Pan African Resources PLC
('Pan African Resources' or the 'company' or the 'group')
(Incorporated and registered on 25 February 2000 in England and Wales
under the Companies Act 1985, registration number 3937466)
Share code on AIM : PAF
Share code on JSE : PAN
ISIN : GB0004300496

Provisional audited results for the year ended 30 June 2016 and final dividend announcement

Cobus Loots, CEO of Pan African Resources commented: "The Pan African Resources group delivered an outstanding set of results for the 2016 financial year. These results include a year of record gold production and profits and the largest dividend payment to date.

Our gold mining operations delivered exceptional results, producing in excess of 200,000oz of gold for the financial year. The performance from Evander Mines, in particular, demonstrated the potential of the operation, with production increasing by 30.8% year-on-year. Results were also assisted by the Rand gold price and a full year's production from the Evander tailings retreatment plant.

Our robust financial position, well-established cash-generative operations, decentralised hands-on management structure and cost-conscious culture differentiate us from our peers. These attributes give Pan African Resources a competitive advantage for further growth through our project pipeline and also position the group to capitalise on potential acquisition opportunities."

Key features reported in South African Rand ('ZAR or R') and Pound Sterling ('GBP')

Financial key features
- The group's profit after taxation in ZAR terms increased by 160.2% to R547.0 million (2015: R210.2 million), while in GBP terms, the group's profit after taxation increased by 117.9% to GBP25.5 million (2015: GBP11.7 million).
- Earnings per share ('EPS') increased by 163.1% to 30.20 cents per share (2015: 11.48 cents per share), while in GBP terms, EPS increased by 120.3% to 1.41 pence per share (2015: 0.64 pence per share).
- Group revenue increased by 43.1% to R3,632.8 million (2015: R2,539.4 million) as a result of the materially improved operational performance, the higher prevailing effective ZAR gold price and the incorporation of the Uitkomst Colliery ('Uitkomst') revenue.
- The Pan African Resources' board of directors ('board') has proposed an increased final dividend of R300 million or approximately GBP16.0 million (2015: R210 million or GBP9.7 million), equating to R0.15438 per share or approximately 0.82338 pence per share (2015: R0.11466 per share or 0.53108 pence per share). This dividend is subject to approval at the annual general meeting ('AGM'), which will take place on 25 November 2016. (note 1)
- The group completed the Shanduka Gold Pty Ltd ('Shanduka Gold') transaction which resulted in the company acquiring an effective 23.8% (post dilution 22.5%) of its issued shares on 7 June 2016 for a total consideration of R546.9 million. Shanduka Gold is, from an accounting perspective, deemed to be controlled by Pan African Resources and Shanduka Gold's full shareholding of 436.4 million shares in Pan African Resources will eliminate upon consolidation. Shanduka Gold has been subsequently renamed to PAR Gold Pty Ltd ('PAR Gold').

Operational key features
- Group delivered record gold production, with gold sales increasing by 16.5% to 204,928oz (2015: 175,857oz).
- Effective ZAR gold price received increased by 21.6% to R542,850/kg (2015: R446,274/kg), however in USD terms it decreased to USD1,164/oz (2015:USD1,212/oz).
- All-in sustaining cost per kilogramme increased marginally in ZAR terms to R405,847/kg (2015: R402,221/kg), however in USD terms all-in sustaining cost per ounce decreased to USD870/oz (2015:USD1,093/oz).
- The group concluded the acquisition of Uitkomst for a cash purchase consideration of R148 million effective 31 March 2016. Uitkomst contributed R11.4 million to the group's profit after taxation in the current year.
- The group's gold resources increased to 34.9Moz (2015: 31.9Moz).
- The group regrets to report one fatality during the year under review (2015: one fatality).

