

by authorized dealers, in terms of the Rulings.

Authorized dealers in foreign exchange may, against the production of suitable documentary cover by State Appointed Dealers in respect of fixed and ascertained foreign exchange commitments covering the movement of goods.

Persons who emigrate from South Africa are entitled to take limited amounts of money out of allowance of the limits of South Africa's funds will be blocked and held under the control of an authorized dealer. These blocked funds may only be invested in:

- blocked current, savings, interest bearing deposit accounts in the books of an authorized dealer in the banking sector;
- securities quoted on the JSE and financial instruments listed on the Bond Exchange of South Africa which are deposited with an authorized dealer and not released except temporarily for switching purposes, without the approval of SARB.

Authorized dealers must at all times be able to demonstrate that listed or quoted securities or financial instruments which are

Additional funds invested in the form of blocked deposits may only be being held subject to declaration of purpose as a blocked deposit for income earned prior to emigration remain subject to the blocking procedure if it is not possible to predict whether exchange controls will be abolished or whether they will be continued or modified by the South African State or share the future.

Under present exchange control regulations in South Africa, our ordinary shares and ADSs are the Common Monetary Area of non-residents of the Common Monetary Area. In addition, the proceeds from the sale of ordinary shares on the JSE on behalf of shareholders who are not residents of the Common Monetary Area are freely remittable to shareholders. Share certificates held by non-residents will be endorsed with the words "non-resident," unless dematerialized.

Dividends declared in respect of shares held by a non-resident in a company whose shares are listed on the JSE are freely

Any cash dividends paid by us are paid in rands. Holders of ADSs on the relevant record date dividends payable in respect of the shares underlying the ADSs, subject to the terms of the deposit agreement entered on August 12, 1996, and as amended and restated, between the Company and The Bank of New York, as the depository. Subject to exceptions provided in the deposit agreement, cash dividends paid in rand will be converted by the depository to dollars and paid by the depository to holders of ADSs, net of conversion expenses of the depository, in accordance with the deposit agreement. The depository will charge holders of ADSs, to the extent applicable, taxes and other governmental charges and specified fees and other expenses. There are no limitations imposed by South African law or by our MOI on the right of non-holders of South African shares to

10E. TAXATION

Material South African Income Tax Consequences

The following is a summary of material income tax considerations under South African income tax law. This summary is not intended to constitute tax advice to any particular purchaser of our securities and is made hereby. Prospective purchasers are urged to consult their tax advisers with respect to their particular circumstances and the effect of South African or other tax laws to which they may be subject. South Africa imposes tax on worldwide income of South African residents. Generally, South African residents are subject to the following circumstances:

Income Tax and withholding tax on dividends

Non-residents will pay income tax on any amounts received by or accrued to them from a within South Africa (other than a debt instrument issued by a South African company will be regarded as being derived from a South African source but will be regarded as exempt from taxation in terms of Section 10(1)(i) of the South African Income Tax Act, 1962 (as amended), or the Income Tax Act. This exemption applies to so much of any interest and

dividends (which are not otherwise exempt) received from a South African source not exceeding (a) R34,500 if the taxpayer is 65 years of age or older or (b) R23,800 if the taxpayer is younger than 65 years of age at the end of the relevant year of assessment, and (c) the relevant dividend tax is deductible in respect of interest payments made to non-resident investors.

Section 64F of the amendments to the Income Tax Act as set out in Part VIII in Chapter II of the beneficial owners who are exempt from the dividend tax, which includes, resident companies receiving a dividend after the effective date, being April 1, 2012. The Convention between the United States of America and the Republic of South Africa for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and Capital Gains, or the Tax Treaty, would limit the rate of this tax with respect to dividends paid on ordinary shares or ADSs to a US resident (within the meaning that it apply if the beneficial owner of the dividends is resident in the United States) provided the owner is not an individual, is not a US citizen, is not a US resident, and is not a US person for US tax purposes. The Tax Treaty also provides that the company which holds the shares is not a US resident for US tax purposes. The company is not a US resident for US tax purposes for the period from 2008 to 2015, the corporate tax rates for taxable mining and non-mining income were 34% and 28%, subject to 34% tax on mining income and 28% for non-mining income.

The formula for determining the South African gold mining tax rate for FY2016 and FY2015 is: $Y = 34 - 170/X$. Where Y is the percentage rate of tax payable and X is the ratio of taxable income, net of any qualifying capital expenditure that bears a written down value, to the ratio of the taxable income, net of any qualifying capital expenditure that bears a written down value, for the year of assessment.

