



**Sustainability
Report** | 2014



This Sustainability Report was prepared based on GRI principles and guidance (GRI G3.1 standard disclosure guidelines and the Mining and Metals Sector Disclosure guidelines) and is compiled based on a self-declared Application Level B. The GRI index will be available on the website in October 2014. The report should be read in conjunction with the Integrated Annual Report which will be available on the company website in October 2014 (www.panafricanresources.com).

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LETTER FROM THE CEO



During the past year, we have cemented our position as a mid-tier precious metals producer and made further strides to entrenching our legacy as a responsible South African miner. Our continued business growth in line with our four strategic pillars is supported by our commitment to fostering a culture which promotes zero harm, environmentally responsible mining and strong, mutually beneficial stakeholder relationships, including with labour, government and communities. (See page 3 for our four pillars).

Sustainable growth is a core business pillar. Within this, sustainable mining is a priority as we regard sustainability practices as key to maintaining our social licence to operate. Our progress in achieving the deliverables in this regard is monitored by the SHEQC Committee, which reports directly to the board.

2014 marks a decade since the South African government introduced the Mining Charter, which sets formal targets for social development and community upliftment. We continue striving to exceed these targets. In addition Pan African Resources is committed to strict compliance with the mining licence conditions set by the DMR and the MHSA and other relevant regulations.

Our Sustainability Report aims to provide a concise, strategic and integrated overview of what we as a group are doing to create value in society, particularly over the past year. It complements our Integrated Annual Report, which will be available on our website in October 2014.

OUR PERFORMANCE

We consider our employees as our key asset and are highly cognisant that many of them work in a challenging and dangerous physical environment, given the nature of our operations. Their safety is therefore of paramount importance and a critical imperative in how we manage and operate our mines. (See page 11) I am deeply saddened that we experienced four fatalities in the group during the year. We extend our sympathies to their families, friends and colleagues. We continue working tirelessly to ensure that our active safety programmes at each operation are continually improved and during the year we adopted a FOG strategy and implemented our "Journey to Zero Tolerance" safety action plan.

While the volatile South African labour environment remains a risk to the sustainability of our industry, I am pleased to report that no operation in the group experienced any incident of labour unrest during the year. We believe this reflects our commitment to sustainable growth, which includes a satisfied labour force. We will continue to prioritise engaging with the unions and maintaining the existing strong relationships.

During the year we assessed our remuneration policies and increased wages where necessary, with wage negotiations settled amicably without incident. Further, the programme aimed at improving living conditions for mineworkers continued through an extensive upgrading and conversion of old hostels into single accommodation and family units (Evander Mines). (See page 20)

We also continued our consultative and collaborative approach to identifying community projects which can add value to our employees and the people who live and work in the surrounding areas of our operations. Our goal is to create sustainable organisations that improve the lives of the people in our host communities. (See page 19)

To minimise our impact on the surrounding environment we integrated further comprehensive environmental management programmes into our management practices during the year. (See page 22)

On behalf of the board, I thank all Pan African Resources' employees and stakeholders for their contribution to our progress in this regard.

Ron Holding
CEO

15 September 2014

OUR PEOPLE



At year-end Pan African Resources employed a total of 4,425 permanent staff (2013: 4,351) and 56 fixed term employees (2013: 34). We identify our people as the first and primary driver of our four-pronged business strategy. Our employees provide the bedrock of our group, working in often challenging conditions to enable Pan African Resources to conduct its core business successfully.



OUR PEOPLE (continued)



We also recognise that we have a responsibility beyond our own employees in the wider employment context. Accordingly, wherever possible we employ from and upskill the communities which surround our operations.

Andre van den Bergh – the group's Executive: Human Resources – assisted by all of EXCO and the rest of management is responsible for our employee relations and overseeing initiatives in this regard.

Total workforce by employment type

Employment type	Barberton Mines		Evander Mines		Phoenix Platinum		Corporate office		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Permanent	1,848	1,810	2,561	2,524	3	3	14	14	4,425	4,351
Fixed term	54	27	–	6	1	1	–	–	56	34
TOTAL	1,902	1,837	2,561	2,530	4	4	14	14	4,481	4,385
% of workforce										
South African	97.3	93.1	74.0	74.0	100.0	100.0	100.0	100.0	92.8	85.3
Contractors	602	754	821	608	58	58	–	–	1,482	1,420

Total number of employees by age group and employee turnover

Age group	Barberton Mines		Evander Mines		Phoenix Platinum		Corporate office		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
20 – 30 years	407	572	280	130	–	1	1	4	688	707
30 – 40 years	524	530	517	477	3	2	7	6	1,051	1,015
40 – 50 years	437	428	998	987	–	–	4	2	1,439	1,417
50 – 63 years	534	307	766	936	1	1	2	2	1,303	1,246
TOTAL	1,902	1,837	2,561	2,530	4	4	14	14	4,481	4,385
Employee turnover (%)										
	6.4	5.9	7.2	7.1	–	–	28.6	16.0	6.8	6.6

The group has a rate of approximately 100% of return to work and employee retention after parental leave.

BARBERTON MINES

Barberton Mines is located in an area of high unemployment. The mine recruits only from its labour setting (surrounding) area, in line with the Mining Charter scorecard. A database of potential employees from the surrounding areas is maintained and when recruitment becomes necessary, Barberton Mines Human Resources consults with local ward councillors who facilitate the recruitment process. The commissioning of the BTRP created 114 new jobs in the area during the year.

The mine has a largely stable workforce. A small percentage of foreigners (51 out of 1,902) have worked at the mine for more than 10 years. They are well skilled and over time will reduce even further in number through natural attrition.

NUM represents approximately 80% of the labour force. Barberton Mines has a recognition agreement in place for Category 4 – 8 employees with NUM and a further recognition

agreement with UASA for officials, artisans and miners. The mine has structured monthly meetings with NUM and UASA and employs three full-time shop stewards who report regularly to the Human Resources department on employee issues. The rivalry for union dominance between AMCU and NUM impacts Barberton Mines in that it poses a significant industrial action risk.

Disciplinary and grievance procedures are in place. These are communicated to employees during induction, ongoing training and when employees return from leave. No incidents of discrimination at the operation were reported during the year.

While Barberton Mines is not a member of the Chamber of Mines, it has been cognisant of the Chamber of Mines' guidelines in establishing its own policies and procedures. The mine conducts its own wage negotiations, which were successfully concluded during the previous year.

OUR PEOPLE (continued)



A number of improvements in employee conditions and services have been introduced during the year. These include a medical aid scheme for Category 4 – 8 employees, to which the company contributes 60.0% of the monthly premium. In addition the live-in hostel at Fairview Mine which houses 96 people was upgraded in line with Mining Charter guidelines to ensure single room occupancy. The ablution blocks were also renovated.

Skills development and training

Training spend increased 69.2% year-on-year to ZAR6.6 million (2013: ZAR3.9 million). Employees received an average of 24 hours of training during the year.

Barberton Mines has an accredited training centre for hard rock mining, engineering learnerships, AET as well as an internal skills programme aimed at a specific talent pool requiring particular skills. Approved service providers provide adhoc training throughout the year. All statutory training-related requirements were met during the year.

The engineering learnership programme is a three-year programme aimed at training both employees and external candidates to become fully qualified artisans. The focus is on developing scarce skills needed at the mine as well as improving the employability of local residents.

Management, which comprise 1.9% of the workforce, are subject to annual performance reviews.

A SLP was submitted to the DMR and approved.



EVANDER MINES

NUM represents approximately 90% of the workforce, with UASA representing 5.0%. The operation has a good relationship with the unions, based on a track record of a proactive, consultative, open-door approach which encourages communication and discussion. Full-time union representatives employed at the mine attend monthly branch meetings and report to the onsite Human Resources management. In addition to these regular meetings, a quarterly "Future Forum" meeting is held to keep the unions abreast of possible significant changes to labour and/or operations and any other developments.

98.4% of the workforce is covered by collective bargaining agreements. The mine is a member of the Chamber of Mines and in July 2013 was one of the first mines in the industry to conclude a two-year wage agreement.

The disciplinary and grievance policy is well documented and in line with industry benchmarks. Copies of the policy are made accessible to all employees during induction and are also available from the Human Resources department on request.

Whenever possible and depending on the availability of skills, Evander Mines strives to recruit from areas surrounding the mines.

64.0% of employees live in hostel accommodation. The mine has invested considerably in upgrading and converting old hostels into single accommodation units. Going forward this will be extended to upgrading accommodation into family units. Given that a housing shortage in the area has driven up the cost of accommodation, employees who do not live in company accommodation receive an appropriate housing allowance to compensate for this.

Skills development and training

Training spend for the year totalled ZAR13.2 million (2013: ZAR15.6 million). Employees received an average of 44 hours of training during the year.

