NEWS RELEASE
9 September 2015

Anglo American plc notification:

Anglo American plc ("Anglo American") would like to draw attention to the announcement made by Anglo American Platinum ("AAP"), the text of which is set out below.

ANGLO AMERICAN PLATINUM LIMITED ANNOUNCES THE SALE OF ITS RUSTENBURG OPERATIONS FOR AT LEAST R4.5 BILLION (nominal terms) TO SIBANYE GOLD LIMITED AND WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

1. Introduction

Anglo American Platinum announces that Rustenburg Platinum Mines Limited ("RPM"), a wholly owned subsidiary of the Company, has entered into a Sale and Purchase Agreement ("SPA") (and related transaction agreements) on 8 September 2015 with Sibanye Gold Limited ("Sibanye") to sell its Rustenburg mining and concentrating operations ("Rustenburg Operations") for at least R4.5 billion (nominal terms), consisting of an upfront payment in cash or Sibanye shares of R1.5 billion and deferred consideration calculated as being equal to 35% of the distributable free cash flow generated by the Rustenburg Operations over a defined period with a minimum amount¹ payable of R3.0 billion (the “Transaction”).

2. Rationale for the Transaction

During 2012, Anglo American Platinum embarked on a portfolio review in response to the structural changes taking place in the platinum industry. The outcome of the review was to restructure the business to remove loss making ounces and align production with market demand. This resulted in the consolidation of Rustenburg from five to three mines and Union from two to one mine, removing 350koz of unprofitable platinum production. A further cost and capital prioritisation programme was implemented which resulted in revised operational mine plans, cost savings and revenue enhancements with a total benefit of R4.2 billion.

In 2014 the Company announced the repositioning of its portfolio to focus on low cost production through shifting towards mechanized operations. Given the number of operations within its portfolio, the Company believes that certain operations will receive greater management focus under different ownership where the mines will not be competing for allocation of capital. Anglo American Platinum accordingly announced its intent to exit from certain non-core operations, including the Rustenburg Operations.

Chris Griffith, CEO of Anglo American Platinum commented on the Transaction:

“We are pleased to announce a significant milestone in the repositioning of our portfolio with the disposal of the Rustenburg Operations to Sibanye. The Rustenburg Operations are quality assets with long-term and sustainable potential under Sibanye’s control, given their proven and successful track record of operating conventional mines in South Africa. Our focus from the outset has been to identify the right option for the business, its stakeholders and shareholders and we believe we have concluded a beneficial

¹ Subject to adjustment in 2.2.3 below.
transaction for both parties, whilst also securing a sustainable future for the Rustenburg Operations.

We remain committed to pursuing our strategy, continuing to reposition Anglo American Platinum as a high quality, largely mechanised operator yielding high margins. We are focusing on our core assets and exiting those assets we have identified as non-core in a responsible manner, consistent with the objectives of the Mining Charter.”

In addition, Anglo American Platinum’s stakeholders and shareholders are referred to the announcement released by Sibanye on the Stock Exchange News Service of the JSE Limited (”JSE”) (”SENS”) on 9 September 2015, regarding the Transaction.

2.1 Overview of the Rustenburg Operations

The Rustenburg Operations consist of the Bathopele, Siphumelele and Thembelani mining operations (which include the integrated Khuseleka & Khomanani mining operations), two concentrating plants, an on-site chrome recovery plant, the Western Limb Tailings Retreatment plant and associated surface infrastructure and related assets and liabilities.

2.2 The purchase consideration

Under the terms of the SPA, Sibanye will (via a subsidiary) acquire the Rustenburg Operations from RPM for at least R4.5 billion in nominal terms comprising both upfront as well as deferred payment components as outlined below. The total maximum consideration payable to RPM is R20 billion.

2.2.1 Upfront payment

Sibanye will pay an upfront consideration of R1.5 billion to be settled at its election in cash or through the issue of listed Sibanye ordinary shares (based on the twenty day volume weighted average price of Sibanye shares on the JSE ending six trading days prior to completion of the Transaction). Sibanye will however endeavour to settle as much as possible of the upfront payment in cash.

2.2.2 Deferred payment

Sibanye will pay minimum deferred consideration of R3.0 billion (nominal terms), to be earned by RPM through a 35% share of the distributable free cash flows generated by the Rustenburg Operations on an annual basis for a period of six full years commencing from the later of 1 January 2017 or the completion date of the Transaction on the following terms:

(1) to the extent there is an outstanding minimum deferred payment balance at the end of the initial six year period, Sibanye shall have the option to extend the period in which the RPM is entitled to receive 35% of the distributable free cash flow payments for a further period of up to two years or until the outstanding minimum deferred payment balance has been reduced to nil, whichever is earlier, or to settle such balance in cash or listed Sibanye ordinary shares, on the same basis as described in 2.2.1;

(2) any outstanding minimum deferred payment balance after the further two year period will similarly be settled either in cash or through the issue of listed ordinary shares in Sibanye.
2.2.3 Adjustments to the purchase consideration

After closing of the Transaction, if the distributable free cash flow generated by the Rustenburg Operations is negative in 2016, 2017 or 2018, there will be a downwards adjustment to the total consideration received by an amount such that the distributable free cash flow for the relevant year is equal to zero, but such payments by Anglo American Platinum shall not exceed:

(1) in the year of the closing: R267 million pro-rated for the number of remaining full months in the calendar year, post the end of the month that closing occurred (“Initial Pro-rata Amount”);

(2) in each full calendar year post the year in which closing occurred, until 31 December 2018: the Initial Pro-rata Amount plus R267 million for each subsequent full calendar year, less any payments made in respect of previous years.

