Agreement could not be extended. On 14 February 2019, AMCU launched an urgent application seeking an order declaring that the wage agreement extending to non-members was invalid. This matter was heard by the court on 27 February 2019 and judgment was reserved. On 20 March 2019, the Labour Court held that extension of the gold wage agreement concluded on 18 February 2019 with the NUM, UASA and Solidarity, and extended to AMCU and other non-unionised employees, was valid and lawful in terms of section 23(1)(d) of Labour Relations Act 66 of 1995 (the LRA). As a result of the legally binding nature of the extension agreement, Sibanye-Stillwater proceeded with the independent verification process to confirm the relevant unions' level of representivity required to implement the extension agreement. The verification process was concluded on 4 April 2019, which confirmed that, on 18 February 2019, the NUM, UASA and Solidarity collectively represented the majority of employees at the SA gold operations.

The November 2018 strike ended on 17 April 2019, as a result of AMCU and Sibanye-Stillwater concluding the Strike Settlement Agreement. In terms of the Strike Settlement Agreement, AMCU and Sibanye-Stillwater agreed to a facilitated post-strike conflict relationship building programme. AMCU committed to sign the 2018 Wage Agreement and Sibanye-Stillwater 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.

Rivalry between unions, such as AMCU and the NUM, may also destabilise labour relations in the mining sector. For example, for the period between 21 November 2018 to 15 March 2019, there were seven employee fatalities and several other employees sustained injuries as a result of behaviour in connection with the November 2018 strike action at Sibanye-Stillwater's gold mines described above. Although these fatalities and injuries were not related to Sibanye-Stillwater's normal operations, they may impact its ongoing labour relations in South Africa.

Despite an apparent decline of incidents of violence following an interdict on violence from the Labour Court and the establishment of picketing rules by the Commission for Conciliation, Mediation and Arbitration (CCMA) at the end of November 2018, violent episodes, including the burning of houses occupied by non-AMCU members, resumed in 2019. These incidents of violence have prompted the intervention of both the Minister of Mineral Resources and the Minister of Police. In addition, Sibanye-Stillwater has instituted a contempt of court application against AMCU, AMCU's senior officials and the striking employees who have contravened the court order interdicting the violence and prescribing the picketing rules, which was later withdrawn. For the period between 21 November 2019 to 15 March 2019, the South African Police Services arrested 153 striking employees for various incidents of unlawful conduct that constitute criminal offences.

In addition, from time to time, Sibanye-Stillwater undertakes Section 189A of the LRA (Section 189A Processes), which may result in retrenchment of employees and may impact production levels at affected operations. For example, on 26 January 2017, Sibanye-Stillwater announced that it had entered into a Section 189A Process at its South African platinum operations. On 1 November 2017, Sibanye-Stillwater further announced that it had concluded a Section 189A Process regarding the proposed restructuring of its gold operations and associated services pursuant to losses at Cooke and Beatrix West. As a result of the consultation process, Beatrix West remained in operation and is expected to remain in operation for as long as it makes a profit, on average, over any continuous three-month period, after accounting for All-in sustaining cost (AISC), which will provide employment for approximately 1,640 employees. In addition, in February 2019, Sibanye-Stillwater began a Section 189A Process to place the Beatrix 2 Plant on care and maintenance, despite the fact that Beatrix West remains operational. In the event that Beatrix West becomes loss making, its underground operations will be put on care and maintenance. Further, the underground mining operation at the Cooke 1, 2 and 3 shafts were placed on care and maintenance from the end of October 2017, while the Cooke surface processing plant will continue to operate for as long as there is sufficient feed material for it to be profitable, subject to various cost cutting measures being implemented. Through a Section 189A Process, 1,510 employees were transferred within the Company and as care and maintenance personnel for the Cooke underground operations. Approximately 2,025 employees were retrenched, with an additional 1,350 employees electing to take voluntary separation packages. An additional 620 employees replaced contractors involved in non-critical activities across the Company. In total, 3,601 contractors have been displaced while employment for 3,282 employees has been preserved. On 14

RISK FACTORS continued

February 2019, Sibanye-Stillwater issued a notice to commence a Section 189A Process regarding the possible restructuring of its gold operations and associated services, pursuant to ongoing financial losses experienced at Sibanye-Stillwater's Beatrix and Driefontein operations. Approximately 4,950 employees and 850 contractors were directly impacted.

In addition, in connection with the Lonmin Acquisition, at the time of announcement of the transaction, Sibanye-Stillwater's business plan, based upon the due diligence conducted at the time, contemplated estimated headcount reductions of approximately 890 employees (including approximately 320 contractors) during the first three years following the completion of the Lonmin Acquisition, in addition to the reductions envisaged in Lonmin's business plan. Lonmin's business plan estimated headcount reductions of approximately 12,600 employees and contractors during the same period. Of the 3,700 employees and contractors which could have been impacted in 2018 under Lonmin's business plan, approximately 2,400 have left Lonmin. In March 2019, Lonmin commenced a Section 189A Process affecting approximately 4,100 employees and contractors (out of a possible 5,300 employees and contractors anticipated under Lonmin's business plan). However, this process was never concluded. On 25 September 2019, Sibanye-Stillwater announced that it had entered into a Section 189A Process at its Marikana operation and associated services, regarding the proposed restructuring of its operations pursuant to ongoing financial losses experienced with certain shafts having reached the end of their economic reserve lives. On 16 January 2020, Sibanye-Stillwater announced that it completed its Section 189A Process in relation to Marikana, as a result of which, approximately 1,142 employees were retrenched and the number of contractors was reduced by approximately 1,709.

Factors that influence the decision to undertake such Section 189A Processes include, among other things, the cost structure of an operation, commodity prices and currency exchange rates. Restructuring options are currently being reviewed at marginal operations and while no decision has been taken, it should be noted that a low Rand commodity price environment, such as the one currently being experienced, increases the likelihood that Sibanye-Stillwater will determine that undertaking Section 189A Processes at one or more of its operations is advisable. Any currently underway or future Section 189A Process may lead to labour unrest, reduced production levels and reputational harm to Sibanye-Stillwater, which could have a material adverse effect on Sibanye-Stillwater's business, operating results and financial condition. There is no guarantee that any such Section 189A Process will provide the cost savings or other benefits anticipated by management whether due to labour unrest, reduced production or other factors.

In the United States, Sibanye-Stillwater's employees located at the Stillwater Operation and the Metallurgical Processing facilities are covered by a collective bargaining agreement with the United Steel Workers Local 11-001 (USW Local 11-0001) entered into in 2015. This agreement expired on 1 June 2019, and was renegotiated for wages in June 2017 with employees receiving a 2% wage increase through January 2018, a 1% increase from January 2018 through June 2018 and a 2% increase in the final year through June 2019. Union negotiations to renew the collective bargaining agreement covering certain employees at the Stillwater Operation and the Metallurgical Processing facilities reopened in March 2019. Sibanye-Stillwater concluded the wage negotiations in April 2019. The new five-year agreement has similar terms to the prior agreement, with minor revisions. Sibanye-Stillwater's employees at the East Boulder Operation are covered by a separate collective bargaining agreement with USW Local 11-0001, which was entered into at the end of 2017 and expires in 2021. Under the new agreement, Sibanye-Stillwater's employees at the East Boulder Operation received a 1% wage increase effective 1 January 2018 with annual increases of 2% in 2019, 2.5% in 2020 and 2% in 2021 as well as a US\$1,000 bonus payment which was paid to each employee on 1 February 2018. Sibanye-Stillwater is subject to a risk of strikes and other labour disputes at its US operations, and its ability to alter labour costs is restricted by the fact that unionised employees are party to collective bargaining agreements.

In the event that further industrial relations-related interruptions were to occur at any of Sibanye-Stillwater's operations, other mines' operations or in other industries that impact its operations, or that increased employment-related costs were to occur due to union or employee activity, these may have a material adverse effect on its business, production levels, production targets, results of operations, financial condition, reputation and future prospects. In addition, lower levels of mining activity can have a longer-term impact on production levels and operating costs, which may affect operating life. Mining conditions can deteriorate during extended periods without production and Sibanye-Stillwater will not recommence mining until health and safety conditions are considered appropriate to do so.

On 27 November 2018, the President of South Africa signed into law the National Minimum Wage Act 9 of 2018 (the National Minimum Wage Act), the Labour Laws Amendment Act 10 of 2018 (the Labour Laws Amendment Act), the Basic Conditions of Employment Amendment Act 7 of 2018 (the Basic Conditions of Employment Amendment Act), all of which became effective 1 January 2019, and the Labour Relations Amendment Act 8 of 2018 (the Labour Relations Amendment Act), which is not yet effective.

The National Minimum Wage Act introduced a national minimum wage applicable to all employees of R20 per hour. The Basic Conditions of Employment Amendment Act introduces enforcement mechanisms for the provisions of the National Minimum Wage Act. The Labour Relations Amendment Act amended the LRA, instituting changes mainly related to collective bargaining, the extension of bargaining council agreements to non-parties by the Minister of Labour, the prescribing of picketing rules, including providing for the extension of the meaning of ballot for a strike or lock-out to include a secret vote and the creation of an advisory arbitration panel to resolve strikes or lockouts that are, among other things, violent or cause national or local crisis affecting the conditions for the normal social and economic functioning of the community or society. The Labour Laws Amendment Act primarily seeks to amend the Basic Conditions of Employment Act 77 of 1995, by introducing new types of leave that employees will be entitled to, such as parental, adoption and surrogacy leave, which varies between 10 days and 10 weeks.

Any of the above could have a material adverse effect on Sibanye-Stillwater's business, operating results and financial condition.

Sibanye-Stillwater's operations are subject to environmental, health and safety regulations, which could impose additional costs and compliance requirements, and Sibanye-Stillwater has faced, and may face further, claims and liability for breaches, or alleged breaches, of such regulations and other applicable laws

Sibanye-Stillwater's operations are subject to various environmental, health and safety laws, regulations, permitting requirements and standards in the jurisdictions which it operates.

RISK FACTORS continued**South Africa**

Section 24 of the South African Constitution grants the country's people the right to an environment that is not harmful to human health or well-being, and to the protection of that environment for the benefit of present and future generations through reasonable legislation and other measures. Sibanye-Stillwater's South African operations are subject to numerous environmental, health and safety laws and associated regulations, which provide a framework for the development and implementation of company and operational policies, internal structures, procedures and standards.

The legislative framework for the management of environmental matters in the mining industry has largely shifted from the MPRDA to Section 24R of NEMA (as amended by the NEMA Amendment Act, which came into force on 2 September 2014) which provides that every holder of a mining right, such as Sibanye-Stillwater, is responsible for any environmental liability, pollution or ecological degradation, the pumping and treatment of polluted or extraneous water and the management and sustainable closure thereof, until a mine closure certificate has been issued. Further, mining right holders are required to fund environmental rehabilitation and remediation costs either by making a deposit administered by the Minister of Mineral Resources, contributing into South African environmental trust funds or by securing a financial guarantee.

Sibanye-Stillwater has incurred and may in the future incur significant costs to comply with environmental, health and safety requirements imposed under existing or new legislation, regulations or permit requirements, or to comply with changes in existing laws and regulations or the manner in which they are applied. These costs could have a material adverse effect on Sibanye-Stillwater's business, results of operations and financial condition. For example, the regulations that determine the extent of financial provision required for funding environmental rehabilitation and remediation costs (published in Government Notice Regulation (GNR) 1147 of 20 November 2015, as amended on 26 October 2016) expressly require financial provision to be set aside for annual rehabilitation and remediation. They also require financial provision for decommissioning and closure activities at the end of prospecting, exploration, mining or production operations and place an emphasis on the need for adequate financial provision for latent or residual environmental impacts (including the pumping and treatment of polluted or extraneous water), which mines often did not fully provide for in the past. On 17 January 2020, the period for compliance with these regulations was extended to 19 June 2021. Generally, these regulations are strongly opposed by the mining industry, and there has been a concern about ambiguity in some of the provisions of the regulations, and how these provisions can be operationalised within the prescribed timeframes. In an attempt to address these issues, the new draft financial provision regulations were published for comment in 2019. One of the more onerous proposed provisions is the inclusion of 15% VAT in all closure provisions. If this provision is adopted, the inclusion of 15% VAT would add approximately an additional R1.52 billion to Sibanye-Stillwater's total closure liability for its South African operations (based on figures as at 31 December 2019). However, the new financial provision regulations have not yet been finalised and the mining industry is continuing to engage with the relevant policy makers in an attempt to secure a less onerous legal framework.