The operation has an onsite training centre offering occupational skills training. This includes induction, occupational skills and safety programmes. In addition, where necessary, the mine outsources training to independent training centres in the area. Approximately 20% of employees are illiterate. AET training is available onsite at the training centre to address this need.

Currently 20 students are enrolled in the engineering learnership programme, receiving MQA P1 and P2 training.

The mine currently has three interns, one each in Information Technology, Human Resources and Mining. Where possible,

OUR PEOPLE (continued)



Evander Mines employs such candidates permanently once their internship is successfully completed.

It is the goal to have individual development programmes in place for every employee by the end of 2015 calendar year. A two-tiered approach is proposed, targeting firstly senior management, supervisors and graduates and then the remainder of the workforce.

A SLP is in place. It was submitted to the DMR for approval which is still outstanding.

PHOENIX PLATINUM

The operations at the processing plant are outsourced to a specialist metallurgical company, Metanza. Metanza is responsible for employment at the operation, however, Phoenix Platinum employs four individuals, three in management positions and one in a supervisory position to oversee operations.

The workforce at the CTRP is non-unionised. Phoenix Platinum complies with IFM's SLP.

Skills development and training

A total of ZAR306,836 was spent on training for the year. Most of the training is done in-house with specialised training outsourced to professional providers.

Phoenix Platinum has an inclusive approach to training. An example of the success of this approach is an office cleaner who was successfully trained to become a plant attendant, after expressing an interest in becoming a plant operator. Mpho Rapoo is currently working shifts as a plant attendant and progressing well towards qualifying as a plant operator.



Mpho Rapoo

TRANSFORMATION



We are committed to integrating real transformation throughout the group, and understand this to be critical for the sustainability of our business in South Africa.

Ownership

In August 2009 Shanduka exchanged its shareholding of 26% in Barberton Mines for a 21% shareholding of Pan African Resources, and further acquired an additional 5% from Metorex, making the black-owned and -managed Shanduka a 26% shareholder in Pan African Resources. Following limited dilution due to a rights issue, at 30 June 2014 Shanduka held 23.8% of Pan African Resources shares.

Shanduka is a black-owned investment holding company, with interests in a diverse portfolio of listed and private companies, primarily in the resources and food and beverage industries. Its investments are spread across South Africa, Mozambique, Mauritius, Ghana and Nigeria.

In addition to Shanduka and other current BEE ownership, the group is currently in the process of implementing broad-based employee ownership schemes at Barberton Mines and Evander Mines.

The group does not currently rank its B-BBEE contribution at group level, but per operation current contributions are rated as per the Mining Charter requirements.

Ownership event subsequent to financial year-end

On 29 August 2014, Barberton Mines implemented a broad-based employee ownership scheme. A newly established employee trust will own 5% of the issued share capital of Barberton Mines. The transaction was fully vendor financed on a notional basis by Barberton Mines, the preference share funding attracts market-related returns and dilution to Pan African Resources remains limited.

Management control

Our group board includes two black directors, one of whom is female.

Employment equity

A total of 92.4% of the group's 4,481 employees are black.

Group employment equity by job category is set out below:

Representation of HDSA	Barberton Mines		Evander Mines		Phoenix Platinum	
	2014	2013	2014	2013	2014	2013
Senior management (%)	28.5	33.3	22.2	33.3	100.0	100.0
Middle management (%)	41.3	36.0	53.1	50.0	50.0	50.0
Junior management (%)	41.4	45.0	77.0	78.0*	100.0	100.0
Representation of women						
Women employed at mine	83	86	302	216	1	1
Women in mining (core business)	39	81	65	57	1	1
Percentage of women employed (%)	4.4	4.7	11.8	8.5	25.0	25.0

* Previously incorrectly reported as 44%.

There is no differentiation within the group between male and female remuneration. Employees are remunerated based on their job grade.

Skills development and training

(See per operation disclosure on pages 5 – 6)

Preferential procurement

Targets are set for the procurement of capital goods, services and consumables from historically disadvantaged individuals in terms of the DMR's Mining Charter. The group's operations strive to achieve these targets and for the year both Barberton Mines and Evander Mines had achieved the 2013 targets, ahead of Mining Charter requirements. Phoenix Platinum's preferential procurement is currently outsourced to Metanza.

Enterprise development

Socio-economic development

Our CSI focus is on the empowerment of the communities surrounding our operations, with specific beneficiaries negotiated with local economic fora. The group targets 1.0% of contract value for contribution to these beneficiaries, in addition to other contributions from the operations.

(See page 19)

OUR IMPACTS



SHEQC

HEALTH AND SAFETY IS A WAY OF LIFE

There can be no compromise at Pan African Resources with regard to the efforts to reduce the risk of exposures associated with unhealthy or unsafe conditions in the workplace. We have an overriding commitment to Safety, Health, Environment and Quality at all our operations and policies have been implemented to ensure that this commitment is translated into reality across the group.

Our formal integrated SHEQC Policy extends to Safety, Health, Environment, Quality and Communities. Responsibility for our SHEQC performance radiates from the board down through the group. Our SHEQC performance, as with all performances at the group, is driven by the group philosophy of continuous improvement.

GROUP SHEQC GUIDING PRINCIPLES

- To identify SHEQC hazards and risks that may have a negative impact on the health and safety of our people, visitors to our sites, our communities and the environment in which we operate.
- To develop SHEQC management systems to ensure the implementation and maintenance of processes and other controls required to achieve our goal of zero incidents, injuries and illnesses.
- To encourage employees to adopt and embrace a lifestyle that is healthy, safe and conscious of the environment.
- To insist that suppliers and contractors provide us with products and services in support of our SHEQC goals and objectives.
- To understand the needs of our communities while developing support programmes to ensure their upliftment and wellbeing.
- To reduce our environmental footprint by:
 - improving energy efficiency and natural resource consumption;
 - improving the use and recycling of materials; and
 - protecting and restoring natural biodiversity while reducing greenhouse gas emissions

We ensure that our leadership at all levels understands the SHEQC responsibilities, accountability, and demonstrates a commitment to these through their actions in the quest for zero incidents, injuries and illnesses. We treat legal requirements as minimum standards and, in the absence thereof, apply best practice. Regular internal audits performed by the Chief Safety Officers and monthly SHEQC performance reviews per operation ensure compliance with SHEQC standards and management systems.

We consider our employees and suppliers as pivotal in achieving our SHEQC objectives, and therefore encourage involvement and buy-in through training, written communications and regular face-to-face meetings related to SHEQC. We recognise that this approach must, in future, extend to all our stakeholders in order to be optimally effective. We have forged strong relationships with the communities in which we operate and assist them with health safeguarding programmes and sustainable wealth creation initiatives.

Mandla Ndlozi – the group SHEQC Manager – assisted by all of EXCO and the rest of management, drives our SHEQC objectives. Our primary focus during the year was standardising and aligning our approach to SHEQC across the group, which has been successfully completed. The SHEQC Charter was updated, approved and implemented in August 2013.

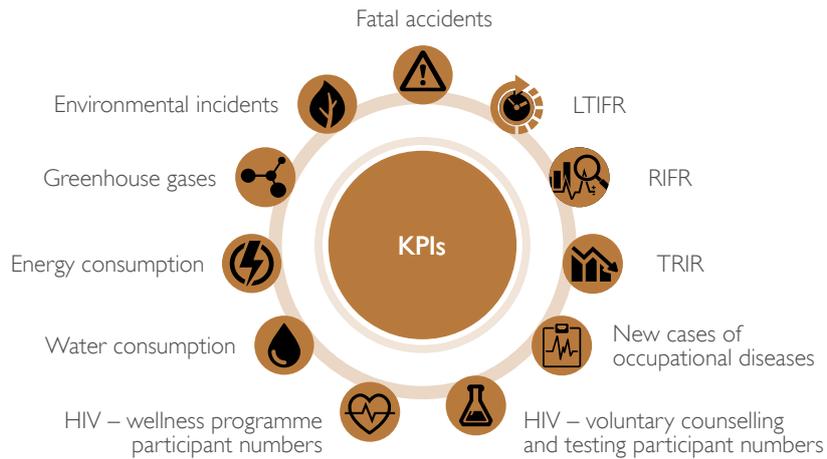
Product responsibility

Product at Barberton Mines is gold in the form of bars and by-products. At Evander Mines product is in the form of gold fines and gold slurry. At Phoenix Platinum the PGE concentrates are supplied to Western Platinum Limited. Gold and PGEs are benign products with no significant environmental, health or safety impacts. All gold products produced by the group are sold to Rand Refinery, an accredited London Bullion Market Association refinery.