2.3 Purchase of concentrate

Sibanye will sell all concentrate produced by the Rustenburg Operations to Anglo American Platinum until 31 December 2018 based on pre-agreed commercial terms.

For a period of no less than two years but up to eight years starting 1 January 2019, Sibanye will enter into a toll treatment arrangement whereby Anglo American Platinum will undertake the smelting and refining activities in respect of the Rustenburg Operations on pre-agreed commercial terms. The charge payable by Sibanye under the toll treatment arrangement will reflect smelting and refining costs as well as an economic return on the proportional share of the current capital base that Anglo American Platinum has invested in its processing assets.

The arrangements above are dealt with in a Sale and Toll Treatment of Concentrate Agreement to be signed simultaneously with the SPA.

2.4 Application of the purchase consideration

Cash proceeds received by the Company will be used to reduce the Company’s net debt. Should all or part of the Transaction consideration be in shares, the Company will dispose of these shares at an appropriate time.

2.5 Transaction effective date

The Transaction is subject to various approvals as outlined in section four below and is expected to become unconditional during 2016 with a back-stop date of 30 June 2017.

2.6 Financial effects of the Transaction

The Rustenburg Operations comprised a net asset value of R7.7 billion as at 30 June 2015 and attributable after-tax losses of R0.5 billion for the period ended 30 June 2015.

It is anticipated that the Rustenburg Operations will be accounted for as an asset held for sale once it is highly probably that the conditions precedent are met. The Transaction is expected to be headline earnings accretive for the Company.
3. **Overview of purchaser and Broad Based Black Economic Empowerment (“BBBEE”)**

Sibanye is an independent, South African-domiciled mining group, which currently owns and operates four underground and surface gold operations – the Cooke, Driefontein and Kloof operations in the West Witwatersrand region, and the Beatrix Operation in the southern Free State province. In addition to its mining activities, Sibanye owns and manages significant extraction and processing facilities at the operations where the gold-bearing ore is treated and processed before it is refined. The Group has a number of organic projects including the West Rand Tailings Retreatment Project on the Far West Rand and the Burnstone project on the South Rand of Gauteng province, as well as the Beisa North, Beisa South, Bloemhoek, De Bron-Merriespruit, Hakkies and Robijn projects in the Free State.

Sibanye is the largest individual producer of gold from South Africa and is one of the world’s ten largest gold producers.

Sibanye will facilitate the introduction of a BBBEE stakeholder consortium which will own 26% of the Rustenburg Operations. Discussions in respect of the acquisition of such shareholding are currently underway and it is envisaged that it will be vendor financed by Sibanye on market related terms and conditions.

The BBBEE stakeholders comprises the following broad based partners:

- Employees Trust;
- Community Development Trust;
- Royal Bafokeng Holdings; and
- Bakgatla-Ba-Kgafela Traditional Community.

4. **Conditions precedent and effective date**

The Transaction remains subject to certain conditions precedent, amongst others:

- the approval of the Transaction by the competition authorities of the Republic of South Africa; and
- all necessary consents being obtained from the Department of Mineral Resources of South Africa, including approval for the transfer of the mining right related to the Rustenburg Operations to Sibanye.

In addition the Transaction is subject to Sibanye shareholder approval due to the Transaction being classified as a Category 1 transaction for Sibanye based on the JSE Listings Requirements. No shareholder approval is required in respect of Anglo American Platinum shareholders.

The parties have agreed conduct of business provisions applicable to the conduct of the Rustenburg Operations in the period between the signature of the SPA and the effective date.

The Transaction will become effective following the fulfilment or waiver of all conditions precedent contained in the SPA. The other transaction agreements include:

- Use and Access Agreement governing issues of separation of the Rustenburg Operations from the retained Rustenburg processing operations, co-existence of these operations and reciprocal rights of access and use;
- Sale and Tolling of Concentrate Agreement as described above; and
- Guarantee under which Sibanye guarantees the obligations of its subsidiary purchaser of the Rustenburg Operations under the SPA.
5. **Withdrawal of cautionary announcement**

Shareholders are referred to the cautionary announcement released on SENS on 3 September 2015 are advised that, due to the fact that the above information has been disclosed in this announcement, caution is no longer required to be exercised by shareholders when dealing in the Company’s securities.

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**Anglo American** is a global and diversified mining business that provides the raw materials essential for economic development and modern life. Our people are at the heart of our business. It is our people who use the latest technologies to find new resources, plan and build our mines and who mine, process and move and market our products – from bulk commodities and base metals to precious metals and diamonds (through De Beers) – to our customers around the world. Our diversified portfolio of products spans the economic development cycle and, as a responsible miner, we are the custodians of precious resources. We work together with our key partners and stakeholders to unlock the long-term value that those resources represent for our shareholders, but also for the communities and countries in which we operate – creating sustainable value and making a real difference. Our mining operations, growth projects and exploration and marketing activities extend across southern Africa, South America, Australia, North America, Asia and Europe.

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