Sibanye-Stillwater has been, and may in the future also be subject to litigation and other costs as well as actions by authorities relating to environmental, health and safety matters, including mine closures, the suspension of operations and prosecution for mining accidents as well as significant penalties and fines for non-compliance. The South African Constitution and NEMA, as well as various other related pieces of legislation enacted and implemented since 1996, grant legal standing to a wide range of interest groups to institute legal proceedings to enforce their environmental rights, which are enforceable against private entities as well as the South African government. In the future, Sibanye-Stillwater may also be subject to litigation in South Africa brought by members of the community affected by environmental-related impacts, as well as NGOs and public bodies. In this regard, recent case law in South Africa has provided a precedent for private prosecution by environmental NGOs for environmental infringements.

In addition, pursuant to NEMA, the South African government is required to appoint environmental management inspectors who will monitor the compliance of mining companies, as well as the enforcement of provisions insofar as it relates to prospecting, exploration, mining or production.

As environmental laws and regulations are becoming more complex and stringent and as the enforcement of environmental legislation becomes more consistent, Sibanye-Stillwater's environmental management plans and/or programmes, licences and other environmental authorisations may be the subject of increasingly strict interpretation or enforcement or become more comprehensive and complex. This could result in increased capital or operating expenditure or financial or other penalties and/or the suspension or loss of Sibanye-Stillwater's mining rights as well as its licence to operate. For example, Sibanye-Stillwater faces increasing challenges and costs at its operations in order to comply with its statutory obligations in terms of applicable environmental law and regulations (e.g. in relation to carbon tax), as well as onerous licence and authorisation requirements. As a result, Sibanye-Stillwater could face material cost overruns and financial pressures in meeting these compliance obligations. The occurrence of any of these risks could have a material adverse effect on Sibanye-Stillwater's business, financial condition, results of operations and prospects.

The principal health risks associated with Sibanye-Stillwater's mining operations arise from occupational exposure and community environmental exposure to silica dust, noise and certain hazardous substances, including toxic gases and radioactive particulates. The most significant occupational diseases affecting Sibanye-Stillwater's South African workforce include lung diseases (such as silicosis, tuberculosis, a combination of the two and chronic obstructive airways disease) as well as noise induced hearing loss. Employees have sought and may continue to seek, compensation for certain illnesses, such as silicosis, from their employer under workers compensation and also, at the same time, in a civil action under common law (either as individuals or as a class). Such actions may also arise in connection with the alleged incidence of such diseases in communities proximate to Sibanye-Stillwater's South African mines.

Five separate class action certification applications were filed against Sibanye-Stillwater and several other South African mining companies. The applications were to certify current and former gold mine workers and their dependents who have contracted or died from silicosis and tuberculosis. In August 2013, a notice in terms of rules 10 and 11 of the Uniform Rules of Court was delivered to the respondents in all five separate class action certification applications. The applicants gave notice of their intent to consolidate the five class action certification applications, and to join certain additional applicants. The consolidation, joinder and amendments were not opposed by any of the respondents. Accordingly, in October 2013, the consolidation and joinder applications were granted. Furthermore, the amended pages were delivered in October 2013. In view thereof, all five previously separate applications were effectively consolidated as Case No. 48226/12.

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The class action certification application was argued in October 2015. A full bench of the Gauteng Division High Court certified the consolidated class in May 2016. The certification of the class means that the claimants were able to sue the mining companies as a class. The class members would, however, still have to prove their claims as required by the law.

Various respondents to the class action certification application filed an application for leave to appeal the class action certification application judgment. Heads of arguments were exchanged by the parties and the matter was argued before a full bench in June 2016. An oral judgment was handed down in the application for leave to appeal in June 2016, whereby leave to appeal to the Supreme Court of Appeal against the transmissibility of general damages was granted and the leave to appeal the certification of the class action was denied.

Following the refusal to grant leave to appeal the certification of the class action, various respondents filed petitions in the Supreme Court of Appeal in July 2016. The Supreme Court of Appeal subsequently granted leave to appeal the certification of the class action. In January 2018, the Supreme Court of Appeal granted a postponement of the argument of leave to appeal in an attempt to further settlement discussions between the parties.

In May 2018, several South African mining companies, including Sibanye-Stillwater (collectively the Gold Working Group) agreed to a class action settlement agreement with the claimants (the Settlement Agreement). The Settlement Agreement provides compensation to all eligible workers suffering from silicosis or tuberculosis who worked in the Gold Working Group's mines from 12 March 1965 to the effective date of the Settlement Agreement. The Settlement Agreement is subject to certain suspensive conditions, including that an unconditional order of court, sanctioning the Settlement Agreement to make the Settlement Agreement an order of court, is obtained from the Gauteng Division High Court. The Settlement Agreement was finally approved by the Gauteng Division High Court on 26 July 2019. DRDGO is not a party to the Gold Working Group's mediated settlement agreement and maintains the view that it is too early to consider settlement of the matter and to quantify any potential liability. For further information, see *Annual Financial Report-Consolidated financial statements-Notes to the consolidated financial statements-Note 29: Occupational healthcare obligation*. In December 2019, the Sibanye-Stillwater entered into a R1.4billion guarantee facility with Nedbank Limited in relation to the obligations under the Settlement Agreement. The payment of compensation for the claims may have an adverse financial impact on Sibanye-Stillwater.

Any new regulations, potential litigation or any changes to health and safety laws which increase the burden of compliance or the penalties for non-compliance may cause Sibanye-Stillwater to incur further significant costs and could have a material adverse effect on Sibanye-Stillwater's business, operating results and financial position. Regulators, such as the DMRE, can and do issue, in the ordinary course of operations, instructions, such as Section 54 orders, following safety incidents or accidents to partially or completely halt operations at affected mines. Historically, safety orders, such as Section 54 orders, have been more prevalent in the PGM industry, and as such, the Rustenburg, Kroondal and Marikana operations are at a heightened risk of being affected by stoppages resulting from such orders. In addition, South Africa's deputy Minister of Mineral Resources has stated that the ministry may increase sanctions, including closures, for mines in which fatalities occur because of violations of health and safety rules. In fiscal 2019, Sibanye-Stillwater's gold operations experienced 85 Section 54 work stoppages (2018: 219, 2017: 204 and 2016: 171) and 35 Section 54 orders at the South African PGM operations (2018: 44, 2017: 26 and 2016: 55). It is Sibanye-Stillwater's policy to halt production at its operations when serious accidents occur in order to assess the situation and, if necessary, retrain workers. In addition, there can be no assurance that unions will not take industrial action in response to such accidents, which could lead to losses in Sibanye-Stillwater's production. Any additional stoppages in production, or increased costs associated with such incidents, could have a material adverse effect on Sibanye-Stillwater's business, operating results and financial condition. Such incidents may also negatively affect Sibanye-Stillwater's reputation with, among others, employees, unions and regulators.

United States

In the United States, Sibanye-Stillwater is subject to extensive federal, state and local environmental rules and regulations, including regulations associated with the implementation of the Clean Air Act, Clean Water Act, Resource Conservation and Recovery Act, Metal Mine Reclamation Act, and numerous permit stipulations as documented in the Record of Decision for each operating entity, including those related to the protection of threatened and endangered species under the Endangered Species Act. Sibanye-Stillwater's joint ventures (JVs) in Canada and Argentina are subject to analogous federal and provincial rules and regulations in those respective countries. The body of environmental laws is continually changing and, as a general matter, is becoming more restrictive. Compliance with these regulations requires Sibanye-Stillwater to obtain permits issued by federal, state, provincial and local regulatory agencies. Failure to comply with applicable environmental laws, regulations and permitting requirements, whether now or in the future, may result in enforcement actions, including orders issued by regulatory or judicial authorities, causing operations to cease or to be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Non-renewal of permits, the inability to secure new permits, or the imposition of additional conditions could eliminate or severely restrict Sibanye-Stillwater's ability to conduct its operations.

Sibanye-Stillwater's existing mining operations in the United States are located adjacent to the Absaroka-Beartooth Wilderness Area and are situated approximately 30 miles from the northern boundary of Yellowstone National Park. While Sibanye-Stillwater works closely and cooperatively with local environmental organisations, the Montana Department of Environmental Quality and the United States Forest Services, there can be no assurance that future political or regulatory efforts will not further restrict or seek to terminate Sibanye-Stillwater's operations in this sensitive area. In addition, environmental hazards or damage may exist on mineral properties held by Sibanye-Stillwater that were caused by previous owners or operators or that may have occurred naturally, and that are unknown to Sibanye-Stillwater at the present time. In some cases, Sibanye-Stillwater could be required to remedy such damage.

Sibanye-Stillwater's US mining activities are also subject to extensive laws and regulations governing occupational health and safety, including mine safety, toxic substances and other matters. The costs associated with compliance with such laws and regulations are substantial. Sibanye-Stillwater employs various measures in its operating facilities in an effort to protect the health and safety of its workforce. Underground mines in the United States, including the Stillwater and East Boulder Operations, are continuously inspected by the MSHA, which inspections can lead to

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notices of violation. Any of Sibanye-Stillwater's US mines could be subject to a temporary or extended shut down as a result of a violation alleged by the MSHA. Possible future laws and regulations, or more restrictive interpretations of current laws and regulations by governmental authorities, could cause additional expense, capital expenditures, restrictions on or suspensions of operations and delays in the development of new properties.

Sibanye-Stillwater is required to post and maintain surety for its reclamation obligations, which are substantial. At 31 December 2019, Sibanye-Stillwater had US\$43.6 million of outstanding environmental surety bonds in the United States. Such reclamation obligations generally increase over time as costs rise and the physical extent of mining operations expands. Failure to secure and maintain adequate surety coverage could result in the operating permits of such mines being revoked and mining operations terminated.

In addition to formal regulatory requirements, Sibanye-Stillwater's US operations are party to environmental and social collaborations with local communities and interest groups that are rooted in the Good Neighbor Agreement (GNA). The GNA legally binds Sibanye-Stillwater to certain commitments and holds it to higher standards than federal and state regulations require. These commitments include regular, transparent, and productive interaction with all affected stakeholders, which primarily includes three local stakeholder organisations that meet regularly with Sibanye-Stillwater to discuss operations, future planning, and other issues, including direct impacts on local communities, such as traffic volumes. This framework provides a mechanism for the general public to voice concerns and to become informed on operations.

Failure to comply with any of its regulatory or other commitments could have a material adverse effect on Sibanye-Stillwater's business, operating results and financial condition.

Regulation of greenhouse gas (GHG) emissions and climate change issues may materially adversely affect Sibanye-Stillwater's operations

Energy is a significant input and cost to Sibanye-Stillwater's mining and processing operations, with its principal energy sources being electricity, purchased petroleum products, coal, propane and natural gas. A number of governments or governmental bodies, including the United Nations Framework Convention on Climate Change, have introduced or are contemplating regulatory changes in response to the potential impact of climate change. Many of these contemplate restricting GHG emissions in jurisdictions in which Sibanye-Stillwater operates.

The South African government introduced a carbon tax under the Carbon Tax Act (Carbon Tax Act) with effect from 1 June 2019. The first phase of the Carbon Tax Act applies to the so-called "Scope 1" emissions from 1 June 2019 to 31 December 2022. Under the first phase, the introduction of the carbon tax is not expected to have an immediate impact on the price of electricity. Accordingly, although the basic rate is R120 per tonne, allowances under the Carbon Tax Act result in a carbon tax rate ranging from R6 to R48 per tonne of carbon dioxide equivalent emissions (CO₂e) emitted. The South African government indicated that a review of the impact of carbon tax will be conducted before the second phase, after at least three years of implementation of the carbon tax.