OUR IMPACTS (continued)



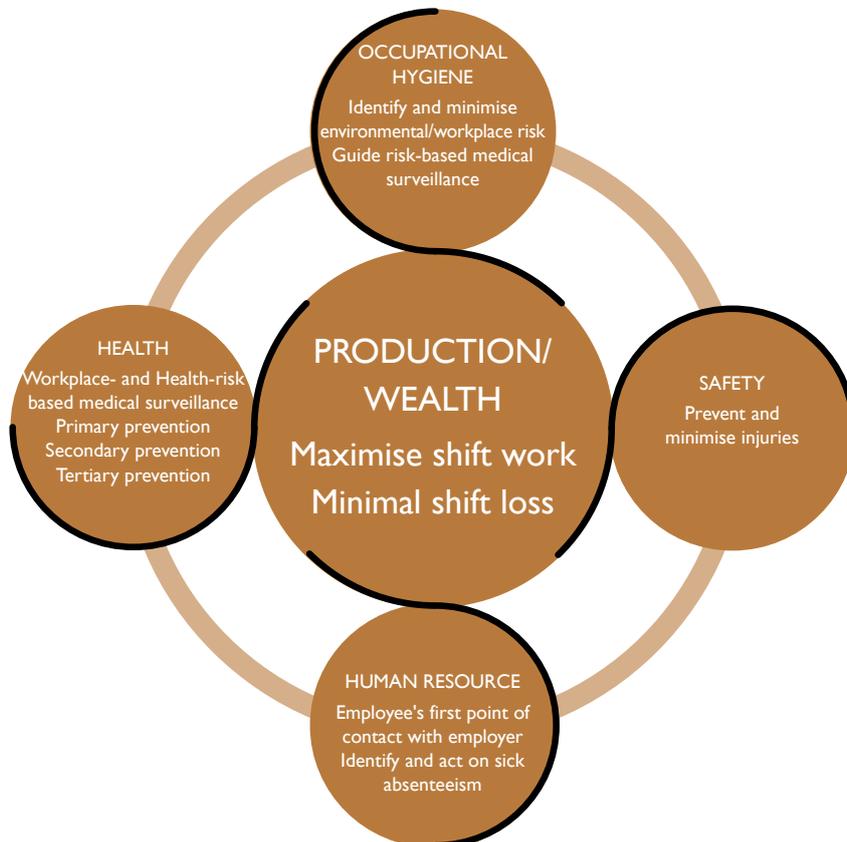
IN TERMS OF OUR ACHIEVEMENTS IN SHEQ WE MEASURE OURSELVES ON A SET LIST OF KPIs AS SET OUT BELOW:



Risk management cycle

Our SHEQC policy is designed in a way that it integrates safety, human resources, health and occupational hygiene. By integrating

all of these elements we can promote safe production and support the sustainable growth of the group, as represented below:



SAFETY & HEALTH – POLICY



Safe and healthy working conditions are a business imperative. In line with our commitment to our people as our primary asset, and with due consideration to and cognisance of the physical dangers posed by our industry to employees, we expend considerable effort in promoting a safe and healthy work environment. We aim for world-class standards and zero injuries and enable this by promoting a culture where employees at all levels are encouraged to engage freely around SHEQC matters.

All Pan African Resources' operations comply with the Mine Health and Safety Act.

The group Occupational Health and Safety Policy commits Pan African Resources to:

- continually improve occupational health and safety performance through the setting and achievement of goals and taking evolving stakeholder expectations, best practice, scientific knowledge and new technology into account;
- provide a working environment that is conducive to good health and safety;
- manage risks in the workplace and ensuring that there is adequate surveillance of workplaces and employees;
- comply with relevant legal and other requirements to which the group subscribes, in the absence of which the company will apply best practice standards and procedures;
- ensure that appropriate resources, training and personal protective equipment are provide to improve occupational health and safety;
- ensure that employees and contractors have the relevant skills to perform work-related tasks in a safe manner and that they are aware of their individual health and safety obligations and rights; and
- follow a consultative, transparent and constructive approach in interactions with all stakeholders.

Employees and contractors working at the group's operations play a fundamental role in achieving occupational health and safety objectives through:

- taking ownership of, and participating in, occupational health and safety management programmes and initiatives and complying with applicable standards and procedures; and
- exercising their right to work in a healthy and safe environment and their duty to withdraw from any unhealthy or dangerous situation.

Health and Safety Committees are in place at all operations and cover the entire workforce.



SAFETY



HIGHLIGHTS

11.0% improvement in **LTIFR**

12.0% improvement in **RIFR**

Continued alignment and standardising of **safety** across operations

Alignment of **safety risk assessment process** across operations

Improvement on **incident and accident reporting** system within the group

Applying lessons learnt from individual incidents across the group

CHALLENGES

- Fatalities – the severity of accidents
- FOG
- Safe usage of TMM
- Behaviour/cultural change towards safety

GROUP SAFETY PERFORMANCE

The group has increased its efforts to focus on the behaviour and attitude of employees towards health and safety. The group safety trend for LTIFR was ahead of targets, while the RIFR regressed due to four fatalities during the year. The group FIFR regressed to 0.30 (2013: 0.22).

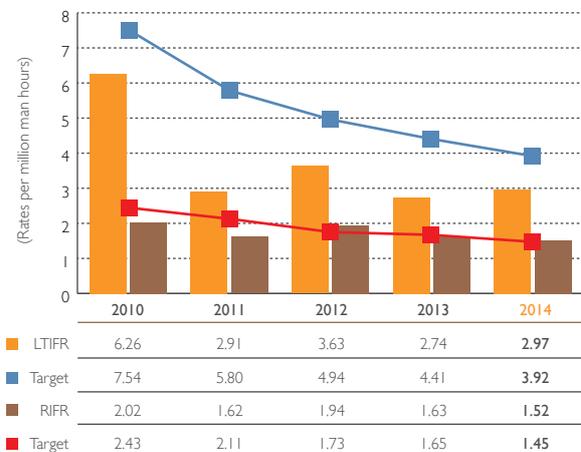
We are committed to continually improving safety and dedicate considerable effort to work towards zero injuries.

During the financial year the group SHEQC Manager attended the NOSA Annual Occupational Risk Management Conference. He and the General Manager of Barberton Mines also attended a safety seminar focused on the revision of the Mine Health and Safety Act.

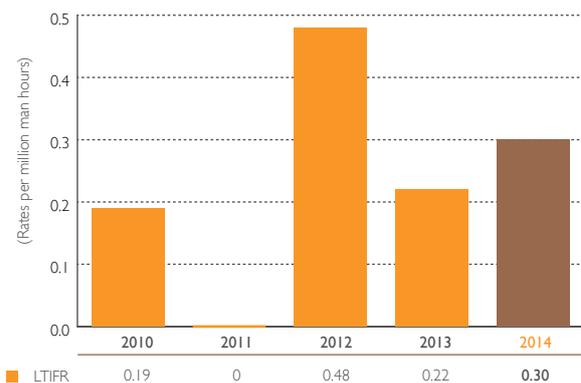
Group – TRIFR



Group – LTIFR and RIFR



Group – FIFR



SAFETY (continued)



It is with regret that the group reported four fatalities for the financial year. Three fatalities occurred at Barberton Mines and one fatality at Evander Mines.

At Barberton Mines two FOG incidents occurred:

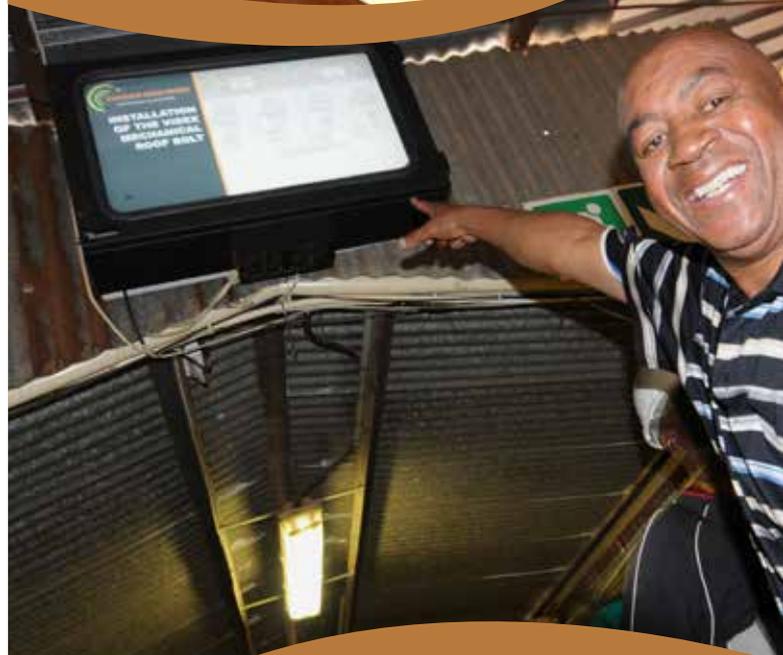
- On 8 July 2013, a rock drill operator was fatally injured when a rock dislodged from the hanging wall and struck him on the head.
- On 30 July 2013, a team leader was fatally injured when a rock dislodged from the hanging wall and struck him on his right upper leg and he sustained an open fracture.