Movement	Year ended 30 June 2016	Year ended 30 June 2015	Metric	Summary of key features	Metric	Year ended 30 June 2016	Year ended 30 June 2015	Movement
16.5%	6,374	5,470	(Kilogrammes)	Gold sold	(Oz)	204,928	175,857	16.5%
43.1%	3,632.8	2,539.4	(R millions)	Revenue	(GBP millions)	169.4	141.1	20.1%
21.6%	542,850	446,274	(R/kg)	Average gold price received	(USD/oz)	1,164	1,212	(4.0%)
(3.2%)	338,242	349,410	(R/kg)	Cash costs	(USD/oz)	725	949	(23.6%)
0.9%	405,847	402,221	(R/kg)	All-in sustaining costs	(USD/oz)	870	1,093	(20.4%)
(3.5%)	410,206	425,084	(R/kg)	All-in costs	(USD/oz)	879	1,155	(23.9%)
89.3%	969.5	512.1	(R millions)	Adjusted EBITDA (note 2)	(GBP millions)	45.2	28.4	59.2%

160.2%	547.0	210.2	(R millions)	Profit after taxation	(GBP millions)	25.5	11.7	117.9%
156.1%	547.1	213.6	(R millions)	Headline earnings	(GBP millions)	25.5	11.9	114.3%
163.1%	30.20	11.48	(cents)	EPS	(pence)	1.41	0.64	120.3%
158.8%	30.20	11.67	(cents)	Headline earnings per share ('HEPS')	(pence)	1.41	0.65	116.9%
5.8%	339.6	321.1	(R millions)	Net debt	(GBP millions)	17.2	16.6	3.4%
9.7%	265.7	242.3	(R millions)	Total sustaining capital expenditure	(GBP millions)	12.4	13.5	(8.1%)
(14.1%)	302.4	352.0	(R millions)	Total capital expenditure	(GBP millions)	14.0	19.6	(28.6%)
27.6%	190.8	149.5	(cents)	Net asset value per share	(pence)	10.0	8.0	25.0%
(1.0%)	1,811.40	1,830.40	(millions)	Weighted average number of shares in issue	(millions)	1,811.40	1,830.40	(1.0%)
26.7%	14.51	11.45	(R/USD)	Average exchange rate	(R/GBP)	21.45	18.00	19.2%
20.3%	14.78	12.29	(R/USD)	Closing exchange rate	(R/GBP)	19.78	19.30	2.5%

Note 1: The GBP proposed final dividend was calculated based on 1,943,206,554 total shares in issue and an illustrative exchange rate of R18.75:1. Shareholders on the London register are to note that a revised exchange rate will be communicated prior to approval at the AGM.
Note 2: Adjusted EBITDA is represented by earnings before interest, taxation, depreciation and amortisation, impairments and loss on disposal of associate.

CEO STATEMENT

The past year has been an exceptionally successful period for Pan African Resources and for most of our stakeholders. The group has delivered a year of record gold production and profits and successfully concluded the Shanduka Gold transaction. This transaction enables the group to preserve and protect its black economic empowerment ('BEE') status on an earnings accretive basis. Despite maintaining our focus on gold assets, the finalisation of the Uitkomst acquisition provides an opportunistic expansion into the coal sector and a natural hedge against rising energy prices. The group also benefitted from the rising USD gold price and rand depreciation, which factors resulted in a bull market in gold at the beginning of 2016. At the end of the financial year, the spot gold price closed at USD1,325/oz – an increase of approximately 25% from the prior year end. The combined impact of the group's excellent operating performance and favourable economic conditions resulted in an outstanding financial performance. Our share price reflected this positive momentum, with a year-end price of R3.75 and 0.19 pence per share.

We continue to acknowledge our shareholders' desire for an attractive cash return on their investment. To this end, the Pan African Resources board is pleased to recommend the largest ever dividend payment of R300 million (GBP16.0 million) for approval at the upcoming AGM. We have also revisited our dividend policy, as detailed below, to provide the market with more certainty on future payments and to ensure that our dividend is sustainable.