For the purposes of the Income Tax Act, 1962, as amended, "dividend" is deemed to be a dividend *in specie* and taxed as such in the hands of the payor and the recipient. The various subordination agreements entered into within the group as outlined in Item 7B, "Related party transactions", resulted in the associated loans within the group being characterised as "hybrid debt/equity instruments" and being taxed accordingly.

Section 8F of the Income Tax Act has subsequently been revised and amendments will become effective for the fiscal year commencing on 1 March 2017.

2017. These amendments may result in these loans as outlined above not being subject to Section 8F of the Income Tax Act, and therefore not subject to capital gains tax, or CGT, in South Africa. They gains addition to the subject to CGT capital assets if the assets disposed of consist of:

- immovable property owned by the non-residents situated in South Africa, or any interest or right in or to immovable property. A non-resident will have an interest in immovable property if it has a direct or indirect shareholding of at least 20% in a company, where 80% or more of the net assets of that company (determined on a market value basis) are

If the nonresident seller is not individually to some bona fide purchaser, assets disposed of do not fall it follows that the estate of the decedent is not a bona fide purchaser and the estate is not a bona fide purchaser of the assets is carried on.

United States Federal Income Tax Consequences

The following discussion is a summary of the US federal income tax consequences to US purchasers of the ~~shares of the trust~~ of ordinary shares or ADSs. It deals only with US holders who hold ordinary shares or ADSs as capital assets for US federal income tax purposes. This discussion is based upon the provisions of the Internal Revenue Code of 1986, as amended, or the Code, published rulings, judicial decisions and the Treasury regulations, all as currently in effect and all of which are subject to change, possibly on a retroactive basis. This discussion has no binding effect or official status and should not be used to address special classes of US holders subject to special treatment, such as dealers in securities or persons who would be sustained by a court if challenged by the IRS. It does not address the tax consequences to partnerships or other pass-through entities, banks and other financial institutions, insurance companies, tax-exempt organizations, certain expatriates or former long-term residents of the United States, persons holding ordinary shares or ADSs as part of a "hedge," "conversion transaction," "synthetic security," "straddle," "constructive sale" or other integrated investment, persons who acquired the ordinary shares or ADSs upon the exercise of employee stock options or otherwise as compensation, persons whose functional currency is not the US dollar, or persons that actually or constructively own ten percent or more of our voting stock). This discussion addresses only US federal income tax consequences and does not address the effect of any state, local, or foreign tax laws that may apply, the alternative minimum tax, the Medicare tax or the application of the federal estate or gift tax.

For purposes of this discussion, a "US holder" is a beneficial owner of ordinary shares or ADSs who is a US person for US federal income tax purposes.

- a citizen or individual resident of the US;
- a corporation (or any entity treated as a corporation for US federal income tax purposes) created or organized under the laws of the US or any political subdivision thereof;
- an estate, the income of which is subject to US federal income tax without regard to its source; or
- a trust, if a court within the US is able to exercise primary supervision over the administration of the trust and one or more

US persons have the authority to control all substantial decisions of the trust or if the trust is a partnership (or an entity treated as a partnership for US federal income tax purposes) the tax consequences of the partnership will generally depend on the status of the partner and on the activities of the partnership. Partners in partnerships holding any ordinary shares or ADSs are urged to consult their tax advisors.

Because individual circumstances may differ, US holders of ordinary shares or ADSs are urged to consult their tax advisors on the consequences applicable to their particular situations as well as any consequences to them arising under the tax laws of any foreign, state or local taxing jurisdiction.

Ownership of Ordinary Shares or ADSs

For purposes of the Code, a US holder of ADSs will be treated for US federal income tax purposes as the owner of the underlying ordinary shares. Exchanges of ordinary shares for ADSs and ADSs for ordinary shares generally will not be subject to US federal income tax.

Subject to the discussion below under the heading "Passive Foreign Investment Company", ordinary dividends received by a US holder of ADSs in liquidation and distributions in redemption of stock that are treated as exchanges, will be taxed to US holders as ordinary dividend income to the extent that the distributions do not exceed our current and accumulated earnings and profits. For US federal income tax purposes, the amount of any distribution received by a US holder will equal the dollar value of the sum of the South African rand payments made (including the amount of South African income taxes, if any, withheld with respect to such payments), determined at the "spot rate" on the date the dividend distribution is includable in such US holder's income, regardless of whether the payment is in fact converted into dollars. Generally, any gain or loss resulting from currency exchange fluctuations during the period from the date a US holder includes the dividend payment in income to the date such holder converts the payment into dollars will be treated as ordinary income or loss. Distributions, if any, in excess of our current and accumulated earnings and profits will be treated as capital gains or losses.