Simultaneously with the introduction of the carbon tax under the Carbon Tax Act, a carbon fuel levy was introduced under the Customs and Excise Act, as part of the current South African fuel levy regime. The carbon fuel levy now includes a carbon levy, which applies to stationary and non-stationary mobile emissions resulting from the use of liquid fuels, mostly petrol and diesel. The carbon fuel levy on diesel, which came into effect on 5 June 2019, is 8c/litre. In addition, a notice published in the South African Government Gazette on 31 May 2019, provided that the carbon fuel levy was excluded from the diesel refund regime. As such, a person who becomes liable for the carbon fuels levy, will not be able to claim a refund on the 8c/litre of diesel paid in respect of the carbon fuel levy on diesel.

In addition, the Department of Environment, Forestry and Fisheries (DEFF) is currently working on draft legislation that will impose so-called "carbon budgets" on entities in identified high-emitting industries, including mining. The "carbon budgets" are intended to operate as statutory limits for CO₂e, emissions in excess of which may entail a fine or other punitive measures. The National Treasury and the DEFF discussed the options for aligning the carbon tax with the carbon budgets during several meetings held in June and July 2018. Since the Climate Change Bill has not been promulgated, the Carbon Tax Act has not been drafted to reflect this alignment at this stage. Once the Climate Change Bill is assented to as an act of parliament, the Carbon Tax Act can then be amended, accordingly.

While certain aspects of the carbon tax remain uncertain, the direct financial implications of the carbon tax for Sibanye-Stillwater, in today's terms, at the 2019 carbon footprint and at the basic rate of R120 per tonne of CO₂e, would be approximately R3.3 million for the period 1 June 2019 to 31 December 2019 (or R6 million annualised) on the basis that electricity (i.e. Scope 2 emissions) is excluded. In other words, Sibanye-Stillwater's final liability will be affected by the finalisation of the greenhouse gas reporting regulations and extent to which it is able to make use of the full suite of allowances that are built into the carbon tax design. The first payment of the carbon tax is due by 30 July 2020.

In addition, a number of other regulatory initiatives are underway in countries in which Sibanye-Stillwater operates that seek to reduce or limit industrial GHG emissions. These regulatory initiatives will be either voluntary or mandatory and are likely to impact Sibanye-Stillwater's operations directly or by affecting the cost of doing business, for example by increasing the costs of its suppliers or customers. Inconsistency of regulations particularly between developed and developing countries may affect both Sibanye-Stillwater's decision to pursue opportunities in certain countries and its cost of operations.

In the United States, Sibanye-Stillwater is subject to legislative and regulatory initiatives that are underway to limit GHG emissions. The US Congress has considered legislation that would control GHG emissions through a "cap and trade" programme and several US states have already implemented programmes to reduce GHG emissions. In addition, the US Supreme Court determined in a 2007 ruling that GHG emissions are "air pollutants" within the meaning of the federal Clean Air Act. In response the US Environmental Protection Agency (the EPA) promulgated an endangerment finding paving the way for regulation of GHG emissions under the Clean Air Act. In 2010, the EPA issued a final rule, known as the "Tailoring Rule", which makes certain large stationary sources and modification projects subject to permitting requirements for GHG emissions under the Clean Air Act. In June 2014, the US Supreme Court invalidated portions of the federal Tailoring Rule, but the ruling upheld the EPA's authority to require new or modified facilities that are already subject to permitting requirements for conventional pollutants to comply with Best Available Control Technologies (BACT) for GHGs, as well. In 2015, the EPA rescinded the portions of the Tailoring Rule that had been overturned.

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by the Supreme Court. However, the EPA indicated that new or modified sources subject to permitting for conventional pollutants will be required to access BACT for GHG if the new source or the modification will result in an annual increase of 75,000 tons per year of CO₂e.

In 2009, the EPA issued a final rule requiring the reporting of GHGs from specified large GHG emission sources in the United States beginning in 2011. The Stillwater Operation holds a Title V Major Air Quality Permit, which requires Sibanye-Stillwater to annually calculate the GHG emissions from the Stillwater Operation and compare these amounts against reporting thresholds. Because current levels are below reporting thresholds, the Stillwater Operation is not currently required to report GHG emissions. Additionally, the assessment of GHG emissions is becoming an increasingly important part of US National Environmental Policy Act (NEPA) assessments, and as a result, Sibanye-Stillwater may be required to mitigate its GHG emissions in connection with any future NEPA review.

A great deal of debate continues to ensue surrounding GHG regulation in the US. As a result, further regulatory, legislative and judicial developments are difficult to predict. Due to the uncertainties surrounding the regulation of and other risks associated with GHG emissions, Sibanye-Stillwater cannot predict the financial impact of future US GHG regulations and related developments on the Stillwater operations.

There can be no assurance that Sibanye-Stillwater will be able to meet its voluntary targets relating to GHG emissions or comply with targets that may be imposed upon the mining industry by external regulators. Furthermore, additional, new and/or different regulations in this area, such as the imposition of stricter limits than those currently contemplated, could be enacted, all of which could have a material adverse effect on Sibanye-Stillwater's business, financial condition, results of operations and prospects. Furthermore, the potential physical impacts of climate change on Sibanye-Stillwater's operations are highly uncertain and may adversely impact the cost, production and financial performance of Sibanye-Stillwater's operations.

Sibanye-Stillwater's operations are subject to water use regulation, which could impose significant costs and burdens

Sibanye-Stillwater's operations are subject to regulatory controls on their usage and disposal of water and waste. Under South African law, mining operations are subject to water use licences and/or authorisations that govern each operation's water usage and that require, among other things, mining operations to achieve and maintain certain water quality limits regarding all water discharges.

A water use licence for Driefontein was issued on 9 March 2017. In December 2018, Sibanye-Stillwater received amendments relating to Driefontein's water use licence from the Water Use Authorisation Assessment and Authorisation Committee (WUAAC), following which Sibanye-Stillwater responded with minor corrections. The licence is currently under review by the South African Department of Water and Sanitation (DWS). On 16 September 2019, a general authorisation was issued to Driefontein for the reclamation of rock dump material and the rehabilitation of the associated area.

Beatrix received a water use licence on 26 July 2019 and an amendment for corrections to the water use licence was submitted on 6 January 2020, which is currently under review by the DWS.

The Rand Uranium section of the Cooke operations was issued a water licence on 22 November 2013 and on 17 July 2015 for the backfill operations. The water licence defines the water management regulatory requirements for the Cooke surface operations, as well as for the Cooke 1, 2 and 3 underground mining operations. In 2017, an Integrated Water Use Licence Application (IWULA) was submitted for Rand Uranium but no decision on the application has been received though the regulatory timeframe to receive a decision has elapsed.

The Ezulwini Mining Company (Proprietary) Limited (Cooke 4) was issued a new order water use licence on 11 June 2015 and a request was made for changes to some of the conditions on 7 September 2015. In 2017, an amendment application was submitted for the proposed partial closure of Ezulwini general authorisation was received for the reclamation of impacted wetlands on 2 March 2018.

Burnstone operates under a water use licence that was issued on 23 July 2010, and as this licence was granted over seven years ago, on 3 July 2019, an IWULA application was submitted to ensure all activities are appropriately licenced. This application is currently under review by the DWS.

Kloof received an updated water use licence on 7 July 2016 and an amendment to apply for corrections to the water use licence was submitted in December 2016, which is currently under review by the DWS.

The Kroondal operations operate under two water use licences issued by the DWS: (i) the Kroondal operations water use licence (issued on 24 May 2018); and (ii) the Kwezi operation water use licence (issued on 24 June 2011). An IWULA was submitted to DWS in relation to the Kroondal operations' K6 shaft. The Marikana portion of the Kroondal operations operates under two separate water use licences: (i) the Marikana platinum mine water use licence (issued on 4 October 2013); and (ii) the Marikana operation west-west open pit tailings storage facility (issued on 17 March 2016). A consolidation application relating to Marikana's existing water use licences was submitted to the DWS in 2016 and is under review. The Rustenburg operations have a consolidated water use licence, which was issued on 16 January 2018. Sibanye-Stillwater is engaged with the DWS in relation to outstanding issues with respect to the water use licences relating to Rustenburg's operations.

Sibanye-Stillwater expects to incur significant expenditure to achieve and maintain compliance with the licence requirements at each of its operations. Any failure on Sibanye-Stillwater's part to achieve or maintain compliance with the requirements of these licences with respect to any of its operations could result in Sibanye-Stillwater being subject to substantial claims, penalties, fees and expenses, significant delays in operations, criminal proceedings or the revocation of the relevant water use licence, which could curtail or halt production at the affected operation. Any of the above could have a material adverse effect on Sibanye-Stillwater's business, operating results and financial condition.

Sibanye-Stillwater has identified a risk of potential long-term AMD issues which are currently being 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 and in rock dumps, tailings dams and pits on the surface. Should Sibanye-Stillwater's current preventative measures not be successful, such that Sibanye-Stillwater were to experience any AMD challenges, it could result in failure to comply with its water use licence requirements and could expose Sibanye-Stillwater to potential liabilities and unforeseen costs associated with the pumping and treatment of polluted or extraneous water.

RISK FACTORS continued**Sibanye-Stillwater's mineral reserves are estimates based on a number of assumptions, which, if changed, may require Sibanye-Stillwater to lower estimated mineral reserves**

The mineral reserves of Sibanye-Stillwater are estimates based on assumptions regarding, among other things, Sibanye-Stillwater's costs, expenditures, commodity prices, currency exchange rates, metallurgical and mining recovery assumptions, which may prove inaccurate due to a number of factors, many of which are beyond its control. For example, at the Stillwater Operation, unexpected geologic conditions, particularly faulting, have been, and can expect to be encountered as mining proceeds. The effect of faulting and its effects on geologic units that are close to the J-M Reef in some areas can result in additional dilution of ore grade during mining operations. In the event that Sibanye-Stillwater adversely revises any of the assumptions that underlie its mineral reserves, this may result in a revision of mineral reserves. In addition, mineral reserve estimates depend to some extent on statistical inferences drawn from limited drilling samples, which may prove to be unreliable or unrepresentative. Should Sibanye-Stillwater encounter mineralisation or formations at any of its mines or projects different from those predicted by drilling, sampling and similar examinations, mineral reserve estimates may have to be adjusted and mining plans may have to be altered. Any downward revision in Sibanye-Stillwater's mineral reserves and, over the longer term, any failure to replace reserve ounces as they are mined may have a material adverse effect on its business, operating results, life of operations and financial condition.

If any of Sibanye-Stillwater's operations do not perform in line with its expectations, Sibanye-Stillwater may be required to write down the carrying value of its long term assets, which could affect Sibanye-Stillwater's profitability and the ability to pay dividends

Under the IFRS, Sibanye-Stillwater is required to test the carrying value of long term assets or cash-generating units for impairment at least annually and more frequently if it has reason to believe that its expectations for the future cash flows generated by these assets may no longer be valid. If the results of operations and cash flows generated by Sibanye-Stillwater's gold and PGM operations are not in line with its expectations, it may be required to write down the carrying value of the investment. Any write down could materially affect Sibanye-Stillwater's business, operating results, operations and financial condition.

Our business is subject to high fixed costs which may impact its profitability

The mining industry, particularly the gold and PGM mining industry, is generally labour intensive and characterised by high fixed costs on a short-term operating basis. The majority of operating costs of each mining operation does not vary significantly with the production rate and, therefore, a relatively small change in productivity as a result of, for example, strikes or other work stoppages could have a disproportionate effect on operating and financial results. Costs are generally more stable than revenues, the latter being driven by commodity price and currency exchange rates, which can be volatile. Accordingly, changes in revenue due to commodity price or currency exchange rate movements could have a material adverse effect on Sibanye-Stillwater's growth or financial performance. Above-inflation increases in fixed costs such as labour or electricity costs may cause parts of Sibanye-Stillwater's resources to become uneconomical to mine and lead to the closure of marginal shafts or other areas at its operations. This would impact on planned production levels and declared reserves and could have a material adverse effect on Sibanye-Stillwater's business, operating results and financial condition. See *Annual Financial Report—Overview—Management's discussion and analysis of the financial statements—Factors affecting Sibanye-Stillwater's performance—Costs*.