Notwithstanding the impact of these favourable tailwinds, we continue to be mindful that the local and global mining industry remains a challenging operating environment. Certain analysts believe the higher gold price should not only be attributed to factors such as the market view that interest rates will remain at record lows and the recent decision by the United Kingdom ('UK') to exit the European Union ('EU'), but also predict a continued period of geopolitical uncertainty that could result in increased global instability and volatility. Locally, South Africa faces a possible sovereign credit rating downgrade to sub-investment grade as well as heightened political tension, which could lead to further depreciation in the ZAR. It is therefore vital that we remain vigilant and continue to look for opportunities to differentiate ourselves and continue to further profitably grow our business and provide shareholder returns in the form of dividends and capital appreciation in our share.

Safety

Regrettably, we experienced a regression in our group safety accident rates at Evander Mines. In particular the lost-time injury frequency rate ('LTIFR') and reportable-injury frequency rate ('RIFR') increased. The safety of our people is our main concern, and we are actively pursuing measures to reduce injury frequency rates by, inter-alia, stepping up management oversight, technological enhancements, training and control of safety across all operations.

Safety remains a focus at all our operations and we endeavour to ensure the group's culture, behaviour and values align to our safety objectives. However, we regret to report that one of our employees, Mr JA Muxhanga, was fatally injured at Evander Mines on 26 June 2016 following a tramming accident. Pan African Resources' management and board express their sincere condolences to the family, friends and colleagues of Mr Muxhanga.

Production highlights and challenges

We are pleased to report the excellent operational performance across our gold mining operations. Total gold production was 204,928oz, with Barberton Mines contributing 113,281oz and Evander Mines contributing a total of 91,647oz. Underground head grades at Barberton Mines improved to 11.0g/t (2015: 10.9g/t), while head grades at Evander Mines improved to 5.7g/t (2015: 4.6g/t). We also delivered important operational improvements at Evander Mines, with gold sales and revenue increasing significantly. In addition, the Evander tailings retreatment plant ('ETRP') assisted our production growth by achieving full nameplate capacity, producing 18,151oz of gold from tailings and surface feedstock material.

Uitkomst produced 87,538 tonnes of coal from its underground operations, and acquired 48,564 tonnes of coal for further processing and blending, resulting in total coal sold of 136,102 tonnes.

Phoenix Platinum's performance was hampered by the business rescue proceedings announced by International Ferro Metals Limited in August 2015 regarding its South African subsidiary, International Ferro Metal (SA) Proprietary Limited ('IFMSA'), as well as the drought and associated water shortages affecting re-mining and processing. In terms of a 2010 agreement between Pan African Resources and IFMSA, Phoenix Platinum, which is situated on IFMSA property, obtained a portion of its feedstock from IFMSA's processing activities, as well as electricity, water and other services. In terms of the 2015 business rescue proceedings, Samancor Chrome Limited was selected as the successful bidder to acquire IFMSA's assets and subsequently nominated its subsidiary, TC Smelters Proprietary Limited ('TC Smelters'), as the acquirer of the IFMSA business and assets. In July 2016, Pan African Resources reached an agreement with TC Smelters, assigning the tailings treatment agreement to TC Smelters. Although the agreement does not guarantee current arising feedstock to Phoenix Platinum– this will be dependent on the manner in which TC Smelters uses the IFMSA assets – it places Phoenix Platinum in a better position where it should be able to continue operations under similar conditions to those prior to the business rescue proceedings. Further, it ensures that Phoenix´s Platinum operations and interests are safeguarded. Phoenix Platinum also has alternative sources of feedstock, which are currently being processed.

Wage negotiations successfully concluded
The group successfully concluded its gold wage negotiations during October 2015, with Barberton Mines securing a two year agreement ending in June 2017 and Evander Mines securing a three year agreement ending in June 2018.

Mineral reserves and resources
We recognise that, together with our people and infrastructure, our mineral reserves and resources are a key asset to the group. In the year under review, the group's total gold resources increased by 9.4% to 34.9Moz (2015: 31.9Moz).