On 12 March 2014, a TMM that was left unattended by the operator moved forward and fatally injuring a team leader.

Subsequent to these accidents a FOG strategy was reinforced and the "Journey to Zero Tolerance" safety action plan was implemented. Refresher training on TMM operating procedures and first aid was also conducted.

At Evander Mines, on 15 January 2014 a FOG incident fatally injured a rock drill operator. Subsequent to the accident, night shift re-entry examination and restarting of stop panels procedure was reinforced. The operation's safety programme "Vuka-Sizwe Phase 4" was also implemented.

The board and management of Pan African Resources extend their deepest condolences to the family, friends and colleagues of Messrs Elias Mabaso, Judas Bendani, Thomas Gama and Jacob Magongo.



SAFETY (continued)



BARBERTON MINES

SAFETY HIGHLIGHTS 2014

Safety Action Plan focus on
"Journey to Zero Tolerance"

New FOG strategy implemented

Health and Safety Policy
aligned to group SHEQC policy

New Consort Mine achieved
12 years' fatality-free shifts on March 2014

Lost time injuries decreased by 28.0%

Total injuries decreased by 30.0%

During the year the TRIFR again improved, as did the LTIFR. However in light of the three regrettable fatalities, the RIFR regressed.

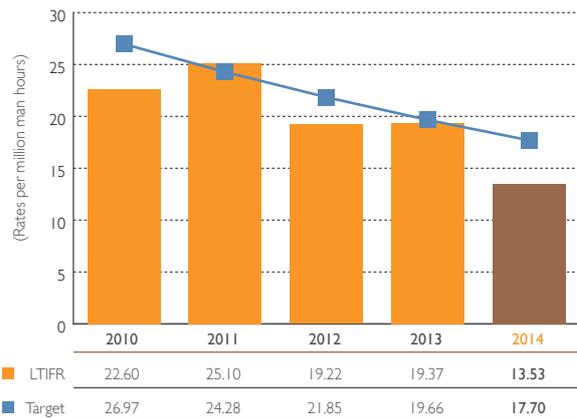
While there is significant improvement in our overall safety record, the severity of injuries and the occurrence of fatalities are of concern. To address this a new Safety Action Plan was devised and implemented during the year. The plan was subjected to constructive engagement and approval from the unions and employees. The plan was further presented to the DMR. The Safety Action Plan was fully rolled out and is working well.

The FOG strategy was also revised and re-implemented to hone standards and procedures and ensure compliance.

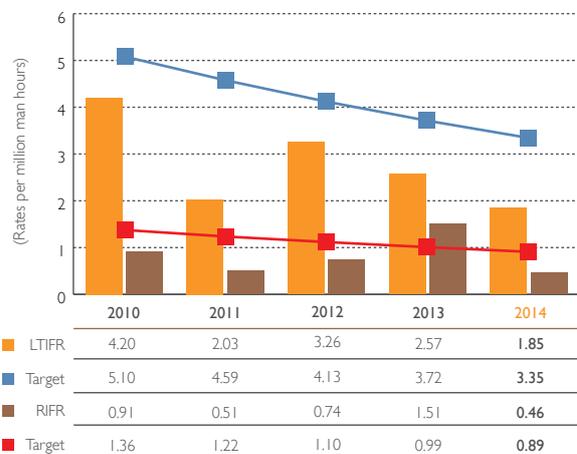
Further, the mines' Health and Safety Policy was aligned to the group SHEQC policy, once again actively engaging the labour unions in the process. The policy was then rolled out to all employees, and is continuously reinforced through prominent posters and signage throughout the mine.

The 2014 DMR Presidential annual audit for Barberton Mines was postponed by the DMR and will be completed in the next financial year. Regular internal audits have continued and legal inspections adhered to a 45-day schedule. Mine overseers and safety officers also continued to conduct weekly inspections and follow-up inspections to verify that issues raised were addressed. Monthly audits of logbooks are further conducted to ensure compliance with procedures.

Barberton Mines – TRIFR



Barberton Mines – LTIFR and RIFR



Barberton Mines – FIFR



SAFETY (continued)



EVANDER MINES

SAFETY HIGHLIGHTS 2014

- Above average rating for compliance in the 2014 DMR Presidential Audit
- Two months with **zero** LTIFR
- Three months with **no reportable injuries**
- Fall of Ground strategy** adopted and implemented
- Phase 3 completed and **Phase 4 of Vuka-Sizwe** training implemented

Although the mine achieved a commendable record of three months injury-free during the year, the severity of the injuries recorded is of concern. Evander Mines is committed to continuing to instil a zero harm mentality with all employees.

The operation has developed an in-house training programme – Vuka-Sizwe which has been in place since 2009. The aim with this programme is to create an ongoing culture of safety awareness and to promote teamwork. All employees at the mine completed Phase 3 of the programme during the year, which focused on behaviour and consequences and choices in safety. The roll out of “Vuka-Sizwe Phase 4” also began during the year.

To complement Vuka-Sizwe, safety training is included in induction as well as in refresher courses for employees when returning from leave. This training also includes job-specific training. Furthermore, in the year all full-time health and safety representatives completed a NOSA course on accident investigation. Two chief safety officers completed risk management courses through IRCA.

The mine received a commendable 77.6% compliance rating in the comprehensive 2014 DMR Presidential annual audit. The mine continued to conduct regular internal audits and inspections including “Life-saving rules” compliance. These are non-negotiable rules set by Evander Mines, targeting those safety situations that potentially endanger employees lives.

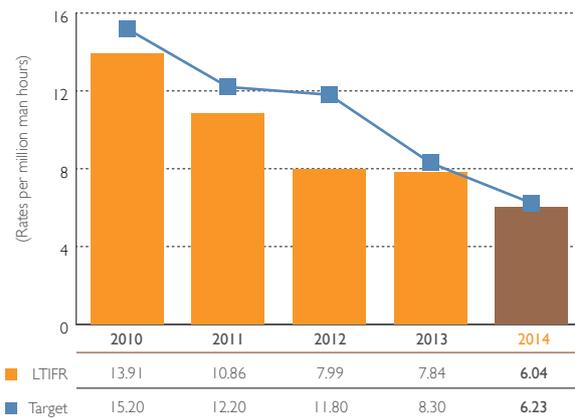
PHOENIX PLATINUM

SAFETY HIGHLIGHTS 2014

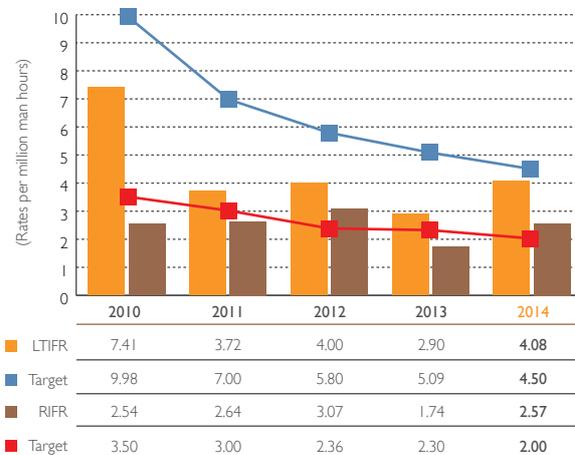
- Maintained **zero lost time and reportable injuries** since commencing operations in 2012.

Phoenix Platinum complies with the Mine, Health and Safety Act under the auspices of IFM's mining right. In addition, Phoenix Platinum is committed to deliver on the Pan African Resources group SHEQC policy. The plant has internal monthly occupational health and safety audits.

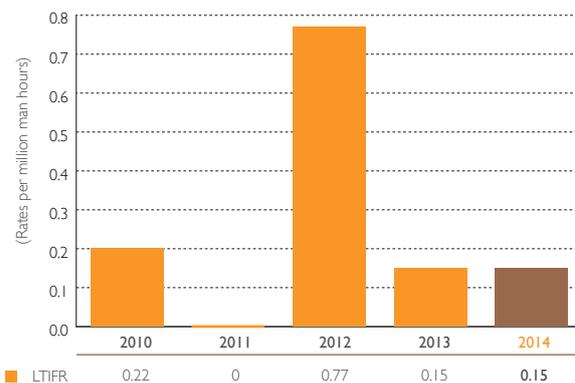
Evander Mines – TRIFR



Evander Mines – LTIFR and RIFR



Evander Mines – FIFR



HEALTH AND WELLNESS



We recognise that mining as a profession carries inherent health risks. Effectively managing associated conditions and diseases is a direct investment by the group in our people, and managing their health is in the interests of our long-term sustainability. We assume full responsibility for providing a work environment that minimises risks by:

- ensuring adequate surveillance of workplaces and employees;
- promoting work practices that are conducive to the long-term wellbeing of our employees; and
- providing appropriate and adequate healthcare facilities and resources.