Power stoppages, fluctuations and usage constraints may force Sibanye-Stillwater to halt or curtail operations

Electricity supply in South Africa has been constrained over the past five years, leading to multiple power disruptions, including temporary periods of load curtailment and load shedding. For example, in October 2019, Eskom, South Africa's national electricity utility company, re-initiated load curtailment and shedding and has since continued to experience supply constraints. In December 2019, following breakdowns in Eskom's generating plants, load shedding rose to stage 6 (the national grid was short of 6,000 MW) and load curtailment was elevated to "essential load requirement", resulting in the scaling back and/or closing of certain of Sibanye-Stillwater's PGM operations in South Africa. Eskom's inability to fully meet the country's demand has led, and may continue to lead, to rolling blackouts, unscheduled power cuts and surveillance programmes to ensure non-essential lighting and electricity appliances are powered off as well as load curtailment for our PGM operations in South Africa. There is no assurance that Eskom's efforts to protect the national electrical grid will prevent a partial or complete national blackout, which would have a material adverse effect on Sibanye-Stillwater's business, operating results and financial condition. In addition, any future load curtailments could have a material adverse effect on Sibanye-Stillwater's business, operating results and financial condition.

During certain periods of supply-constraint, Eskom has previously burned significant amounts of diesel to run its gas turbines while concurrently losing electricity sales as a result of load shedding or curtailment. This has contributed to Eskom's ongoing financial difficulties and above inflation tariff applications to the National Energy Regulator of South Africa (NERSA). Eskom has expressed concern that the electricity tariff increases previously approved by NERSA may not be adequate to prevent future electricity interruptions and is currently challenging NERSA's decisions relating to the most recent Regulatory Clearing Account (RCA) determination, the 2018-2019 revenue-determination and the multi-year price determination (MYPD) in court. See *Power cost increases in South Africa and elsewhere may adversely affect Sibanye-Stillwater's results of operations*.

Although operations management has been able to comply with the curtailment requirements in response to the load curtailment events experienced in the fourth quarter of fiscal 2018, the first quarter of 2019 and the fourth quarter of 2019, without incurring material production losses, there can be no guarantee that Sibanye-Stillwater will be able to comply with such curtailment requirements without incurring material production losses in the future.

In addition to supply constraints, labour unrest in South Africa has disrupted, and may in the future disrupt, the supply of coal to power stations operated by Eskom or may incapacitate the power stations directly, resulting in curtailed supply. For example, in June 2018, during wage negotiations, workers embarked on an illegal strike, which resulted in power constraints and load curtailment. Despite the fact that Eskom has adopted a policy of asking households to reduce usage before asking industrial users to do so in order to reduce the economic impact of such

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disruptions, Eskom has warned that power constraints will continue, as experienced during the fourth quarter of fiscal 2018, first quarter of fiscal 2019 and fourth quarter of fiscal 2019.

In February 2019, the President of South Africa announced the vertical unbundling of Eskom. While full state ownership will be maintained, the unbundling is expected to result in the separation of Eskom's generation, transmission and distribution functions into separate entities, which may require legislative and/or policy reform. It is expected that this process will take time to implement, causing continued poor reliability of the supply of electricity and an instability in prices and a possible tariff increase above inflation, which are expected to continue through the unbundling process. Should Sibanye-Stillwater experience further power tariff increases, its business operating results and financial condition may be adversely impacted.

In addition, to a lesser degree, power fluctuations have occurred and do occur at Sibanye-Stillwater's US operations, which can cause operational outages.

Any further disruption or constraint in the electrical power supply available to Sibanye-Stillwater's South African-based operations or power fluctuations at Sibanye-Stillwater's US operations could have a material adverse effect on its business, operating results and financial condition.

Power cost increases in South Africa and elsewhere may adversely affect Sibanye-Stillwater's results of operations

Sibanye-Stillwater's mining operations in South Africa depend upon electrical power generated by the state-owned power supply utility, Eskom. See *–Power stoppages, fluctuations and usage constraints may force Sibanye-Stillwater to halt or curtail operations*. Eskom supplies approximately 95% of the country's electricity needs. The electricity supply industry in South Africa, including Eskom tariffs, is regulated by NERSA. Eskom tariffs are determined through a consultative MYPD process, with occasional tariff increase adjustments under the Regulatory Clearing Account (RCA) mechanism. In the most recent MYPD process, NERSA granted Eskom tariff increases of 9.42% (later adding an additional 4.4%) for the period 2019 to 2020, 8.1% for the period 2020 to 2021 and 5.22% for the period 2021 to 2022. The South African government provided Eskom with an additional R69 billion bailout over a three-year period, from 2019 to 2021. Eskom subsequently challenged the MYPD, RCA and NERSA's treatment of the bailout as a tariff subsidy in South African court. The South African court dismissed the urgent nature of the Eskom submission, but has not decided on the merits of the case. Eskom's electricity tariffs would increase only if Eskom ultimately receives a favourable judgment from the court on the merits. Should all three applications be granted and liquidated in one year, this could result in approximately a 34% tariff increase. As noted above under *–Power stoppages, fluctuations and usage constraints may force Sibanye-Stillwater to halt or curtail operations*, Eskom is expected to be vertically unbundled resulting in the separation of its generation, transmission and distribution functions. Poor reliability of the supply of electricity and instability in prices through the unbundling process is expected to continue. Should Sibanye-Stillwater experience further power tariff increases, its business operating results and financial condition may be adversely impacted.

In the United States, power costs are openly traded and can fluctuate based on power outages across the United States. Over the longer term, changes in the US energy market, including a potential movement away from coal power, may increase the operating cost of Sibanye-Stillwater's US operations, which could have a material adverse effect on its business, operating results and financial condition.

If Sibanye-Stillwater loses senior management or is unable to hire and/or retain sufficient technically skilled employees or sufficient HDSA representation in management positions in South Africa, Sibanye-Stillwater's business may be materially adversely affected

Our ability to operate or expand effectively depends largely on the experience, skills and performance of its senior management team and technically skilled employees. However, the global mining industry, especially in South Africa, including Sibanye-Stillwater, continues to experience a shortage of qualified senior management and technically skilled employees. Sibanye-Stillwater may be unable to hire or retain (due to departure or unavailability) appropriate senior management, technically skilled employees or other management personnel, or it may have to pay higher levels of remuneration than it currently intends in order to do so. In the United States, Sibanye-Stillwater depends on experienced management and other key personnel in order to maintain its operations and support its projects. A loss of key management or other personnel at Sibanye-Stillwater's US operations could prevent Sibanye-Stillwater from capitalising on business opportunities in the United States, as prior to the Stillwater Acquisition, Sibanye-Stillwater did not have any operational experience with the acquired assets or in the United States.

Additionally, as a condition of Sibanye-Stillwater's mining rights in South Africa, it must ensure sufficient HDSA participation in its management and core and critical skills and failure to do so could result in fines or the loss or suspension of its mining rights. See *–Sibanye-Stillwater's mineral rights are subject to legislation, which could impose significant costs and burdens and which impose certain ownership requirements, the interpretation of which are the subject of dispute*. Sibanye-Stillwater is also legislatively required to take proactive steps to achieve an equitable representation of HDSAs at all occupational levels and to report on the extent to which its plan is being achieved. If Sibanye-Stillwater is unable to hire or retain appropriate management and technically skilled personnel or is unable to obtain sufficient HDSA representation in management positions, or if there are not sufficient succession plans in place, this could have a material adverse effect on Sibanye-Stillwater's business, result in the imposition of fines and have a negative effect on production levels, operating results and financial position.

The failure of a tailings storage facility could negatively impact Sibanye-Stillwater's business, reputation, operating results and financial condition

Mining companies face inherent risks in their operation of tailings storage facilities. Tailings storage facilities are engineered structures built for the containment of the uneconomical milled ore residue and water, known as tailings. The use of tailings storage facilities exposes Sibanye-Stillwater to certain risks, including the failure of a tailings dam due to events such as high rainfall, snow melt, overtopping of the dam, piping or seepage failures. The potential occurrence of a dam failure at one of Sibanye-Stillwater's tailings storage facilities could lead to the loss of human life and/or extensive property and environmental damage.

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Sibanye-Stillwater maintains measures to manage its dams' safety, including compliance with the International Council on Mining and Metals' Tailings Governance Position Statement, Sibanye-Stillwater's Code of Practice, and undertakes routine reviews by independent consulting companies. Although Sibanye-Stillwater has a tailings storage facility management system, the effectiveness of its designs, construction quality or regular monitoring cannot be guaranteed throughout its operations and it cannot be guaranteed that these measures will prevent the failure of one or more of its tailings dams or that such potential failure will be detected in advance. In addition, although Sibanye-Stillwater generally requires its partners to maintain such systems, it cannot guarantee that its partners maintain similar safety precautions or monitoring systems on their tailings storage facilities. There is no assurance that any safety measures implemented will prevent the failure of any tailings storage facility.

The failure of a tailings storage facility will lead to multiple legal proceedings and investigations, which could include securities class actions, criminal proceedings and public civil actions (against Sibanye-Stillwater or individuals) for significant amounts of damages. Furthermore, the elimination of the "conventional" practice of storing wet tailings (e.g. alternatively filtering, "dry" stacking and compacting the tailings) could require the research and development of new technologies, which could lead to additional large expenditures. As a result of the 2015 and January 2019 dam failures in Brazil, as well as in Canada in 2014 (neither of which are associated with Sibanye-Stillwater) or as a result of future dam failures, additional environmental and health and safety laws and regulations may be forthcoming globally, including in jurisdictions where Sibanye-Stillwater operates, which may ban the storage of wet tailings completely. In addition, changes in laws and regulations may impose more stringent conditions in connection with the construction of tailings dams, particularly with respect to upstream tailings dams which could also be made illegal, the licensing process of projects and operations and increased criminal and civil liability for companies, officers and contractors.

Furthermore, the unexpected failure of a dam at a tailings storage facility could lead to the need for a large expenditure on contingencies and on recovering the regions and people affected, extensive and permanent environmental damage and the payment of penalties, fines or other money damages.

The occurrence of any of such risks could have a material adverse effect on Sibanye-Stillwater's business, operating results and financial condition.

To the extent that Sibanye-Stillwater seeks to expand further through acquisitions or enters into business combination transactions, it may experience delays or other issues in executing acquisitions or combinations or managing and integrating the acquisitions or combinations with its existing operations

Sibanye-Stillwater has pursued, is pursuing and may continue to pursue growth opportunities through acquisitions and business combination transactions, in order to enhance or sustain its ability to pay an industry-leading dividend and to allow it to consolidate operations, increase scale and implement best practices across operations. Sibanye-Stillwater has also entered, and may continue to seek to enter, mining sectors related to its existing operations through acquisitions or other business combination transactions. For example, between 2016 and 2019, Sibanye-Stillwater acquired the Rustenburg, Aquarius Platinum Limited (Aquarius), Stillwater and Marikana operations. Further growth may occur through the acquisition of other companies and assets, business combinations, development projects, or by entering into JVs.

The Stillwater Acquisition has expanded Sibanye-Stillwater's operations to new geographies in which Sibanye-Stillwater has no prior operational experience. As an operator of mines in the United States, Sibanye-Stillwater is now exposed to an increase in US reporting requirements with which it may have difficulties complying. In addition, Sibanye-Stillwater, at a corporate level, has limited experience with the MSHA, which oversees and enforces regulations pertaining to the health and safety of workers at Sibanye-Stillwater's US operations.

Sibanye-Stillwater's recent acquisitions have led to increased costs related to ensuring governance, regulatory, legal and accounting compliance across multiple regions. Any future acquisitions, business combinations or JVs may change the scale of Sibanye-Stillwater's business and operations and may expose it to new geographical, geological, commodity, political, social, labour, operational, financial, legal, regulatory and contractual risks. Further, the acquisition of any assets that produce commodities other than gold or PGMs will expose Sibanye-Stillwater to the risk of operating in an environment and market with which its management has less experience. In addition, to the extent Sibanye-Stillwater participates in the development of a project through a JV or any other multi-party commercial structure, there could be disagreements, legal or otherwise, or divergent interests or goals among the parties, which could jeopardise the success of the project. There can be no assurance that any acquisition, business combination or JV, including the Lonmin Acquisition or the acquisitions of Stillwater, the Rustenburg Operations and Aquarius, or the acquisition of any new mining assets or operations, will achieve the results intended, and, as such, could have a material adverse effect on Sibanye-Stillwater's business, operating results and financial condition.