The group's mineral resources and reserves are summarised as follows:
- Gold reserves decreased to 10.0Moz (2015: 10.4Moz), we plan to increase these reserves in the next financial year
- Gold resources increased to 34.9Moz (2015: 31.9Moz)
- PGE reserves decreased 0.2Moz (2015: 0.5Moz)
- PGE resources remained at 0.6Moz (2015: 0.6Moz)
- Coal resources were 23.3Mt

We use what we deem to be a conservative ZAR gold price estimate when modelling reserves and resources, and in the current year reserves were modelled at R450,000/kg and gold resources at R550,000/kg.

Corporate activity
Shanduka Gold (now PAR Gold) is Pan African Resources' primary BEE shareholder, with its sole assets being a 22.5% interest in Pan African Resources' issued share capital (post conclusion of the Shanduka Gold transaction) and a notional vendor loan of R558 million to its BEE shareholder, the Mabindu Business Development Trust ('Mabindu Trust') as at 30 June 2016. Following a merger between Shanduka Group Proprietary Limited and the Pembani Group Proprietary Limited in December 2015, Pan African Resources engaged with Shanduka Gold shareholders and concluded an agreement to assist in preserving the group's BEE ownership in a meaningful and mutually beneficial manner by means of an acquisition of a material interest in Shanduka Gold. Prior to the transaction with Pan African Resources, Shanduka Gold's shareholders were Standard Bank of South Africa Limited ('Standard Bank') (16.9%), Jadeite Limited (33.6%) and the Mabindu Trust (49.5%). Pan African Resources acquired Standard Bank's 16.9% and Jadeite Limited's 33.6% interest in Shanduka Gold for R182.5 million and R364.4 million, respectively. Approximately 0.6% of the Shanduka Gold shares acquired from Jadeite Limited have been retained by Jadeite Limited for sale, at a future date, to an independent third party nominated by Pan African Resources. Pursuant to the transactions, Pan African Resources acquired a 49.9% direct interest in Shanduka Gold but consolidates the full interest in Shanduka Gold for accounting purposes.

Pan African Resources assumed effective control of Uitkomst on 31 March 2016 for a cash purchase consideration of R148 million, which was funded from existing debt facilities and internally generated cash flows. The Uitkomst coal mine is situated in Utrecht, KwaZulu-Natal, South Africa and employs 115 plant and administration employees and 326 contractors. It produces approximately 30,000-35,000 tonnes of saleable coal per month from its underground mining operation and has approximately 23.3Mt of coal resources, with an estimated life-of-mine of 22 years at current production rates.

Following receipt of a positive high-level economic and technical assessment of the Elikhulu tailings retreatment project ('Elikhulu') at Evander Mines, the company has mandated DRA Projects (Pty) Limited to complete a definitive feasibility study on the project. The results of the study will be available in November 2016, at which time shareholders will be appraised. Elikhulu will potentially treat slimes at a processing capacity of up to 12 million tonnes per annum, at a head grade of 0.29g/t from the Winkelhaak, Leslie and Kinross tailings storage facilities. The total mineral resource for Elikhulu is 178.7 million tonnes at 0.29g/t (1.7M in-situ ounces) with a life-of-operation of approximately 14 years and 1.7Moz of contained gold. The project is estimated to yield approximately 50,000oz of gold per annum in the initial 8 years of production while treating the Kinross and Leslie tailings storage facilities and then approximately 38,000oz per annum for the remaining 6 years from processing the Winkelhaak tailings storage facility.

The Evander 2010 pay channel is a potentially attractive ore body that runs parallel to the Kinross pay channel and is accessible via Evander Mines 7 Shaft. Harmony Gold historically developed towards the orebody before halting all mining operations on 7 Shaft and allowing flooding of the infrastructure to 18 level. The Evander Mines' 2010 pay channel resources are classified in an inferred category and surface drilling is currently underway to improve confidence in the resource. The initial results of the drilling programme will also be available during November 2016. The 2010 pay channel may offer Evander Mines the possibility of establishing a new mine area without having to incur the cost of sinking a new shaft from surface.

During the next year we will also investigate further medium- to long-term underground production increases from sources such as 9 Shaft and projects such as Evander South at Evander Mines.