At all of our operations, occupational health and employee wellness includes the management of the “Big 6” diseases: namely, HIV/Aids, TB, diabetes, hypertension, silicosis and NIHL. Barberton Mines focuses on the “Big 7” which includes the “Big 6” as well as Sporotrichosis. The prevalence of these illnesses is monitored at operational level and reported to the group SHEQC Committee on a quarterly basis.

The HIV/Aids policy is incorporated in the group SHEQC policy. Separate HIV/Aids policies are in place at each operation and these are aligned to the group SHEQC policy.

Occupational hygiene monitoring

The group monitors OEL per health risk in terms of DMR guidelines. Each employee has an individual health risk profile and is monitored in line with OEL as part of their health monitoring. Codes of practice for noise exposure and air pollutants are in place, which ensure monitoring of personal exposure levels. Where the levels of exposure are found to be excessive steps are put in place to reduce the exposure.

Noise, dust and thermal stress are closely monitored to provide a safe and healthy working environment for employees. If the working environment is deemed to be unsafe, work is halted immediately.

All employees are trained and encouraged in the correct use of PPE. In areas where OELs are above the required limits additional PPE is issued to ameliorate the exposure.

HIV/Aids	We can beat HIV/Aids in our lifetime
TUBERCULOSIS	Is curable, no one deserves to die from it
DIABETES	Lifestyle is a personal thing. Be responsible for your own health
HYPERTENSION	Can be a silent killer. Monitor your blood pressure
SILICOSIS	It has no cure. Protect yourself from dust inhalation
NIHL	Noise Induced Hearing Loss. Protect your hearing

HEALTH AND WELLNESS *(continued)*



BARBERTON MINES

The operation has primary healthcare clinics at each of its three mines, with the main occupational health facility located at Fairview Mine for the benefit of all employees. These facilities are staffed by 11 full-time employees and make use of an external general practitioner and occupational healthcare specialist. From the beginning of the year under review, permanent employees at Barberton Mines have been eligible for medical aid benefits. The mine contributes 60% of the respective membership contribution to this insurance. This enables employees and their families to also utilise local hospitals which service the communities in which they live.

In addition to primary healthcare services these clinics also provide HIV testing. To date, approximately 80% of the workforce has been tested and the re-testing programme is well supported. HIV/Aids roadshows are conducted regularly and Barberton Mines collaborates with the local hospital and the regional government health department on HIV/Aids/TB initiatives.

During the year an "Influenza Day" campaign was held at which flu vaccinations were offered to all employees free of charge.

The occupational health facility at Fairview Mine conducts medical surveillance to assess fitness for work on appointment as well as when employees return from leave. The medical surveillance focuses on DMR health and safety milestones. A hearing conservation programme is in place and employees who are exposed to noise levels above 85db (A) are trained in the use of and issued noise clippers to reduce this exposure. The operation also provides mid-shift feeding and energy supplements to underground employees.

The occupational health services focus on the "Big 7".

Outbreaks of Sporotrichosis are well-managed and the infection is generally well controlled.

Barberton Mines also supports local clinics, the local HIV/Aids council and local community health and wellness initiatives with funding.

During the year, Barberton Mines successfully passed three DMR health audits.

Statistics in respect of the "Big 7" for 2014 and 2013 are tabled. These statistics are reported to management on a monthly basis to measure performance and identify areas that require action.

Description	2014	2013
HIV/Aids		
Total number of tests	322	135
Total number of employees and contractors tested to date	1,643	1,321
Total positive (new cases)	572 (117)	455 (174)
Total on treatment	169	185
Tuberculosis		
TB cases	57	47
Diabetes		
Total diabetes cases	20	20
Hypertension		
Total hypertension cases	145	113
Silicosis		
Suspected cases	nil	nil
Certified cases	nil	nil
NIHL		
Submitted (>10% shift)	12	7
Reportable (5% to 10% shift)	18	20
Sporotrichosis		
Sporotrichosis cases	20	46



HEALTH AND WELLNESS (continued)



EVANDER MINES

The Evander Health Hub is situated at No. 8 Shaft and operates on a 24/7 basis to provide access to medical treatment for our employees.

The Hub also provides a comprehensive primary and emergency medical and health care to deal with any work or health-related needs of our employees. The Hub is managed by a full-time medical doctor with a staff of 24 under her control.

A wellness team has been established on the mine comprising of the doctor, a health educator, social worker, unit manager, administrative supervisor and labour representatives. The responsibilities of the team include the promotion of employee health programmes and to target ways of ensuring continuous improvements in the wellness of all our employees. As part of social responsibility, the wellness team provide services to informal settlements surrounding the mine by providing health education and distributing condoms on a monthly basis.

A major benefit for employees and management relating to the on-site Hub is that the issuances of chronic medicines regimes are controlled and the compliance of consumption thereof is adhered to.

A risk-based medical surveillance programme for both work and health-related risks are in place for all employees. The focus risks are the "Big 6".

Evander Mines' HIV/Aids and TB policy is aligned with the group SHEQC policy. A quarterly VCT programme forms part of the mines' medical surveillance programme. All employees who volunteer to be tested are counselled. The focus for the year under review was to convince employees who have not been tested previously, that they should join the programme. This focus has delivered positive results that are supported by comparing the total number of 3,410 tests during the year versus the previous year's figure of 2,879. An anti-retroviral therapy (ART) programme is in place for all HIV-positive employees.

All employees are screened for TB. Those that are considered at high risk, such as those who are HIV positive, are treated with preventative isoniazid (INH) prophylaxis. Employees diagnosed with TB receive intensive treatment at the Standerton TB facility for a two-week period that is then followed up by treatment at the Hub as outpatients to complete the requisite six-month course.

Employees are also screened for silicosis, diabetes and hypertension as part of the medical surveillance programme. All suspected silicosis cases are reported to the Medical Bureau for Occupational Diseases. The prevalence of hypertension and diabetes amongst employees is out of the ordinary which



could be attributed to the high average age of the workforce, which is 45 years. Employees diagnosed with these diseases are provided with medication and follow-up medical consultations are conducted monthly.

NIHL cases with shifts greater than 10% shift are submitted to Rand Mutual Assurance for processing, evaluation and consideration for compensation.

Statistics in respect of the "Big 6" for 2014 and 2013 are tabled below. These statistics are reported to management on a monthly basis to measure performance and identify areas that require action.

Description	2014	2013
HIV/Aids		
Total number of tests	3,410	2,879
Total number of employees and contractors tested to date	2,628	1,807
Total positive (new cases)	581 (128)	770 (358)
Total on treatment	343	334
Tuberculosis		
TB cases	45	67
Diabetes		
Total diabetes cases	45	56
Hypertension		
Total hypertension cases	394	363
Silicosis		
Suspected cases	35	36
Certified cases	8	18
NIHL		
Submitted (>10% shift)	12	17
Reportable (5% to 10% shift)	14	36

HEALTH AND WELLNESS (continued)



PHOENIX PLATINUM

Medical and healthcare services are provided to Phoenix Platinum by the IFM medical centre. This includes pre and post-employment screening of NIHL and silicosis. Refresher training is carried out on the plant by the sub-contractor.

An annual wellness campaign promoting health awareness is held on site for all employees. This includes voluntary testing for HIV/Aids, hypertension, cholesterol, blood pressure and Body Mass Index (BMI, for obesity). The results for the past two years are tabled alongside:

Health screening	2014	2013
Campaign participants including contractors	68	41
HIV prevalence (% of participants)	5.0	2.4
Hypertension and cholesterol prevalence (% of participants)	4.4	12.0
High BMI (% of participants)	16.2	27.0



OUR COMMUNITIES



Pan African Resources strives to minimise potentially negative social impacts caused by our mining operations while promoting opportunities for the local communities. To this end, we are committed to monitoring, measuring and managing the social and economic impacts created by our operations, in line with our approved SLPs. The group reports annually to the DMR – including an assessment of the potential impact and action plans where deviations are identified.

Our operations engage in a range of development projects and community relations activities, which promotes the sustainable welfare within the communities. In addition, wherever possible, the group promotes responsible and ethical management of its supply chain by encouraging suppliers to support local economic development.

The group is committed to upholding and promoting the human rights of our employees and contractors, our suppliers, and the communities in which we operate. We recognise people's rights to culture, heritage and tradition through identifying, recording and supporting indigenous cultural heritage.