Sibanye-Stillwater faces intense competition for the acquisition of attractive mining properties. From time to time, Sibanye-Stillwater evaluates the acquisition of ore reserves, development properties or operating mines, either as stand-alone assets or as part of existing companies. The decision to acquire these properties may be based on a variety of factors, including historical operating results, estimates and assumptions regarding the extent of the ore reserve, cash and other operating costs, gold and other mineral prices, projected economic returns and evaluations of existing or potential liabilities associated with the relevant property and its operations and how these factors may change in the future. Other than historical operating results, these factors are uncertain and could have an impact on revenue, cash and other operating costs, as well as the process used to estimate the ore reserve.

The integration of any acquired assets requires management capacity. There can be no assurance that Sibanye-Stillwater's current management team has sufficient capacity, or that it can acquire additional skills to supplement that capacity, to integrate any acquired or new assets and operations into Sibanye-Stillwater and to realise cost and operational efficiencies at the acquired assets or maintain those at the existing operations.

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To the extent that Sibanye-Stillwater seeks to further expand its current mining operations, it may experience problems associated with mineral exploration or developing mining projects

In order to expand its operations and reserve base organically, Sibanye-Stillwater relies on its existing exploration programmes and investigates, and may continue to investigate, the exploitation of mineralisation below the current mining levels and infrastructure limits at its operations. Sibanye-Stillwater is currently undertaking brownfields exploration at selected operations in South Africa. Brownfields exploration aimed at the depth extensions of Sibanye-Stillwater's Beatrice operations is currently underway. In addition, ongoing drilling to further refine existing reserves as well as for the definition of future reserves is currently being undertaken at the Blitz Project. Sibanye-Stillwater has also been undertaking exploration activities in conjunction with its JV partner, Regulus Resources, at the Altar project, a large porphyry-style copper-gold deposit in Argentina, and its JV partner, Generation Mining Limited (Gen Mining), at the Marathon project, a porphyry-style PGM-copper deposit in Canada. Projects of this nature are generally capital intensive, have a long lead time and are subject to risks relating to the location of economic ore bodies, the development of appropriate extractive processes, cost overruns and delays, the receipt of necessary governmental permits and regulatory approvals and the extension of mining and processing facilities at the mining site.

Further, in cases where Sibanye-Stillwater explores the production of commodities other than gold or PGMs, Sibanye-Stillwater may be exposed to further risk of operating in an environment and market of which its management has less experience.

There can be no assurance that any exploration or expansion projects will be successful, partially or at all, and the failure of Sibanye-Stillwater to expand its reserves through such projects could have a material adverse effect on its business, operating results and financial condition.

Actual and potential supply chain shortages and increases in the prices of production inputs may have a material adverse effect on Sibanye-Stillwater's operations and profits

Sibanye-Stillwater's results of operations may be affected by the availability and pricing of raw materials and other essential production inputs, including, for example, explosives, fuel, steel, cyanide and other reagents required at its mining and processing operations. The price and quality of raw materials may be substantially affected by changes in global supply and demand, along with weather conditions, governmental controls and other factors. A sustained interruption in the supply of any of these materials could require Sibanye-Stillwater to find acceptable substitute suppliers and could require Sibanye-Stillwater to pay higher prices for such materials. The prices of certain of Sibanye-Stillwater's production inputs are impacted by, among other things, the prices of oil and steel, which may be volatile. Any significant increase in the prices of these materials will increase Sibanye-Stillwater's operating costs and affect production considerations.

Theft of gold, PGM and production inputs, as well as illegal artisanal mining, may occur on some of Sibanye-Stillwater's properties. These activities are difficult to control, can disrupt Sibanye-Stillwater's business and can expose Sibanye-Stillwater to liability

Sibanye-Stillwater has experienced and may continue to experience illegal and artisanal mining activities and theft of precious metals bearing materials (which may be by employees or third parties) at its South African-based properties. In June 2017, with the agreement of the NUM, Sibanye-Stillwater prohibited food being taken underground by employees at Cooke in order to prevent support from being provided to illegal miners by employees, following signs of collusion. After the implementation of these and other measures to combat illegal mining, 472 illegal miners surfaced from underground and were arrested. In addition, 77 employees were arrested for assisting illegal miners at Cooke. See *Sibanye-Stillwater's operations and profits have been and may be adversely affected by labour unrest and union activity*. In addition, at the Gloria mine in Middelburg, South Africa, a recent explosion caused several fatalities and trapped over 20 illegal miners underground. As a result, the government has called for increased security at all South African mines. In 2019, Sibanye-Stillwater experienced 186 incidents of illegal mining at its underground operations, resulting in the arrests of 484 illegal miners and 167 employees for assisting illegal mining activities. During the same period, 628 incidents of illegal mining were detected at Sibanye-Stillwater's surface operations, resulting in the arrests of 188 illegal miners. In addition, despite security controls being in place, Sibanye-Stillwater has experienced incidents of attempted theft at processing plants and concentrators, which contain material bearing gold and PGMs. In 2019, the Minerals Council reported 19 attacks on the gold processing facilities and operations of other gold producers, which resulted in two security personnel being fatally wounded as well as the significant theft of gold and gold-bearing materials.

Rising gold or PGM prices have been known to result in an increase in gold or PGM theft, expected to be principally at its South African-based mines. It is possible that mine owners may be held responsible for the actions of such illegal miners or for any damages, injuries or fatalities that occur due to their actions. The activities of illegal and artisanal miners could also lead to a reduction of mineral reserves, potentially affecting the economic viability of mining certain areas and shortening the lives of the operations, as well as causing possible operational disruption, project delays, disputes with illegal miners and communities, pollution or damage to property for which Sibanye-Stillwater could potentially be held responsible, leading to fines or other costs. Furthermore, regulatory uncertainty relating to the legalisation of currently illegal surface mining activities in South Africa may result in an increase in the scale and extent of such illegal surface mining activities in 2020. The occurrence of any of these events could have a material adverse effect on Sibanye-Stillwater's business, operating results and financial condition.

Because Sibanye-Stillwater's operations are regionally concentrated, disruptions in these regions could have a material adverse impact on the operations

The majority of Sibanye-Stillwater's gold mining operations are located in the north western and south western margins of the Witwatersrand Basin in South Africa, and its South African platinum operations, including the recently acquired Marikana operations, are located in the Western Bushveld Igneous Complex (BIC) in close proximity to the town of Rustenburg in the North West Province. Sibanye-Stillwater's US operations are concentrated in the state of Montana. As a result, any adverse economic, political or social conditions affecting these regions or surrounding

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regions, as well as natural disasters or coordinated strikes or other work stoppages, could have a material adverse effect on Sibanye-Stillwater's business, operating results and financial condition.

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 may disrupt its business or may lead to greater social or regulatory impositions on Sibanye-Stillwater

There are a number of informal settlements located in the vicinity of some of Sibanye-Stillwater's South African-based operations. These settlements are populated by mining company employees (including Sibanye-Stillwater employees), the families of mining company employees and others. As at 31 December 2019, approximately 68% of Sibanye-Stillwater's South African-based workforce opted to receive a "living out allowance" and management expects that a number of these individuals reside in informal settlements. In recent years, the size of these settlements has grown substantially. Poor living conditions in these settlements may lead to the spread of disease or other health hazards, which may increase absences or affect the productivity of employees. The population of such settlements or the surrounding communities may also demand jobs, social services or infrastructure from the local mining operations, including Sibanye-Stillwater. Any such demands or other demands from these communities may lead to increased costs or regulatory burdens on Sibanye-Stillwater. Such demands may also lead to protests or other actions that may hinder Sibanye-Stillwater's ability to operate.

In addition, on 20 March 2019, the Minister of Mineral Resources published the draft Reviewed Housing and Living Conditions Standard inviting interested and affected parties to submit written representations on the draft within thirty days of publication of the notice. If the Reviewed Housing and Living Conditions Standard becomes effective, Sibanye-Stillwater may be required to revise its current housing and living condition plans in terms of its SLPs to align with the Reviewed Housing and Living Conditions Standard, which could result in increased costs.

Any of the above factors could have a material adverse effect on Sibanye-Stillwater's business, reputation, operating results and financial condition.

Sibanye-Stillwater's insurance coverage may not adequately satisfy all potential claims and exposures

Sibanye-Stillwater has an insurance programme, including partial self-insurance. However, Sibanye-Stillwater may become subject to liability (including that which arises out of class-action or other litigation) against which it has not been insured, cannot insure or is insufficiently insured, including those relating to past mining activities. In addition, Sibanye-Stillwater's existing property and business interruption insurance and liability may not cover a particular event at all or be sufficient to fully cover Sibanye-Stillwater's losses, including, without limitation, as a result of natural disasters, public health emergencies and other events that could disrupt our operations, such as COVID-19. See *-HIV/AIDS, tuberculosis and the spread of other contagious diseases, such as coronavirus (COVID-19), contagious diseases pose risks to Sibanye-Stillwater in terms of lost productivity and increased costs*. In addition, Sibanye-Stillwater may be unable to attain insurance coverage for such disruptions. In addition, Sibanye-Stillwater's existing property and liability insurance contains specific exclusions and limitations on coverage. For example, should Sibanye-Stillwater be subject to any regulation or criminal fines or penalties, these amounts would not be covered under its insurance programme. Should Sibanye-Stillwater suffer a major loss, which is insufficiently covered, future earnings could be affected. In addition, certain classes of insurance may not continue to be available at economically acceptable premiums. As a result, in the future, Sibanye-Stillwater's insurance coverage may not fully cover the extent of claims against it or any cross-claims made.

Sibanye-Stillwater utilises information, communication and technology systems, on which it records commercially sensitive information and personal data. Failure of these systems, or the failure to protect personal data, could significantly impact Sibanye-Stillwater's operations and business

Sibanye-Stillwater utilises and is reliant on various internal and external information, communication and technology system applications, such as SAP, mining applications and other applications, to support its business activities. Damage or interruption of Sibanye-Stillwater's information, communication and technology systems, whether due to accidents, old or obsolete information technology systems and equipment, human error, natural events or malicious acts, may lead to important data, including commercially sensitive information, being irretrievably lost, exposed or damaged, thereby adversely affecting Sibanye-Stillwater's business, operating results and financial condition.

Sibanye-Stillwater's information technology systems store voluminous personal information related to employees, as well as sensitive information relating to suppliers and customers. The information security management system protecting Sibanye-Stillwater's information, communication and technology infrastructure and network may be subject to security breaches (e.g. cyber-crime or activists) or other incidents that can result in misappropriation of funds, increased health and safety risks to people, disruption to its operations, environmental damage, loss of intellectual property, disclosure of commercially or personally sensitive information, legal or regulatory breaches and liability, other costs and reputational damage. While no material losses related to cyber-security breaches have been discovered, given the increasing sophistication and evolving nature of this threat, we cannot rule out the possibility of them occurring in the future. Sibanye-Stillwater performs annual disaster recovery testing which includes reviews of recovery procedures and security controls, and there are currently plans to replicate applications with critical and high availability requirements at alternative data centres throughout Sibanye-Stillwater's operation. Even with annual testing, there is still a risk of inadequate or failed disaster recovery. An extended failure of critical system components, caused by accidental actions, such as failed hardware or failed network infrastructure, or malicious actions, including those resulting from a cyber-security attack, could result in a significant environmental incident, commercial loss or interruption to operations. Sibanye-Stillwater may also incur significant costs to protect against or repair damage caused by disruptions or security breaches in the future, such as rebuilding internal systems, implementing additional threat protection measures, defending against litigation, responding to regulatory inquiries or taking remedial steps with respect to third parties, among others. In addition, Sibanye-Stillwater will need to comply with legislation relating to cyber-security breaches, such as the South African Cybercrimes Bill, 2017 (South African Cybercrimes Bill), which is currently undergoing the legislative process, having passed through the South

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African National Assembly. In its current form, the South African Cybercrimes Bill, would criminalise certain actions or omissions and create offences in relation to cyber-related crimes.