Outlook
The group is well positioned to increase profitable production through organic and acquisitive growth, while continuing to create shareholder value.

In the next year, the key focus areas for the group, from an operational perspective, include:

- Safety and compliance across operations.
- Barberton Mines: Renewed focus on creating additional flexibility and efficiencies to improve tonnages mined and gold produced from underground operations. The management team is currently considering options to improve the future tonnage output at Fairview Mines' deeper levels and assessing future exploration targets.
- Evander Mines: The operation will continue to invest in development capital expenditure to ensure improved flexibility is achieved to maintain current levels of production.
- Phoenix Platinum aims to optimise resources from Elandskraal and Kroondal to maintain and improve production and cash flows.
- Uitkomst will focus on ensuring that stable production is maintained and review the possibility of expanding run-of-mine production to 900,000t per annum.

From an internal growth perspective, the following opportunities will be prioritised:
- Finalising the feasibility study on the Elikhulu project and, if the feasibility is successful, progressing towards full-scale production within two years.
- Drilling the Evander 2010 pay channel for grade continuity and assessing options to exploit this orebody.
- Assessing further growth projects at Evander Mines.

The group will also continue to evaluate acquisitive gold opportunities. Any project considered will however be subject to the group's stringent capital allocation criteria, which requires any investment to be in a position to contribute profitable production ounces within a short- to medium-term timeframe and deliver the requisite returns to our shareholders.

Financial performance

Exchange rates and their impact on results

All of the group's subsidiaries are incorporated in South Africa and their functional currency is ZAR. The group's business is conducted in ZAR and the accounting records are maintained in this same currency, with the exception of precious metal product sales, which are conducted in USD prior to conversion into ZAR. The ongoing review of the operational results by executive management and the board is also performed in ZAR.

The group's presentation currency is GBP due to its ultimate holding company, Pan African Resources, being incorporated in England and Wales and being dual-listed in the UK and South Africa.

In the year under review the average ZAR/GBP exchange rate was R21.45:1 (2015: R18.00:1) and the closing ZAR/GBP exchange rate was R19.78:1 (2015: R19.30:1). The year-on-year change in the average and closing exchange rates of 19.2% and 2.5%, respectively, must be taken into account for the purposes of translating and comparing year-on-year results.

The group records its revenue from precious metals sales in ZAR, and the deterioration in the value of the ZAR/USD exchange rate during the year had a compensating effect on the weaker USD metals revenue received. The average ZAR/USD exchange rate was 26.7% weaker at R14.51:1 (2015: R11.45:1).

The commentary below analyses the current and prior period's results. Key aspects of the group's ZAR results appear in the body of this commentary and have been used as the basis against which its financial performance is measured. The gross GBP equivalent figures can be calculated by applying the exchange rates as detailed above.

Analysing the group's financial performance

Revenue

The group's revenue, year-on-year, increased by 43.1% to R3,632.8 million (2015: R2,539.4 million). The increase was predominantly due to:
1) Gold ounces sold increased by 16.5% to 204,928oz (2015: 175,857oz).
2) The average ZAR gold price received by the group increased by 21.6% to R542,850/kg (2015: R446,274/kg), as a result of the weakening of the ZAR/USD exchange rate.
3) Consolidation of Uitkomst revenue of R98 million, effective from 1 April 2016.

The increase in the average ZAR gold price was due to the following movements:
1) The group realised an average gold price of USD1,164/oz, a decrease of 4.0% from the USD1,212/oz achieved in the prior reporting period.
2) The average ZAR/USD exchange rate was 26.7% weaker at R14.51:1 (2015: R11.45:1).

Cost of production and realisation costs

The group's total cost of production increased by 16.8% to R2,321.4 million (2015: R1,987.4 million). The group's cost of production incorporated a full year's production costs for the ETRP of R154.8 million (2015: R54.1 million), and Uitkomst coal production costs of R91.8 million (2015: nil).