At the mines, management are proactive in building and maintaining stakeholder relationships with the local communities and have forged close working relationships with ward councillors and local leaders.

In terms of the Mineral and Petroleum Resources Act, mines are required to develop and implement comprehensive SLPs, Human Resources Development Programmes, Mine, Community Development Plans, a Housing and Living Conditions Plan, Employment Equity Plan, and processes to save jobs and manage downscaling and/or closure. Progress reports are submitted annually to the DMR.

BARBERTON MINES

Barberton Mines is a primary employer in an area with unemployment of approximately 37%.

To address the needs of the community in a fair and effective manner, the mine established a fully staffed CSI office. The staff consists of a CSI officer, a dedicated community liaison officer, three support staff and an intern.

The community liaison officer attends monthly ward council meetings to discuss and identify potential beneficiaries of the CSI programme. The CSI office then selects appropriate projects within the community. This is done in close consultation with the community and all selected projects are registered with the Ward Independent Development Plan of the Umjindi Local Municipality.

Barberton Mines has established a Transformation Trust to generate additional funds to invest back into the community, through encouraging our suppliers to contribute 1.0% of their contract value to the Trust. The objectives of the Trust are to improve the quality of life of the local community, to create jobs and to promote socio-economic development.

A primary CSI focus is on education. In the previous year Barberton Mines completed the ZAR13 million Sinqobile Primary



OUR COMMUNITIES (continued)



School for 950 learners. This school has 24 classrooms, a Grade R block (pre-school), sports fields and a multimedia centre. With the completion of the school the teacher: learner ratio has decreased from 1:70 to 1:54.

During the year under review the mine built eight additional classrooms at the Sinqobile Primary School, which further reduced the teacher: learner ratio to an acceptable 1:34. The new buildings include a science lab, a computer lab and a library. Barberton Mines also donated all the furniture and equipment required for these new classrooms.

At the Emjindini Secondary School Project the Trust funded a fully equipped science lab (Grade 10 to 12), from which 120 learners are currently benefiting. The Trust also funded five temporary classrooms to house learners while the school is being refurbished.

To date ZAR1.0 million has been spent on renovating and converting the old Sheba Mine Hostel into four classrooms and a library facility for the Kaap Vallei Primary School.

During the year the Trust also sponsored 16 full-time bursaries to the value of ZAR2.0 million in the fields of Geology, Mining Engineering, Mechanical Engineering and Mineral Surveying. These bursaries include the full tuition fee, accommodation, a monthly stipend and prescribed textbooks.

EVANDER MINES

Representatives of the mine attend monthly and quarterly human settlement and LED meetings of the local Govan Mbeki municipality. The total CSI contribution to community projects in the year amounted to ZAR3.9 million. Evander Mines undertook several projects that support the implementation of the local Independent Development Plans, including those set out below:

- Conversion and renovation of 42 old hostel rooms at Musimuhle Village into family unit accommodation.
- The old hostel block at Winkelhaak hostel was converted into a school. The project commenced in October 2013 and was handed over in January 2014. It now benefits 290 children. On completion of the next phase of the project the school will accommodate 600 children.
- The building of a ZAR6.5 million bakery and retail stalls in the Embalenhle township is on schedule. The equipment has been purchased and is being installed and the bakery is expected to be operational by September 2014. The bakery will provide bread to the community.



OUR COMMUNITIES (continued)

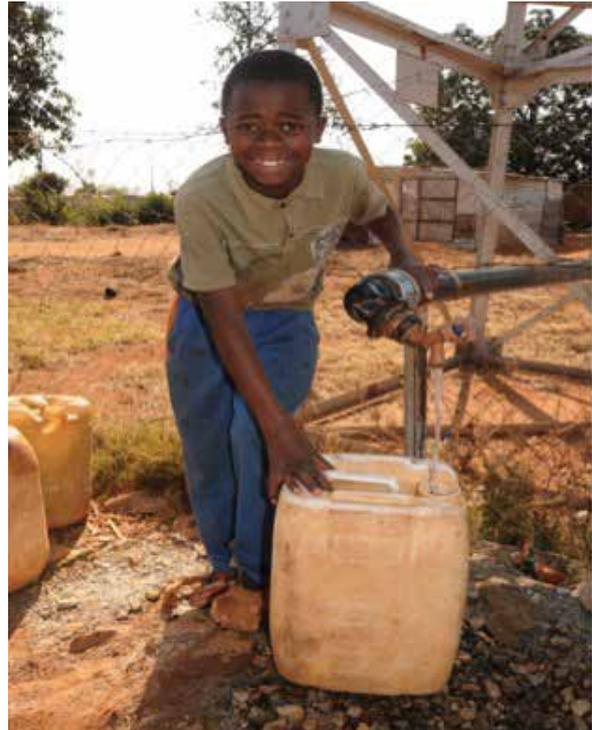


PHOENIX PLATINUM

Phoenix Platinum identified five feeder communities as community stakeholders. The management team regularly visits the communities and liaises closely with the ward councillors on the needs of the communities.

The lack of potable water was identified as a primary need for these communities and a decision was reached with the ward councillor to address this challenge through constructing a solar powered borehole. This borehole was commissioned during the prior financial year and provides clean and free water to 40 households. During 2014, Phoenix Platinum handed over a second solar powered borehole to the Modderspruit/Bapong community at the local community hall which is the water source for 50 families.

The community members pay for municipal water supplied by water trucks. Our small token goes a long way in making life easier for some families.



THE ENVIRONMENT



Environmental objectives:

- Zero damage to the environment
- Zero penalties
- Establish a baseline for reducing carbon footprint
- Ensure compliance with water use licences and eliminate discharge overflows

We are committed to responsible stewardship of natural resources and the ecological environment by eliminating or minimising the negative impacts of our operations on the environment. Environmental management is well entrenched in management practices throughout the group. We strive to continually improve our environmental performance.

In terms of our group ethos we specifically endeavour to:

- minimise the use of consumptive resources and promote the reuse, reduction and recycling of waste products where possible;
- rehabilitate disturbed land and protect environmental biodiversity;
- exercise prudence with critical ecological resources, in particular where impacts are unknown or uncertain;
- manage environmental risks in the workplace and surrounding areas;
- comply with relevant legal and other environment-related requirements to which the group subscribes;
- train employees and make them continually aware of environmental aspects; and
- be transparent and constructive in interactions with stakeholders.

The group acknowledges that with the proposed introduction of carbon tax, expected to be promulgated as law next year, the group's environmental monitoring must develop a baseline to ensure an accurate and complete determination of its emissions by 2016.

During the year no fines were received for any environmental breach. There was one minor incident of contaminated overflow water reported at Evander Mines. The contaminated water from the Kinross Kariba dam overflowed into the Grootspuit river as a result of a pump failure. Water up and downstream was monitored for contamination and remedial actions were implemented to prevent a recurrence.

The group is cognisant of climate change and extreme weather conditions. Heavy rainfall presents the most probable risk in this regard. During the year Sheba Mine at Barberton Mines experienced flooding which resulted in operational delays for approximately 19 days. A climate change policy is integrated into the group SHEQC policy. All indicators impacted by climate change are regularly monitored by the operations. Baselines for monitoring were set in 2013 and indicators are being measured against these. This baseline is used to set targets going forward.

Waste dump design and management as well as pumping of underground water are part of the day-to-day activities of the mines. Neither of these risks are deemed to have a significant financial impact on the group.

Environmental impact assessments have been conducted and impact registers are available for each operation. The operations review their risk/impact registers on a quarterly basis.

All operations have assessed the environmental risk associated with the transport of goods and materials and established that there were no significant environmental impacts from these activities. Any cyanide which is transported to Barberton Mines and Evander Mines is transported by a supplier-approved transporter. Hazmat trailers are stationed on site at Barberton Mines, BTRP and Evander Mines to deal with any spillage.

An assessment was conducted to determine radiation sources at the group's operations. At Barberton Mines no radiation sources were identified. Evander Mines is the holder of Certificate of Registration (COR 046) issued by the National Nuclear Regulator. Certificates of registration are issued to holders based on worker hazard assessments and public hazard assessments. The Evander Mines operations are classified as low risk operations, due to the low levels of radiological exposure. Radiation levels at Evander Mines are monitored on a quarterly basis.

All operations have closure plans in place.