Sibanye-Stillwater also has multiple information technology and operational technology systems that have not yet been integrated following its recent acquisitions, including the Marikana operations. In 2019, Sibanye-Stillwater completed the integration of its US operations' communication technologies into the corporate communication technologies architecture. The integration of Marikana operations' communication technologies landscape has been prioritised for completion in 2020. To facilitate the integration of Sibanye-Stillwater's information technology systems into a single, integrated business platform, Sibanye-Stillwater has adopted a hybrid cloud-based model, under which a centrally hosted data centre will hold the core of Sibanye-Stillwater's business systems. The integration and transition to cloud-based computing could be susceptible to delays or disruptions, which could result in failing network infrastructure, network outages and a breach of privacy. Cloud-based computing may also increase Sibanye-Stillwater's exposure to cyber-related threats.

In addition, the interpretation and application of consumer, privacy and data protection laws in South Africa, the United States and elsewhere are uncertain and evolving. It is possible that regulators may interpret and apply these laws in a manner that is inconsistent with Sibanye-Stillwater's data processes and practices. Complying with these various laws is difficult and could cause Sibanye-Stillwater to incur substantial costs or require it to change its business practices in a manner adverse to its business. For example, on 25 May 2018 the General Data Protection Regulation (GDPR) came into force. The GDPR is an EU-wide framework for the protection of personal data being processed in the EU. The GDPR enhanced existing legal requirements through several new rules, including stronger rights for data subjects, cross-border transfer of information, mandatory data breach notification requirements, and an increase in penalties and fines for non-compliance. Failure to comply with the GDPR or other similar legislation may lead to substantial penalties and fines, proceedings or other actions as well as reputational damage. Confidentiality breaches have historically been a great risk for the mining sector.

South Africa's data protection legislation, the Protection of Personal Information Act, 2013 (POPI) has been enacted but is not yet in force. Only certain provisions enabling the appointment of the Information Regulator to regulate, perform functions and exercise powers in connection with POPI and the making of regulations are in force. Once a commencement date has been announced, organisations will have 12 months within which to become compliant with POPI. As with the GDPR, failure to comply with POPI may lead to significant penalties and fines.

Sibanye-Stillwater is subject to risks associated with litigation and regulatory proceedings

As with most large corporations, Sibanye-Stillwater is involved, from time to time, as a party in various lawsuits, arbitrations, regulatory proceedings or other disputes. Litigation, arbitration, regulatory proceedings and other types of disputes involve inherent uncertainties and, as a result, Sibanye-Stillwater faces risks associated with adverse judgments or outcomes in these matters. Even in cases where Sibanye-Stillwater may ultimately prevail on the merits of any such dispute, Sibanye-Stillwater may face significant costs defending its rights, lose certain rights or benefits during the pendency of any such litigation, arbitration, regulatory proceeding or other dispute, or suffer reputational damage as a result of its involvement therein. Sibanye-Stillwater is currently engaged in a number of legal and regulatory proceedings, including as described in *Accountability-Directors' report-Litigation*. There can be no assurance as to the outcome of any litigation, arbitration, regulatory proceeding or other dispute, and the adverse determination of material litigation could have a materially adverse effect on Sibanye-Stillwater's business, operating results and financial condition. See also *Sibanye-Stillwater's operations are subject to environmental, health and safety regulations, which could impose additional costs and compliance requirements, and Sibanye-Stillwater has faced, and may face further, claims and liability for breaches, or alleged breaches, of such regulations and other applicable laws*.

An actual or alleged breach or breaches in governance processes, or fraud, bribery and corruption may lead to public and private censure, regulatory penalties and loss of licences or permits and may impact negatively upon our empowerment status and may damage Sibanye-Stillwater's reputation

The legal and regulatory framework in which Sibanye-Stillwater operates is complex, and its governance and compliance policies and processes may not prevent potential breaches of law or accounting or other governance practices. Sibanye-Stillwater's operating and ethical codes, among other standards and guidance, may not prevent instances of fraudulent behaviour and dishonesty, nor guarantee compliance with legal and regulatory requirements.

To the extent that Sibanye-Stillwater suffers from any actual or alleged breach or breaches of relevant laws (including South African anti-bribery and corruption legislation or the US Foreign Corrupt Practices Act of 1977) under any circumstances, they may lead to regulatory, civil or criminal fines, litigation, public and private censure and loss of operating licences or permits and may impact negatively upon Sibanye-Stillwater's empowerment status and may damage its reputation. The occurrence of any of these events could have a material adverse effect on Sibanye-Stillwater's business, operating results and financial condition.

Sibanye-Stillwater's US recycling business is dependent on relationships with third-party suppliers and has other credit and operational risks

In the United States, Sibanye-Stillwater sources automotive and industrial catalyst materials from third-parties through both purchase and tolling arrangements. Sibanye-Stillwater has entered into sourcing arrangements for recycled materials with various suppliers, and it depends on those suppliers to provide catalyst and other industrial sources for recycling. Sibanye-Stillwater is subject to the suppliers' compliance with the terms of these arrangements and to their contractual right to terminate or suspend the agreement. Should one or more of these sourcing arrangements be terminated, Sibanye-Stillwater might be unable to source replacement recyclable materials on terms that are acceptable to Sibanye-Stillwater. If Sibanye-Stillwater is unable to source sufficient quantities of recycled materials, the US recycling business would become less profitable, and this loss could negatively affect Sibanye-Stillwater's business and results of operations. Similarly, these suppliers in turn typically source material from various other third parties in a competitive market, and there can be no assurance of the suppliers' continuing ability or willingness to source

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material on behalf of Sibanye-Stillwater at current volumes and prices. Any constraint on the suppliers' ability to source material could reduce the profitability of Sibanye-Stillwater's US recycling business.

From time to time, Sibanye-Stillwater may advance cash to third-party brokers and suppliers to support the purchase and collection of spent catalyst materials and other industrial sources. These advances are normally made at the time that material is ready for shipment or already in transit to Sibanye-Stillwater's facilities. In some cases, Sibanye-Stillwater has a security interest in the materials that the suppliers have procured but which Sibanye-Stillwater has not yet received. The unsecured portion of these advances is fully at risk.

Sibanye-Stillwater regularly advances money to its established recycling suppliers for catalyst material that Sibanye-Stillwater has physically received and carries in its processing inventories. These advances typically represent some portion of the estimated total value of each shipment until final assays are completed determining the actual PGM content of the shipment. Upon completion of the shipment assays, a final settlement takes place based on the actual value of the shipment. However, pending completion of the assays, the payments are based on the estimated PGM content of each shipment, which could vary significantly from the actual PGM content upon assay. Should the estimated PGM content upon assay significantly exceed the actual PGM content, Sibanye-Stillwater may be at risk for a portion of the amount advanced. Should the supplier be unable to settle such an overpayment or seek protection from creditors, Sibanye-Stillwater could incur a loss to the extent of any overpayment.

In its US recycling business, Sibanye-Stillwater regularly enters into fixed forward sales contracts for metal produced from catalyst recycling, normally making these commitments at the time the catalyst material is purchased. For Sibanye-Stillwater's fixed forward sales related to recycling of catalysts, Sibanye-Stillwater is subject to the customers' compliance with the terms of the agreements, their ability to terminate or suspend the agreements and their willingness and ability to pay. The loss of any of these agreements or failure of a counterparty to perform could require Sibanye-Stillwater to sell or purchase the contracted metal in the open market, potentially at a significant loss. Sibanye-Stillwater's revenues for the year ended 31 December 2019, included 54% from recycling sales and tolling fees in the United States.

Many of Sibanye-Stillwater's US recycling suppliers are comparatively small businesses with limited assets and relatively little credit capacity. While Sibanye-Stillwater monitors funds being advanced to such businesses and seeks to limit its exposure to any one supplier, if a problem develops with such a supplier, Sibanye-Stillwater might not be able to fully recover amounts previously advanced to that supplier.

Volumes of recycling materials available in the marketplace fluctuate substantially in response to changes in commodity prices. Lower PGM and steel prices normally reduce the volume of recycling material available in the market, resulting in less earnings and cash flow from the recycling segment, and therefore less economic support for the mining operations. Should it become necessary at any point to reduce or suspend operations at the mines, the proportion of processing costs allocated to the recycling segment would increase substantially. Further, the ability to operate the smelter and refinery without significant volumes of mine concentrates and the contained copper and nickel has never been demonstrated and is likely to require modification to the processing facilities. There is no assurance that the recycling facilities can operate profitably in the absence of significant mine concentrates, or that capital would be available to complete necessary modifications to the processing facilities.

For its PGMs mined in the United States, Sibanye-Stillwater's sales arrangements concentrate all its final refining activity and a large portion of its PGM sales from mine production with one entity

Sibanye-Stillwater utilises a single company for all of its precious metals refining services for Sibanye-Stillwater's US mining operations, and, with the exception of certain pre-existing platinum sales commitments, all of Sibanye-Stillwater's current mined palladium and platinum in the United States is committed for sale to such company. In addition, this company has the right to bid on any recycling PGM ounces Sibanye-Stillwater has available in the United States.

This significant concentration of business with a single company could leave Sibanye-Stillwater without precious metal refining services in the United States should such company experience significant financial or operating difficulties during the contract period. Under such circumstances, it is not clear that sufficient alternate processing capacity would be available to cover Sibanye-Stillwater's requirements, nor that the terms of any such alternative processing arrangements as might be available would be financially acceptable to Sibanye-Stillwater. Any such disruption in refining services could have a negative effect on Sibanye-Stillwater's ability to generate revenues, profits and cash flows.

We have identified material weaknesses in our disclosure controls and internal controls over financial reporting which could have adversely affected the accuracy and reliability of our financial statements, and may negatively impact our reputation, business and the price of our ordinary shares and ADRs, as well as lead to a loss of investor confidence in us

Sibanye-Stillwater's management identified a control deficiency in that the Company did not effectively identify, select or develop certain control activities within the central treasury function to adequately mitigate the risk related to the timely recognition of foreign currency cash receipts as cash and cash equivalents with corresponding settlement of trade receivables. The deficiency resulted in a material misstatement in respect of cash and cash equivalents and trade receivables in Sibanye-Stillwater's initial consolidated financial information. Although the identified errors were subsequently adjusted, the control deficiencies created a reasonable possibility that a material misstatement to the consolidated financial statements would not have been prevented or detected on a timely basis. As described under "Controls and procedures", our management has concluded that this deficiency constitutes a material weakness in our internal control over financial reporting and, accordingly, disclosure controls were not effective as of 31 December 2019.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim consolidated financial statements would not be prevented or detected on a timely basis.

The remediation of the deficiency identified during the 2019 fiscal year relating to the identified deficiency is in progress. As discussed previously, we have had material weaknesses in our internal controls over financial reporting and disclosure controls, which have been since remediated.

RISK FACTORS continued

However if we identify additional material weaknesses in our internal controls over financial reporting or disclosure controls in the future, our ability to analyse, record and report financial information accurately, to prepare our financial statements within the time periods specified by the rules and forms of the SEC or the JSE and to otherwise comply with our reporting obligations under the federal securities laws and the laws of South Africa, will likely be adversely affected. The occurrence of the material weakness identified during the 2019 fiscal year and any future material weaknesses in our internal controls over financial reporting or other ineffective disclosure controls may adversely affect the accuracy and reliability of our financial statements and disclosure. Any such issue may have a material adverse effect on our reputation and business.

The effect of US tax reform legislation on Sibanye-Stillwater and its subsidiaries is uncertain

On 22 December 2017, new federal tax reform legislation, known as the Tax Cuts and Jobs Act, was enacted in the United States, resulting in significant changes from previous US federal tax law effective 1 January 2018. The significant changes impacting the US operations included a reduction to the US federal corporate income tax rate to 21% from 35%, limiting the deductibility of interest expense, allowing for an accelerated depreciation allowance on fixed assets and creating a base erosion anti-abuse tax on certain intercompany transactions. While the reduction in the corporate income tax rate and the acceleration of tax depreciation is favourable, the limitation on interest expense and the creation of base erosion anti-abuse tax could have a significant impact on US cash taxes. The overall impact is a fluid process as the United States is currently working to release regulations with respect to the significant components of the Tax Cuts and Jobs Act. As a result, future finalisation of the regulations with respect to the Tax Cuts and Jobs Act, and the impact on the US Group, may not become evident for some period of time.

