

### COMPANY PROFILE

Pan African Resources is a mid-tier African-focused precious metals producer with a production capacity in excess of 200,000 oz gold and 12,000 oz platinum per annum.

Pan African Resources' growth strategy is aimed at achieving and improving margins while driving ongoing growth in our Mineral Reserve base. We aim to capture the full precious metals mining value chain and maximise shareholder value by exploiting opportunities in the Group and in the broader sector.

The Group remains cash-generative at the current gold price, with the ability to fund all on-mine capital expenditure internally and also meet its other funding and growth commitments.

### DIVIDEND

The Group has proposed a final dividend of ZAR0.1410 or approximately 0.7898p\* per share or ZAR258.0 million (approximately GBP14.5 million\*) for approval by shareholders at the annual general meeting in November 2014.

Historically, the board has recommended an annual dividend to shareholders, for approval at the AGM. The board recognises that where possible, shareholders require a cash return on their investment. Pan African Resources has now revised and further clarified its dividend policy, going forward the company will pay a progressive annual ZAR dividend. Any dividend recommendation and payment, however, will still be dependent on prevailing gold prices and other external factors, as well as the performance of and outlook for the Group.

\* The GBP proposed dividend was calculated based on an exchange rate of ZAR17.85:1. The UK shareholders are to note that a revised exchange rate will be communicated prior to final approval at the AGM. Therefore the proposed dividend is approximately 0.7898p.

### CEO'S COMMENTS

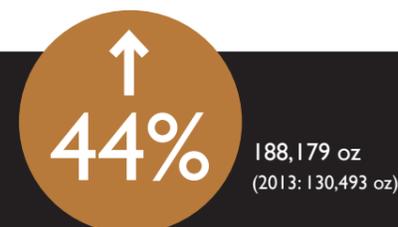
Ron Holding, CEO of Pan African Resources commented: "Pan African Resources is pleased with another satisfactory performance from Barberton Mines, whilst Evander Mines results were impacted negatively by the low grade mining cycle. Increased dividends and a new progressive dividend policy demonstrates the board and management's confidence in the quality of our assets and Evander Mine's future performance. Our Statement of Financial Position remains strong, whilst cash-generative assets and internal projects will provide the platform for further profitable growth".

### CONSOLIDATED RESULTS

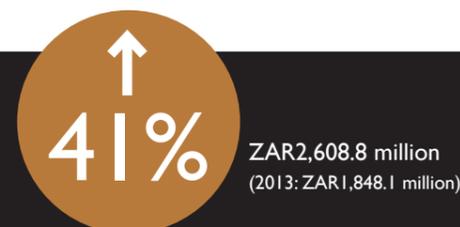
Metric	For the year ended 30 June 2014		For the year ended 30 June 2013		Movement	
	ZAR	GBP	ZAR	GBP	%	%
Revenue (ZAR millions – GBP millions)	2,608.8	154.6	1,848.1	133.5	41.2	15.8
Average gold price received (ZAR/kg – USD/oz)	433,437	1,303	440,824	1,553	(1.7)	(16.1)
Cash costs (ZAR/kg – USD/oz)	298,345	897.0	231,439	815.0	28.9	10.1
All-in sustaining cash cost (ZAR/kg – USD/oz)	349,008	1,049	281,551	992	24.0	5.7
All-in costs (ZAR/kg – USD/oz)	374,015	1,124	343,949	1,212	8.7	(7.3)
Adjusted EBITDA <sup>1</sup> (ZAR millions – GBP millions)	745.5	44.2	735.2	53.1	1.4	(16.8)
Attributable earnings (ZAR millions – GBP millions)	452.1	26.8	558.9	42.6	(19.1)	(37.1)
Earnings per share ("EPS") (cents – pence)	24.74	1.47	34.51	2.63	(28.3)	(44.1)
Headline earnings per share ("HEPS") (cents – pence)	24.74	1.47	30.07	2.17	(17.7)	(32.3)
Group capital expenditure (ZAR millions – GBP millions)	363.0	21.5	381.6	27.6	(4.9)	(22.1)
Net asset value per share (cents – pence)	152.4	8.7	140.9	9.5	8.1	(8.4)
Weighted average number of shares in issue (millions)	1,827.2	1,827.2	1,619.8	1,619.8	12.8	12.8
Average exchange rate (ZAR: GBP – ZAR: USD)	16.88	10.35	13.84	8.83	22.0	17.2
Closing exchange rate (ZAR: GBP – ZAR: USD)	18.01	10.59	15.01	9.88	20.0	7.2

<sup>1</sup> Adjusted EBITDA is represented by earnings before interest, taxation, depreciation and amortisation, bargain purchase gain, impairments and loss on disposal of assets held for sale.

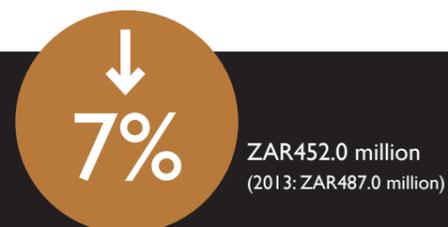
### GOLD SOLD



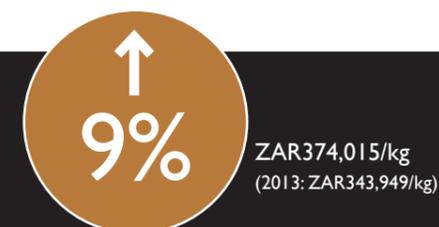
### REVENUE



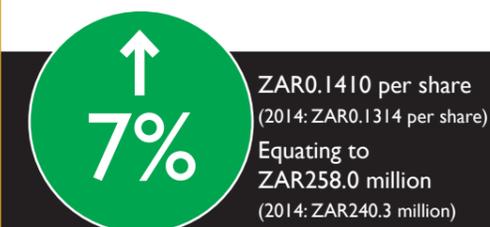
### HEADLINE EARNINGS



### ALL-IN COSTS PER KILOGRAM



### DIVIDEND



### OPERATIONS

#### Barberton Mines

- Significant increase in gold sold with the inclusion of the BTRP.
- Reduction in overall all-in cost per kilogram.
- Remains one of the lowest cost producers in the gold industry.

#### Barberton Tailings Retreatment Plant ("BTRP")

- Production commenced on 1 July 2013.
- Contributed additional 22,885 ounces of gold to Barberton Mines' production.
- Higher than expected plant recoveries achieved of 56% versus original estimates of 50%.
- Exceptionally low production cash cost of ZAR163,977/kg versus an average gold price received of ZAR434,394/kg.

#### Evander Mines

- Improved production tonnages.
- Achieved positive results in challenging market conditions whilst in the lower grade mining cycle.
- Construction of the Evander Tailing Retreatment Plant has commenced, with production expected by January 2015.
- Evander Tailing Retreatment Plant production is expected to add 10,000 ounces of additional gold to Evander Mines.

#### Phoenix Platinum

- For the first time, Phoenix Platinum was both cash-generative and profitable in the 2014 financial year.
- Increase in PGE ounces sold to 7,204 oz (2013: 6,480oz).
- Phoenix Platinum headline earnings increased to ZAR3.7 million (2013: ZAR6.4 million headline loss).

### FOR FURTHER INFORMATION

This short-form announcement is the responsibility of the directors and is only a summary of the information in the full announcement and does not contain full or complete details. Any investment decision should be based on the full announcement published on SENS and is also available on our website [www.panafricanresources.com](http://www.panafricanresources.com) or at our registered offices for inspection, at no charge, during office hours. Copies of the full announcement may be requested by emailing: [eking@paf.co.za](mailto:eking@paf.co.za).