THE ENVIRONMENT (continued)



The group's expenditure on environmental protection is set out below:

	Barberton Mines		Evander Mines		Phoenix Platinum		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
	ZAR	ZAR	ZAR	ZAR	ZAR	ZAR	ZAR	ZAR
Pollution control and prevention	996,963	780,591	744,761	165,537	222,686	217,856	1,964,410	1,163,984
Rehabilitation	457,780	913,085	182,227	35,408	–	–	640,007	948,493
Environmental – operational	604,287	26,774	548,824	786,490	45,590	1,497,039	1,198,701	2,310,303
Total	2,059,030	1,720,450	1,475,812	987,435	268,276	1,714,895	3,803,118	4,422,780

Rehabilitation trust fund:

	Barberton Mines ZAR	Evander Mines ZAR	Total ZAR
Opening balance	36,101,471	218,673,956	254,775,427
Fair value adjustment	1,843,175	5,158,602	7,001,777
Total	37,944,646	240,459,170	278,403,816

The rehabilitation trust fund had a balance of ZAR278.4 million (2013: ZAR254.8 million) at year-end, which increased by ZAR23.6 million as a result of growth in investments. The rehabilitation trust fund's amount is invested in interest-bearing short-term investments and medium-term equity linked notes issued by commercial banks.

EMPs

Internal and external EMP performance assessments were conducted at all operations to ensure compliance.

BARBERTON MINES

The updated EMP as per the Mineral and Petroleum Resources Act was submitted to the DMR in 2010 and re-submitted in January 2014. The 2001 EMP remains valid in the interim pending the DMR's approval of the amended plan.

Environmental training is conducted during induction, with refresher training, when employees return from leave. In addition there is monthly awareness training focusing on varying specific topics.

EVANDER MINES

The operation's EMP was approved by the DMR during September 2013. It was subsequently amended to remove No. 6 Shaft from the mineral rights area as it is now owned by another mining company.

PHOENIX PLATINUM

Phoenix Platinum operates within the mining area of IFM and must comply with IFM's mining licence conditions and EMP. Compliance is monitored through internal annual audits and an onsite action register to track environmental incidents.

The Environmental Impact Assessment (EIA) for a new tailings storage facility has been approved.

THE ENVIRONMENT (continued)



WATER MANAGEMENT

All operations hold water use licences issued by the Department of Water Affairs, with the exception of Sheba Mine which is currently awaiting approval.

Contamination of water sources is considered our most significant risk in terms of negatively impacting on local communities. Drilling and blasting underground releases ground water, which is then pumped to surface where it is recycled for use in the mining or metallurgical processes in a closed circuit any excess water is evaporated in approved ponds. Rain water collected on tailings dams and in pollution control dams is considered as part of the mine water system.



Stream/river monitoring



Ground water monitoring

Water quality

Water quality in the areas surrounding operations is vigilantly monitored and managed and is a key element in the respective EMPs. Surrounding surface and ground water is monitored to prevent water being discharged into the environment. The discharges of water by our operations via controlled releases into the environment are predetermined through regulatory requirements in line with our water use licences.

Mining operations at Barberton Mines are designed to use as little clean water as possible. Potable water is extracted from boreholes and used for drinking purposes.

Surplus water from underground operations is pumped to tanks and tailings dams where silt is settled out and the water is then re-used in the metallurgical plant. During the year one of the three dams was de-silted, increasing capacity to generate re-usable water.

A geo-hydrological assessment was conducted to determine if any acid mine seepage is present at Barberton Mines and Evander Mines. The results show an average pH level of 7.528 for Barberton Mines and an average pH level of 7.0 for Evander Mines. Acid mine drainage is therefore not evident at either of the operations.

THE ENVIRONMENT (continued)



Water withdrawal by source (000m³)

Water source	Barberton Mines		Evander Mines		Phoenix Platinum		Total	
	2014	2013	2014	2013*	2014	2013	2014	2013
Ground – ex mine								
Ground – Domestic (000m ³)	1,475	1,579	3,480	1,142	–	–	4,955	2,721
Rainwater Domestic River (000m ³)	123	224	8,246	1,409	–	–	8,369	1,633
Purchased (municipality) (000m ³)	–	–	1,146	430	15	21	1,161	451
Total water used for primary activity (000m ³)	1,598	1,803**	12,872	2,981	15	21	14,485	4,805
Re-used (untreated) %	69.7	22.0	10.0	26.0	100***	100***	59.9	49.3
Treated then re-used %	5.98	8.0	n/a	n/a	100***	100***	53.0	54.0

* Evander Mine figures were only for four months in FY2013.

** Previously stated as 1,943 due to calculation error.

*** Water is recycled IFM.

ENERGY CONSUMPTION

Following the significant increases in the cost of electricity over the past few years, this cost is set to increase above inflation rates due to the predicted electricity price increases in coming years. In addition the proposed carbon tax is expected to be promulgated as law next year. As a result the group has implemented a number

of projects/programmes at the operations aimed at reducing energy costs in line with the baseline set in the 2013 Sustainability Report. Operations will continue to create awareness through induction and promotional programmes.

Energy consumption by primary source

	Barberton Mines (including BTRP)		Evander Mines		Phoenix Platinum		Total	
	2014	2013	2014	2013*	2014	2013	2014	2013
Direct energy consumption								
Petrol (GJ)	1,461	1,753***	1,866	512	1	–	3,328	2,265
Diesel (GJ)	26,097	25,270***	21,178	5,215	4,831	1,804	52,106	32,289
Indirect energy consumption								
Electricity (GJ)	422,602	338,270	909,722	327,475**	12,541	22,855	1,344,865	688,600

* Evander Mine figures were only for four months in FY2013.

** Incorrectly stated as 245,008 in 2013 Sustainability Report.

*** Barberton Mines petrol and diesel figures were incorrectly stated in 2013FY.

THE ENVIRONMENT (continued)



ENERGY CONSUMPTION (continued)

BARBERTON MINES

Solar panels were erected at Fairview Mine to supply electricity to a number of houses. Solar powered geysers were installed to supply hot water to, *inter alia*, change rooms at the operations.

Wherever possible, equipment has been fitted with energy-efficient motors. In addition, highly consumptive equipment is operated sparingly and only when necessary.



EVANDER MINES

In the refurbishment of the hostel, the hot water system was changed to reduce energy usage. In addition, the compressed air supply system was optimised to allow for delivery on demand. Energy-saving or fluorescent lights have been installed wherever possible.

PHOENIX PLATINUM

The CTRP bead mill power consumption was reduced by changing the operating philosophy by targeting grind efficiency. Daily samples are taken to measure the grind efficiency which is then used to control bead addition and reduce power consumption.

THE ENVIRONMENT (continued)



EMISSIONS

Emissions at all operations are closely monitored and tracked. The group applied the GHG Protocol and emissions factors published by Eskom, to establish the direct and indirect emissions.

Air quality management

Air quality risks are managed in line with National Environmental Management Act, National Environmental Management: Air Quality Act, Department of Environmental Affairs guidelines and World Health Organisation guidelines to ensure that air quality remains within legal limits. Ambient air monitoring (fall out dust emission) is conducted at all operations to measure the impact on human health and surrounding communities. All operations have implemented dust monitoring and control programmes. The dust

fall out rates are within legal requirements at all operations.

The NO_x and SO_x air emissions have been assessed at all operations and found to be below the trigger point for the requirement of an air pollution licence.



Dust fall out monitoring

GHG emissions

	Barberton Mines		Evander Mines		Phoenix Platinum		Total	
	2014	2013*	2014	2013*	2014	2013	2014	2013
Direct GHG emissions (tCO ₂ e)	2,125	2,049**	1,762	423	358	134	4,245	2,606**
Indirect GHG emissions (tCO ₂ e)	123,036	103,665**	262,044	94,117	3,946	6,157	389,026	203,939
Emissions per unit of production (tCO ₂ e/t milled)	0.1	0.3	0.4	0.5	–	–	0.5	0.8
Emissions per unit of production (tCO ₂ e/oz Au sold)	0.5	1.1	1.7	2.7	0.5	1.0	2.7	4.8

* Evander Mines figures were only for four months in FY2013.

** 2013FY figures correction.

THE ENVIRONMENT (continued)



WASTE MANAGEMENT

Waste at our operations is managed in line with our group SHEQC policy and the legal requirements in terms of the National Environmental: Waste Act, 59 of 2008, and the National Waste Management Strategy. The operations apply the “3Rs” – reduce, reuse and recycle – principle to reduce the impact of waste production on the communities’ health and the environment. Internal audits are conducted to ensure compliance to internal procedures. All waste is disposed of in a responsible manner and sent for recycling where applicable. Waste disposal suppliers are appropriately certified.

Cyanide represents the potentially most hazardous substance at both Barberton Mines and Evander Mines. Waste cyanide is disposed of in terms of the South African code for cyanide management and to the satisfaction of the supplier.

All three of the group’s operations have tailings management plans in place. Tailings Storage Facilities (TSF) are subjected to continual physical modelling and engineering design to minimise potential impacts on the environment.

The group uses Material Safety Data Sheets to identify and manage potentially hazardous materials and waste. There were no significant spills at any of the operations during the year.