Qualified dividend income received by individual US holders (as well as certain trusts and estates) is eligible for a reduced tax rate. This capital gain or loss will be treated as a dividend if the distribution is made out of our current and accumulated earnings and profits. If the distribution is made out of our capital, it will be treated as a capital gain or loss. If the distribution is made out of our capital and is not a dividend, it will be treated as a capital gain or loss. If the distribution is made out of our capital and is not a dividend, it will be treated as a capital gain or loss. If the distribution is made out of our capital and is not a dividend, it will be treated as a capital gain or loss.

For US federal income tax purposes, the "spot rate" generally means a rate that reflects a fair market value for the foreign currency at the time of the distribution. If the distribution is made out of our capital and is not a dividend, it will be treated as a capital gain or loss. If the distribution is made out of our capital and is not a dividend, it will be treated as a capital gain or loss. If the distribution is made out of our capital and is not a dividend, it will be treated as a capital gain or loss.

Dividend income will be treated as foreign source income for foreign tax credit and other purposes. In computing the separate foreign tax credit limitations, dividend income should generally constitute "passive category income," or in the case of certain US holders, "general category income."

Passive Foreign Investment Company

A special and adverse set of US federal income tax rules apply to a US holder that holds investments in a company that would be a PFIC for US federal income tax purposes if for any taxable year either (i) 75% or more of our gross income, including our pro rata share of the gross income of any company in which we are considered to own 25% or more of the shares by value, were passive income or (ii) 50% or more of our average total assets (by value), including our pro rata share of the assets of any company in which we are considered to own 25% or more of the shares by value, were assets that produced or were held for the production of passive income. If we were a PFIC, US holders of the ordinary shares or ADSs would be subject to special rules with respect to (i) any gain recognized upon the disposition of the ordinary shares or ADSs and (ii) any receipt of an excess distribution. Generally, any distributions to a US holder during a single taxable year that is greater than 75% of the average amount of distributions received by such US holder during the three preceding taxable years in respect of the ordinary shares or ADSs or the amount allocated to each prior year other than a pre-PFIC year, with certain exceptions, will be taxed at the highest tax rate in effect for that year; and

- the interest charge generally applicable to underpayments of tax will be imposed in respect of the interest charge.

Although we are not a PFIC, we are treated as a PFIC as to any US holder if we are a PFIC for any taxable year. If we are a PFIC for any taxable year, the requirements for PFIC classification, the US holder may avoid PFIC classification for subsequent years if such holder elects to recognize gain based on the unrealized appreciation in the ordinary shares or ADSs through the close of the taxable year and file a report with the Internal Revenue Service containing such information.

A US holder of the ordinary shares or ADSs that are treated as “marketable stock” under the avoid PFIC consequences by making a mark-to-market election. Pursuant to this election, the US holder would include in ordinary income or loss for each taxable year an amount equal to the difference as of the close of the taxable year between the fair market value of the ordinary shares or ADSs and the US holder's adjusted tax basis in such ordinary shares or ADSs. Losses would be allowed only to the extent of net mark-to-market gain previously included by the US holder under the election for prior taxable years. If a mark-to-market election with respect to ordinary shares or ADSs is in effect on the date of a US holder's death, the tax basis of the ordinary shares or ADSs in the hands of a US holder who acquires them from a decedent will be the lesser of the decedent's tax basis or the fair market value of the ordinary shares or ADSs. US holders desiring to make the mark-to-market election are urged to consult their tax advisors with respect to the application and effect of making such election. However, we do not intend to supply US holders with the information needed to report income we receive unless we were not a PFIC for our fiscal year ended June 30, 2016. However, under the principles. Our analysis is based on our financial statements as prepared in accordance with IFRS, which may substantially differ from US federal income tax principles. Therefore, no assurance can be given that we were not a PFIC for our 2015 fiscal year ended June 30, 2015. Furthermore, the tests for determining whether we would be a PFIC for any taxable year are applied annually and it is difficult to make accurate predictions of future income and assets which are very complex. US holders are urged to consult their tax advisors regarding the application of the PFIC rules to their investments in our ordinary shares or ADSs. Accordingly, there can be no assurance that we will not become a PFIC.