Sibanye-Stillwater's financial flexibility could be materially constrained by South African Exchange Control Regulations

South Africa's Exchange Control Regulations restrict the export of capital from South Africa. Transactions between South African residents (including companies) and non-residents (excluding residents of the Republic of Namibia and the Kingdoms of Lesotho and Swaziland, known collectively as the CMA) are subject to exchange controls enforced by the SARB. As a result, Sibanye-Stillwater's ability to raise and deploy capital outside the CMA is restricted. These restrictions could hinder Sibanye-Stillwater's financial and strategic flexibility, particularly its ability to raise funds outside South Africa.

HIV/AIDS, tuberculosis and the spread of other contagious diseases, such as the coronavirus disease (COVID-19), pose risks to Sibanye-Stillwater in terms of lost productivity and increased costs

The prevalence of HIV/AIDS in South Africa poses risks to Sibanye-Stillwater in terms of potentially reduced productivity and increased medical and other costs. Compounding this are the concomitant infections, such as tuberculosis, that can accompany HIV illness, particularly during the latter stages, and cause additional healthcare-related costs. If there is a significant increase in the incidence of HIV/AIDS infection and related diseases among the workforce, this may have a material adverse effect on Sibanye-Stillwater's business, operating results and financial condition.

Additionally, Sibanye-Stillwater's operations may be impacted by the spread of contagious diseases such as respiratory diseases, including COVID-19, which was first reported to have surfaced in China in December 2019 and has since spread globally, including to South Africa and other countries where we operate, and has been declared a pandemic by the World Health Organization. The spread of COVID-19 could result in serious illness (including incapacity) or quarantine of Sibanye-Stillwater's employees and contractors, which may be exacerbated by employees and contractors working in close proximity to each other in underground and surface mines and living in close quarters. In addition, certain underlying health conditions including conditions which compromise the immune system, such as HIV/AIDS, may worsen the outcomes among the individuals infected with COVID-19. Employee or contractor absences due to COVID-19 or other contagious diseases could lead to labour shortages or instability, which could result in disruptions to Sibanye-Stillwater's production (including potential temporary cessation) and increased operational costs. In addition, any action taken by governments or regulators in response to the spread of contagious diseases such as COVID-19 could have a material impact on our operations and lead to an increase in our costs. For example, many countries, including the countries where we operate, have imposed strict travel-related measures such as travel restrictions and have introduced indefinite border closures, lockdowns, bans on public gatherings, curfews and business shutdowns following the global spread of COVID-19. In response to the outbreak, Sibanye-Stillwater has taken steps aimed at protecting employees and contractors, including implementing certain travel restrictions. In line with the directive by the South African government on 23 March 2020, Sibanye-Stillwater implemented measures to place its SA gold and PGM operations under temporary care and maintenance during the resultant 21-day lockdown in South Africa (which has been extended beyond its original end date). On 16 April 2020, the South African government published a notice amending certain regulations previously issued in terms of Section 27(2) of the Disaster Management Act, 2002. The amendments allowed South African mining operations to be conducted at a reduced capacity of not more than 50% during the lockdown and at increasing capacity as determined by directives to be issued by the Minister of Mineral Resources and Energy thereafter. Subsequently, Sibanye-Stillwater announced a set of risk-based safety measures designed to resume operations to the prescribed 50% production capacity. Such measures included arranging transport for South African-based employees from their homes in remote areas to their respective areas of work, the implementation of rigorous screening and testing programs as employees return to work, the provision of quarantine facilities for employees who may test positive for COVID-19 and the submission of data collected during screening and testing to the relevant authority. The continuation of existing measures, or the introduction of additional travel-related restrictions, could result in the inability of Sibanye-Stillwater's suppliers to deliver components or raw materials on a timely basis and may limit or prevent Sibanye-Stillwater's management and employees and other important third-parties from traveling to, or visiting, Sibanye-Stillwater's operations. Further, any lockdowns or mandatory business shutdowns could result in a suspension of Sibanye-Stillwater's operations and could bring its business to a standstill.

The full extent to which COVID-19 impacts Sibanye-Stillwater's operational and financial performance will depend on future developments, which are highly uncertain and cannot be predicted. Any disruption to production or increased operational costs as a result of the spread of contagious diseases, such as COVID-19, HIV/AIDS or tuberculosis, could have a material adverse effect on Sibanye-Stillwater's business, operating results and financial condition.

RISK FACTORS continued**RISKS RELATED TO RECENT ACQUISITIONS**

Sibanye-Stillwater may face challenges in the integration of the Marikana operations, which could disrupt its current operations or result in higher costs or worse overall performance than we anticipate

If Sibanye-Stillwater is unable to successfully complete the integration of the Marikana operations with its own operations in a timely and cost-effective manner, the potential benefits of the Lonmin Acquisition, including the estimated revenue and cost synergies Sibanye-Stillwater expects to achieve, may not be realised. In particular, if the effort Sibanye-Stillwater devotes to the integration of its businesses with that of the Marikana operations diverts more management time or other resources from carrying out its operations than originally planned, Sibanye-Stillwater's ability to maintain and increase revenues as well as manage its costs could be impaired. Furthermore, Sibanye-Stillwater's capacity to expand other parts of its existing businesses may be impaired.

Additionally, Sibanye-Stillwater may experience additional financial and accounting challenges and complexities in areas such as internal controls over financing reporting. Failure to timely integrate the Marikana operations into its operating and internal control structure may increase the risk of failure to prevent misstatements on the financial records of the Marikana operations and in our consolidated financial statements, which could result in a material adverse effect on Sibanye-Stillwater's reported financial results or in the determination of the effectiveness of Sibanye-Stillwater's internal controls over financial reporting.

Any of the above could have a material adverse effect on Sibanye-Stillwater's business, operating results and financial condition.

Our growth strategy, including the acquisitions and reorganisation of our business, may not be successful

Prior to Sibanye-Stillwater's acquisitions of a number of PGM operations in southern Africa and the United States, the first of which was completed in April 2016, Sibanye-Stillwater's core businesses were primarily focused on owning and operating underground and surface gold operations, as well as operating extraction and processing facilities for treatment of gold-bearing ore before it is refined. As noted in *-Risks related to Sibanye-Stillwater's business-Changes in the market price for gold and PGMs, which in the past have fluctuated widely, affect the profitability of Sibanye-Stillwater's gold and PGM mining operations and the cash flows generated by those operations*, market prices for gold and PGMs have fluctuated widely in the past, affecting the profitability of Sibanye-Stillwater's gold and PGM mining operations and the cash flows generated by those operations. These operations have experienced significant volatility during the recent past.

Following the Stillwater Acquisition, the Rustenburg Acquisition, the Aquarius Acquisition, as well as throughout the process of announcing and completing the Lonmin Acquisition, key components of Sibanye-Stillwater's strategy have been to reorganise Sibanye-Stillwater's operations into a southern African division/region and a US division/region, and to potentially grow our operations through expansion into further markets. Our growth strategy requires significant investment and places strain on our financial and management resources, as well as our compliance systems, as our management team will be required to support and oversee operations in an industry where they may have limited or no experience while at the same time ensuring that our management systems are suitable for our expanding operations. We cannot assure that we will be able to achieve the objectives our management anticipates or that our management will be able to manage any such processes successfully. Failure to achieve such objectives or any significant weakening of our overall management controls could have a material adverse effect on our business, operating results and financial condition.

Sibanye-Stillwater may discover contingent or other liabilities within its acquired companies or other facts of which it is not aware that could expose Sibanye-Stillwater to loss

Although Sibanye-Stillwater has typically received representations, warranties and indemnities in the context of its acquisitions under the terms of the agreements regarding those acquisitions, and it typically conducts general due diligence in connection with its acquisitions, such due diligence was necessarily limited. There can be no assurance that Sibanye-Stillwater identified all the liabilities of, and risks associated with, its acquisitions or that it will not be subject to unknown liabilities of, and risks associated with, the entities acquired, including liabilities and risks that may become evident only after Sibanye-Stillwater has been involved in the operational management of the relevant entities. Sibanye-Stillwater may incur losses in excess of this maximum amount provided for in the relevant indemnities, or the matters giving rise to the losses may not be recoverable against the relevant warranties or indemnities or at all.

Sibanye-Stillwater's operations in Zimbabwe are subject to rules and regulations that limit its ability to export unrefined platinum or to remit revenue generated out of the country; such rules and regulations may also impact the ownership structure of these operations

One of Sibanye-Stillwater's JVs, the Mimosa Operations, is located in Zimbabwe. The Mimosa Operations delivered attributable production for the year ended 31 December 2019 of 117,552oz (4E) and contributed a profit of R377 million (US\$27 million). Under Zimbabwean exchange control legislation, Sibanye-Stillwater is limited in its ability to remit profits from Zimbabwe to South Africa, as this is dependent on the supply of foreign currency available at the Central Bank of Zimbabwe, which has historically experienced, and continues to experience, low levels of such supply. Further, due to the short supply of US dollars in Zimbabwe, the funds retained in Zimbabwe create increased exposure to economic and inflationary risks.

Furthermore, a number of years ago, the Government of Zimbabwe announced that a 15% royalty would be imposed on the export of unrefined platinum beginning in January 2017. The implementation date has been deferred a number of times, the most recent of which was until 1 January 2022. If such royalty is imposed, it could have a material adverse effect on Sibanye-Stillwater's business, operating results and financial condition.

RISK FACTORS continued

Mimosa has commissioned feasibility studies to explore expanding its smelter operations in Zimbabwe. The construction of such facilities would be subject to several challenges including, among others, the time required, the substantial capital expenditure and a lack of adequate infrastructure.

The Zimbabwean Indigenisation and Economic Empowerment Act (the Indigenisation Act) promulgated in 2008 previously required the transfer of a 51% shareholding in all foreign-owned companies to indigenous Zimbabweans. The Indigenisation Act was fundamentally amended by section 42 of the Finance Act No. 1 of 2018 (the Finance Act). The Indigenisation Act, as amended provides as follows: (i) section 2A of the Indigenisation Act states that the Indigenisation Act shall only apply to those businesses in the reserved sector of the economy and those specified in section (3)1; (ii) section 3(1) states that the State shall have at least 51% shares or an ownership interest in a designated extractive business, being entities or businesses involved in the extraction of platinum and diamonds and the 51% stake reserved for the State is to be owned by a designated entity, being the Zimbabwe Mining Development Corporation, the Zimbabwe Consolidated Diamond Company or the National Indigenisation and Economic Empowerment Fund; and (iii) the Minister of Industry, Commerce and Enterprise Development in terms of section 3(6) of the Indigenisation Act is empowered to relax the 51% State-ownership quota by permitting a business in the designated extractive sector to achieve the quota through the use of credits, and for such a period as the Minister of Industry, Commerce and Enterprise Development shall prescribe.

On 12 April 2016, in a statement clarifying the Indigenisation Act, Zimbabwe's former President announced that foreign mines could retain ownership control as long as 75% of the gross value of exploited resources is retained in Zimbabwe. The Zimbabwean Indigenisation Act was amended on 1 December 2017 to codify the former President's statements into law.

Although Sibanye-Stillwater currently exceeds the proposed 75% threshold, there can be no guarantee that it will continue to do so in the future or that this interpretation will remain in force. Any of the above could have a material adverse effect on the Mimosa Operations.

Social, political and economic uncertainty and instability in Zimbabwe and targeted sanctions against certain Zimbabwean entities may affect future foreign investment in the country

Zimbabwe's social, political and economic climate is currently highly uncertain, with the economy having been in decline since 1999. Many sectors, including the health sector, have virtually collapsed. There is a general shortage of clean water owing to non-functional facilities and a lack of chemicals.

Zimbabwe is the subject of targeted sanctions by the United States, EU and the United Kingdom. The sanctions are limited in scope, targeting only designated individuals and entities, including certain members of the government, who are deemed to be undermining democratic institutions and processes in Zimbabwe.