Materials used by volume

Materials used/waste produced by weight or volume	Barberton Mines		Evander Mines		Phoenix Platinum		Total	
	2014	2013	2014	2013*	2014	2013	2014	2013
Tailings ¹ (tonnes)	815,736	–	–	–	251,182	274,190	1,066,918	274,190
Tailings ² (tonnes)	177,523	310,484	726,427	225,619	–	–	903,950	536,103
Waste rock ³ (tonnes)	–	–	–	–	–	–	–	–
Underground sources milled (tonnes)	263,574	274,398	395,128	127,957	–	–	630,576	402,355
Surface sources milled (tonnes)	28,547	36,086	260,901	74,428	–	–	289,448	110,514
Timber (tonnes)	731	697**	4,475	1,526	–	–	5,206	2,223
Explosives (tonnes)	529	476**	374	131	–	–	903	607
Cyanide (tonnes)	1,978	593**	236	73	–	–	2,214	666
Lubricating oil (litres)	78,725	74,025**	134,042	53,105	210	5	212,977	127,135
Hydraulic oil (litres)	65,100	76,390**	34,813	6,510	–	–	99,913	82,900
Petrol (litres)	44,358	53,223**	56,655	15,544	35	–	101,048	68,767
Diesel (litres)	717,358	694,636**	582,149	143,348	132,786	49,598	1,432,293	887,582

* Evander Mines figures were only for four months in FY2013.

** Barberton Mines figures for Timber, Explosives, Cyanide, Lubricating oil, Hydraulic oil, Petrol and Diesel were incorrectly stated in 2013FY.

¹ Tailings (tonnes) generated from tailings retreatment plants (BTRP and Phoenix Platinum).

² Tailings (tonnes) generated from run of mine and surface material.

³ Waste rock (tonnes) hoisted to surface.

BARBERTON MINES

The majority of waste rock is used as back-filling operations underground and not hoisted to surface therefore the mine does not have any active waste dumps.

Retreated tailings are deposited in approved storage facilities.

All other waste is removed by an accredited waste recycling contractor. Barberton Mines recycled 356 tonnes of steel during the year.

THE ENVIRONMENT (continued)



EVANDER MINES

Waste rock at Evander Mines is blended underground with the reef ore and hoisted to surface as a single product for treatment in the metallurgical plant. The historical waste dumps at Evander Mines are crushed by a contractor and sold as aggregate.

During the year 1,265 tonnes of steel, 82 tonnes of timber and 145 tonnes of plastic and PVC were recycled. Waste is sorted at a central salvage yard and disposed of at Secunda Municipal Solid Waste Disposal site, where possible, or removed by recycling companies.

Hazardous waste is disposed of at registered hazardous waste sites, medical waste is collected by an accredited contractor and disposed of accordingly and used oil and grease are sold to oil recycling companies for refining.

PHOENIX PLATINUM

At Phoenix Platinum tailings from the plant are deposited into an approved tailings storage facility at IFM. These storage areas will be rehabilitated at the end of the LOM.

BIODIVERSITY

The majority of the group's activities are conducted underground. A biodiversity assessment has been conducted at all operations, identifying the tailings and pollution control dams as having the highest potential impact on biodiversity. No significant impacts on biodiversity resulting from the group operations were identified during the reporting period. The operations programme for biodiversity includes eradication and treating of alien species.

Evander Mines and Phoenix Platinum are not within, or adjacent to protected areas or areas of high biodiversity, although the area in which Barberton Mines is situated is a protected conservatory

area. During the year the mine rehabilitated an area of land by removing and treating alien plant species. Evander Mines is situated adjacent to a biodiversity corridor; which is far removed from where operations are currently conducted. Going forward the operation will assess the need to implement a biodiversity plan in this regard.

The DMR conducts annual assessments of biodiversity needs.

None of the mines have ICUN RED list species in the areas affected by the operations.

Total land disturbed or rehabilitated

	Barberton Mines		Evander Mines		Phoenix Platinum	
	2014	2013	2014	2013	2014	2013
	No new disturbed areas					
Total area disturbed (owned) (km ²)		72.6	7.9	42.0	Operates on IFM property	Operates on IFM property
Area rehabilitated (km ²)	4.8	0.2	–	0.4	Operates on IFM property	Operates on IFM property



Land management

Except for at Phoenix Platinum, Pan African Resources owns all the land on which it operates totalling 14,235.6 ha. The group is committed to ensuring this land is managed in an environmentally safe manner.

DEFINITIONS, ABBREVIATIONS AND GLOSSARY

Abbreviation	Definition
AET	Adult Education Training
AIDS	Acquired Immune Deficiency Syndrome
AMCU	Association of Mineworkers and Construction Union
ART	Anti-retroviral therapy
ARV	Anti-retroviral, a pharmaceutical drug prescribed in the treatment of HIV/Aids
B-BBEE	Broad based black economic empowerment
Barberton Mines	Barberton Mines (Pty) Limited
BIOX®	The Biological Oxidation (BIOX®) gold extraction process was developed at Barberton Mines. It is an environmentally friendly process of exposing gold for subsequent cyanidation from the sulphide minerals that surrounds it by using bacteria
the board	The board of directors of Pan African Resources PLC
BTRP	Barberton Tailings Retreatment Plant, a gold recovery tailings plant owned by Barberton Mines which commenced production in FY2014
CEO	Chief Executive Officer. Pan African Resources' CEO is Ron Holding (appointed 9 September 2013)
CTRP	Chrome tailings retreatment plant
CSI	Corporate social investment
the current year	The year ending 30 June 2015
db(A)	Decibels, a measurement of sound intensity over the standard threshold of hearing
DMR	Department of Mineral Resources in South Africa
DWA	Department of Water and Environmental Affairs in South Africa
DPM	Diesel Particulate Matter
EMP	Environmental management plan
ETRP	Evander Tailings Retreatment Plant, approved during the year and expected to commence production by January 2015
Evander Mines	Evander Gold Mines Limited, acquired by the group in March 2013
EXCO	Executive committee of Pan African Resources PLC
FIFR	Fatality Injury Frequency Rate
FOG	Fall of Ground
g/t	grams/tonne
GHGs	Greenhouse gases
HIV	Human Immunodeficiency Virus
IFM	International Ferro Metals (SA) (Pty) Limited, with which Phoenix Platinum concluded a formal CTRP agreement. Phoenix Platinum operates from IFM's Lesedi Mine
ICUN	International Union for Conservation of Nature
IRCA	International Risk Control Academy
ISO	International standards organisation
koz	Kilo ounces
KPIs	Key Performance Indicators – a set of quantifiable measures that a company or industry uses to gauge or compare performance in terms of meeting their strategic and operational goals
LED	Local Economic Development
LOM	Life of mine
LTI	Lost Time Injury

DEFINITIONS, ABBREVIATIONS AND GLOSSARY

Abbreviation	Definition
LTIFR	Lost Time Injury Frequency Rate
MHSA	Mine Health and Safety Act, 29 of 1996
Metanza	B-BBEE company Metanza Mineral Processors operates the CTRP at Phoenix Platinum under contract to Pan African Resources
MOSH	Mining Industry Occupational Safety and Health
Moz	Million ounces
MQA	Mining Qualifications Authority
NOSA	National Occupational Safety Association
NGO	Non-governmental organisation
NIHL	Noise-Induced Hearing Loss
NOx	Nitrogen Oxides
NPAT	Net Profit After Tax
NUM	National Union of Mineworkers
OEL	Occupational Exposure Limits
Pan African Resources, the group or the company	Pan African Resources PLC, listed on the LSE's AIM and on Main Board JSE in "Gold Mining"
PPE	Personal protective equipment
PGE	Platinum Group Elements
pH level	The pH scale measures how acidic or basic a substance is. The pH scale ranges from 0 to 14. A pH of 7 is neutral. A pH less than 7 is acidic.
Phoenix Platinum	Phoenix Platinum Mining (Pty) Limited, subsidiary of Pan African Resources
PVC	Polyvinyl chloride
the previous year	the year ended 30 June 2013
RIFR	Reportable Injury Frequency Rate
Shanduka or Shanduka Group	Shanduka Group (Pty) Limited, Pan African Resources' black empowerment partner, which holds a 23.8% stake in the group via wholly-owned subsidiary Shanduka Gold (Pty) Limited
SHEQC	Safety, health, environment, quality and community
SLP	Social and Labour Plan
SOx	Sulphur Oxides
Sporotrichosis	A disease caused by the infection of the fungus sporothrix schenckii, which occurs at Barberton Mines
t	Tonnes
TB	Pulmonary tuberculosis
TMM	Trackless Mobile Machine
TRIFR	Total Recordable Injury Frequency Rate
UASA	United Association of South Africa
VCT	Voluntary counselling and testing (iro HIV/Aids)
the year or the year under review	The year ended 30 June 2014



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