Pan African Resources' gold cost of production per the statement of comprehensive income increased by 12.3% to R2,155.5 million (2015: R1,919.6 million) as a result of the following:
- The group's gold operations salaries and wages increased by 12.5% to R967.7 million (2015: R860.1 million), predominately due to:
* The increase in salaries and wages following the gold wage agreements of Barberton Mines and Evander Mines.
* Higher production incentives following increased productivity at the gold operations. Barberton Mines' production incentives increased by R13.7 million equating to 1.6% of the total year-on-year increase. Evander Mines' production incentives increased by R4.3 million, contributing an additional 0.5% to the labour costs year-on-year increase.
* The ETRP salary and wage bill increased by R4.7 million, resulting in an additional 0.6% increase year-on-year following a full a production year.
- The group's electricity costs increased by 16.8% to R317.3 million (2015: R271.6 million). The National Energy Regulator of South Africa's approved increases applied to electricity consumption was 12.7% for the year under review. The additional increase was predominantly as a result of the electricity costs associated with the ETRP being in production for the full year, amounting to R9.9 million (2015: R2.1 million).
- The ETRP and associated surface feedstock material cost of production was R154.8 million (2015: R54.1 million) following a full year's production (in the prior year the ETRP cost production related to a four month period only).

The gold cost of production excluding ETRP and surface feedstock was well controlled and increased by 7.2% to R2,000.7 million (2015: R1,865.5 million).

The group's gold cost of production per kilogramme declined by 3.2% to R338,242/kg (2015: R349,410/kg). The decline is attributed to:

- Gold sold increasing by 16.5% to 204,928/oz (2015: 175,857/oz), resulting in a lower unit cost of production.
- Improved head grades mined compared to the previous year, which also impacted the gold sold.

The group's gold all-in sustaining cost of production per kilogram (including direct cost of production, royalties, associated corporate costs and overheads and sustaining capital expenditure) increased by 0.9% to R405,847/kg (2015: R402,221/kg). The group's all-in sustaining costs were primarily impacted by an increase in gold production and the improved head grades, compared to the prior year.

The all-in gold cost per kilogram (sustaining cost of production and once-off expansion capital) declined by 3.5% to R410,206/kg (2015: R425,084/kg), due to the increase in gold production and the completion of the ETRP in the prior year, which contributed R95.1 million in capital costs to the 2015 cost base.

The PGE cost of production increased by 9.3% to R74.1 million (2015: R67.8 million), predominately due to:
- Salaries and wages increasing by 3.1% to R20.2 million (2015: R19.6 million). The Phoenix Platinum employee incentives decreased in the current year following lower production levels.
- Refining and processing costs increased by 10.8% to R48.3 million (2015: R43.6 million), following additional transporting costs to move tailings material from the Elandskraal/Kroondal tailings sites as well as higher chrome refining costs due to a higher chrome prevalence in the tailings processed.
- Electricity costs increased by 13.5% to R4.2 million (2015: R3.7 million).

The groups' realisation costs increased by 65.3% to R20.5 million (2015: R12.4 million) due to additional refining costs associated with the extraction and recovery of gold contained at Evander Mines' processing plants floors.

Depreciation increased by 20.5% to R224.3 million (2015: R186.1 million), following increased charges associated with the commissioning of the ETRP and Evander Mines' 8 Shaft 25 level development.

Other expenditure and income
Barberton Mines entered into a short-term strategic hedge ('the Cost Collar') in July 2015, when the prevailing spot gold price was R440,000/kg, to protect its cash flows and the group's annual dividend against severe adverse movements in the ZAR gold price. During the current reporting period, the group recorded a pre-tax net unrealised mark-to-market fair value loss of R117.6 million on the Cost Collar, offset by a realised Cost Collar derivative income of R3.8 million, resulting in a net pre-tax fair value Cost Collar loss for the year of R113.8 million (2015: pre-tax realised Cost Collar derivative income of R44.8 million). The economic consequence of the mark-to-market fair value adjustment is to lock in revenue on 25,000oz of gold production from Barberton Mines at R625,000/kg (the closing ZAR gold price at 30 June 2016) for the twelve month period commencing 1 October 2016. The group currently only has this gold collar derivative in place.