In terms of the Minerals Marketing Corporation Act, 1983 (MMCZ Act), the Mineral Marketing Corporation of Zimbabwe (MMCZ) is the sole legal exporter of all minerals mined in Zimbabwe and is entitled to a commission in relation to all sales, as an agent to the mining companies, which is stipulated by the MMCZ Act. The Mimosa Operations paid MMCZ US\$2.77 million in fiscal 2019. The MMCZ is an entity specifically sanctioned by the US Office of Foreign Assets Control and listed on its Specially Designated Nationals list. Under the sanctions, MMCZ's assets are blocked and US persons are prohibited from dealing with the entity. There is no requirement, legal or otherwise, for MMCZ to be involved in the Mimosa Operations management or operations and Sibanye-Stillwater has no contractual or other relationship with MMCZ outside of the MMCZ Act requirements.

Continued economic and political uncertainty in Zimbabwe and targeted sanctions against certain Zimbabwean entities may affect future foreign investment in the country and may lead to the imposition of further exchange controls, restrictions on the ownership of Sibanye-Stillwater's assets and its ability to raise funds for or operate its business and export minerals and metals from Zimbabwe. Should such events occur, they may have an adverse effect on Sibanye-Stillwater's business and operations in Zimbabwe as well as its financial condition.

RISKS RELATED TO SIBANYE-STILLWATER'S SHARES AND AMERICAN DEPOSITARY SHARES (ADSs)**Shareholders outside South Africa may not be able to participate in future issues of securities (including ordinary shares) carried out by or on behalf of Sibanye-Stillwater**

Securities laws of certain jurisdictions may restrict Sibanye-Stillwater's ability to allow participation by certain shareholders in future issues of securities (including ordinary shares) carried out by or on behalf of Sibanye-Stillwater. In particular, holders of Sibanye-Stillwater securities who are located in the United States (including those who hold Sibanye-Stillwater Shares or Sibanye-Stillwater ADSs) may not be able to participate in securities offerings by or on behalf of Sibanye-Stillwater unless a registration statement under the Securities Act is effective with respect to such securities or an exemption from the registration requirements of the Securities Act is available thereunder.

Securities laws of certain other jurisdictions may also restrict Sibanye-Stillwater's ability to allow the participation of all holders in such jurisdictions in future issues of securities carried out by Sibanye-Stillwater. Holders who have a registered address or are resident in, or who are citizens of, countries other than South Africa should consult their professional advisers as to whether they require any governmental or other consent or approvals or need to observe any other formalities to enable them to participate in any offering of Sibanye-Stillwater securities.

RISK FACTORS continued

Investors in the United States and other jurisdictions outside South Africa may have difficulty bringing actions, and enforcing judgments, against Sibanye-Stillwater, the directors and the executive officers based on the civil liabilities provisions of the federal securities laws or other laws of the United States or any state thereof or under the laws of other jurisdictions outside South Africa

Sibanye-Stillwater is incorporated in South Africa. Most of the directors and executive officers will reside outside of the United States. Substantially all of the assets of these persons and approximately 65% of the assets of Sibanye-Stillwater will be located outside the United States. As a result, it may be difficult for investors to enforce against these persons or Sibanye-Stillwater a judgment obtained in a US court predicated upon the civil liabilities provisions of the federal securities or other laws of the United States or any state thereof. In addition, investors in other jurisdictions outside South Africa may face similar difficulties.

Investors should be aware that it is the policy of South African courts to award compensation for the loss or damage actually sustained by the person to whom the compensation is awarded. Although the award of punitive damages is generally unknown to the South African legal system, it does not mean that such awards are necessarily contrary to public policy. Whether a judgment is contrary to public policy will depend on the facts of each case. Exorbitant, unconscionable or excessive awards will generally be contrary to public policy and contractually stipulated penalties are subject to and limited by the provisions of the Conventional Penalties Act, 1962. South African courts cannot enter into the merits of a foreign judgment and cannot act as a court of appeal or review over the foreign court. South African courts will usually implement their own procedural laws and, where an action based on an international contract is brought before a South African court, the capacity of the parties to the contract will usually be determined in accordance with South African law. However, a South African court may, in certain circumstances, require expert evidence in relation to the law of the jurisdiction which governs the contract in question. It is doubtful whether an original action based on US federal securities laws or the laws of other jurisdictions outside South Africa may be brought before South African courts. Further, a plaintiff who is not resident in South Africa may be required to provide security for costs in the event of proceedings being initiated in South Africa. In addition, the Rules of the High Court of South Africa require that documents executed outside South Africa must be authenticated for the purpose of use in South Africa.

Investors should also be aware that a foreign judgment is not directly enforceable in South Africa, but only constitutes a cause of action. Such a judgment will be enforced by South African courts only if certain conditions are met.

Sibanye-Stillwater may not pay dividends or make similar payments to its shareholders in the future due to various factors and any dividend payments may be subject to withholding tax

Sibanye-Stillwater's expected dividend policy is to return at least 25% to 35% of normalised earnings to shareholders. Sibanye-Stillwater may pay cash dividends only if funds are available for that purpose. Whether funds are available depends on a variety of factors, including the amount of cash available and Sibanye-Stillwater's capital expenditures on both existing infrastructure, as well as on exploration and other projects and other cash requirements existing at the time. Under South African law, Sibanye-Stillwater will be entitled to pay a dividend or similar payment to its shareholders only if it meets the solvency and liquidity tests set out in the Companies Act, and is permitted to do so in terms of the Memorandum of Incorporation. Given these factors and the Sibanye-Stillwater Board's discretion to declare cash dividends or other similar payments, dividends may not be paid in the future. It should be noted that a 20% withholding tax is required to be withheld on dividends paid by, among others, certain South African resident companies (including Sibanye-Stillwater) to any person. Withholding taxes have been in effect from 1 April 2012 and the percentage was increased on 22 February 2017 from 15% to 20%.

The withholding tax on dividends is subject to domestic exemptions or relief in terms of an applicable double taxation treaty. The application of such domestic exemptions or relief in terms of an applicable double taxation treaty is subject to the making of certain declarations and undertakings by the beneficial owner of the dividends and providing the same to Sibanye-Stillwater or regulated intermediary making payment of the dividend. In terms of the US Treaty, the dividends tax rate is reduced to 5% of the gross amount of the dividends if a corporate US holder holds directly at least 10% of the voting stock of a South African company. In all other cases, the maximum withholding tax rate is 15% of the gross amount of the dividend. In terms of the latest proposed legislation, the declaration and undertaking entitling the holder to a reduced dividend tax must be renewed at least every three years. See the section entitled *Further Information—Additional information—Taxation—Certain South African tax considerations—Withholding tax on dividends* and *Further Information—Financial information—Dividend policy and dividend distributions*.

Sibanye-Stillwater's non-South African shareholders face additional investment risk from currency exchange rate fluctuations since any dividends will be paid in Rand

Dividends or distributions with respect to Sibanye-Stillwater's shares have historically been paid in Rand. The US dollar or other currency equivalent of future dividends or distributions with respect to Sibanye-Stillwater's shares, if any, will be adversely affected by potential future reductions in the value of the Rand against the US dollar or other currencies. In the future, it is possible that there will be changes in South African Exchange Control Regulations such that dividends paid out of trading profits will not be freely transferable outside South Africa to shareholders who are not residents of the CMA. See the section entitled *Further Information—Additional Information—South African Exchange Control limitations affecting security holders*.

RISK FACTORS continued

Sibanye-Stillwater's 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, conversion of convertible bonds, issues of shares by the Sibanye-Stillwater Board in compliance with BBBEE legislation or in connection with acquisitions, and a large volume of sales of Sibanye-Stillwater's shares, or the perception that such large sales may occur, could adversely affect the trading price of Sibanye-Stillwater's shares

Shareholders' equity interests in Sibanye-Stillwater will be diluted to the extent of future exercises or settlements of rights under the 2013 Sibanye-Stillwater Share Plan or the 2017 Sibanye-Stillwater Share Plan and any additional rights. Sibanye-Stillwater shares are also subject to dilution in the event that the Sibanye-Stillwater Board is required to issue new shares in compliance with applicable BBBEE legislation. See *—Risks related to Sibanye-Stillwater's business—Sibanye-Stillwater's mineral rights are subject to legislation, which could impose significant costs and burdens and which impose certain ownership requirements, the interpretation of which is the subject of dispute.*

On 19 September 2017, Sibanye-Stillwater launched an offering of US\$450 million senior unsecured guaranteed convertible bonds due 2023 with the initial conversion ratio of 120,627 ordinary shares per bond (the 2023 Convertible Bond). The 2023 Convertible Bond has a coupon of 1.875% per annum payable semi-annually in arrear in equal instalments on 26 March and 26 September of each year, which commenced on 26 March 2018.

Sibanye-Stillwater cannot predict the timing or amount of conversions of the 2023 Convertible Bond or the size or terms of future issuances of equity securities or securities convertible into equity securities or the effect, if any, that future issuances and sales of the securities will have on the market price of Sibanye-Stillwater's ordinary shares. In addition, the conversion price of the 2023 Convertible Bond is subject to adjustment in certain circumstances. Any transaction involving the issuance of previously authorised but unissued ordinary no par value shares, or securities convertible into ordinary no par value shares, would result in dilution, possibly substantial, to shareholders. Exercises of presently outstanding stock options may also result in dilution to shareholders.

The Sibanye-Stillwater Board has the authority to authorise certain offers and sales of the securities without the vote of, or prior notice to, Sibanye-Stillwater shareholders. Such additional issuances may involve the issuance of a significant number of ordinary no par value shares at prices less than the current market price.

Sales of substantial amounts of securities, or the availability of the securities for sale, could adversely affect the prevailing market prices for the securities and dilute investors' earnings per share. A decline in the market prices of the securities could impair Sibanye-Stillwater's ability to raise additional capital through the sale of additional securities should Sibanye-Stillwater desire to do so.

Further, the issuance of shares in connection with any acquisition (whether in the form of consideration or otherwise) may result in dilution to existing shareholders. For example, on 7 June 2019, Sibanye-Stillwater concluded the Lonmin Acquisition. As consideration for the acquisition, Sibanye-Stillwater issued 290,394,531 new Sibanye-Stillwater shares at R14.83 (the opening price on 10 June 2019), representing 10.9% of Sibanye-Stillwater's issued share capital on a fully diluted basis.

The Newshelf 1114 Empowerment Partner has a put option in respect of their 26% shareholding in Newshelf 1114, which allows them to acquire shares in Sibanye-Stillwater, subject to certain conditions. These conditions include, in particular, confirmation by the DMRE that implementation of the put option will not detrimentally affect the empowerment status of Newshelf 1114. If the Newshelf 1114 Empowerment Partner exercises this put option, Sibanye-Stillwater must acquire its shares in Newshelf 1114 based on the net attributable fair value of the underlying assets and liabilities of Newshelf 1114. Pursuant to the exercise of the put option by a Newshelf 1114 Empowerment Partner, if Sibanye-Stillwater is required and elects to issue shares to the Newshelf 1114 Empowerment Partner, the number of shares in Sibanye-Stillwater to be issued shall be determined on the basis of the 30-day VWAP of Sibanye-Stillwater on the JSE. The Newshelf 1114 Empowerment Partner's net attributable fair value will be adjusted by the original subscription loan still due by the Newshelf 1114 Empowerment Partner on acquiring the 26% shareholding in 2013. The subscription loan balance at 31 December 2019 was R1,629 million. The option can be exercised until 8 February 2021.

A large volume of sales of Sibanye-Stillwater's shares by this partner or another shareholder, all at once or in blocks, could decrease the prevailing market price of Sibanye-Stillwater's shares and could impair Sibanye-Stillwater's ability to raise capital through the sale of equity securities in the future. Additionally, even if substantial sales are not affected, the mere perception of the possibility of these sales could decrease the market price of Sibanye-Stillwater's shares and could have a negative effect on Sibanye-Stillwater's ability to raise capital in the future. Further, anticipated downward pressure on Sibanye-Stillwater's ordinary share price due to actual or anticipated sales of shares could cause some institutions or individuals to engage in short sales of Sibanye-Stillwater's shares, which may itself cause the price of the shares to decline.