Pan African Resources' share price increased significantly by 108% to R3.75 from R1.80 during the current reporting period, which resulted in an increase in the group's cash settled share option costs. The pre-tax effect of cash settled share option costs for the current reporting period amounted to R100.6 million (2015: pre-tax R6.1 million gain).

The fair value adjustment of the group's rehabilitation liability resulted in the liability reducing by R38.2 million (2015: increased by R19.7 million). The rehabilitation investment increased by R9.2 million (2015: R33.9 million).

Finance costs decreased to R31.1 million (2015: R44.2 million), following improved cash flows generated to reduce net debt during the year.

Profit after tax and headline earnings
Profit after taxation increased by 160.2% to R547.0 million (2015: R210.2 million) and the corresponding headline earnings increased by 156.1% to R547.1 million (2015: R213.6 million), primarily impacted by the following:
1) Revenue increased by R1,093.4 million supported by higher gold production and an increase in the effective ZAR gold price received.
2) Cost of production increased by R334.0 million.
3) Depreciation increased by R38.2 million following increased charges associated with the commissioning of the ETRP and Evander Mines' 8 Shaft 25 level development.
4) Other income and expenditure increased by R265.8 million, due to the pre-tax net Cost Collar mark-to-market fair value adjustment of R113.8 million (2015: realised cost collar derivative income of R44.8 million), and higher cash settled share option costs linked to the increase in the share price amounting to R100.6 million (2015: R6.1 million gain).
5) Royalty costs increased by R30.4 million linked to the increased gold revenues.
6) Taxation increased by R102.2 million due to the improved operational performance.

EPS and HEPS
The group's EPS in ZAR increased by 163.1% to 30.20 cents (2015: 11.48 cents). The group's HEPS in ZAR increased by 158.8% to 30.20 cents (2015: 11.67 cents). The difference between the EPS and HEPS resulted from adjusting the profit after taxation for the loss on the disposal of fixed assets and the associated impairment on the sale of Auroch Minerals Limited in the prior reporting period. Refer to the statement of comprehensive income for the reconciliation between EPS and HEPS.

The EPS and HEPS is calculated by applying the group's weighted average number of shares to the attributable and headline earnings, which decreased by 1% to 1,811.4 million shares (2015:1,830.0 million shares). The decrease in shares was attributed to eliminating the PAR Gold shares held in Pan African Resources with effect from 7 June 2016.

Headline earnings per share is calculated as follows:

	30 June 2016	30 June 2015	30 June 2016	30 June 2015
	GBP	GBP	ZAR	ZAR
Basic earnings	25,501,817	11,669,967	547,014,018	210,198,254

Adjustments: (note 1)				
Loss on disposal of associate	-	139,970	-	2,429,880
Loss on disposal of property plant, mineral right and equipment	2,767	149	59,360	2,679
Impairments	-	58,424	-	1,014,239
Headline earnings	25,504,584	11,868,510	547,073,378	213,645,052
Headline earnings per share	1.41	0.65	30.20	11.67
Diluted headline earnings per share	1.41	0.65	30.19	11.67

Note 1: The adjustments accounted for, did not have any taxation impact to the group.

Had the Shanduka Gold transaction been effective on 1 July 2015, the number of shares that would have been taken into account for calculating EPS and HEPS would have been reduced as follows:

Pan African Resources' Shares	Shares	% Change
Opening balance shares - 1 July 2015	1,831,494,763	-
Issue of shares – vendor consideration placement	111,711,791	6.1%
Elimination of shares held by Shanduka Gold	(436,358,058)	(23.8%)
Closing balance shares	1,506,848,496	-
Reduction in number of shares	324,646,267	17.7%

Taxation
The group's total taxation charge increased by 137.4% to R176.6 million (2015: R74.4 million) due to higher gold revenues and improved profit margins.

The taxation charge comprised of:
- An increase in the current taxation charge of 113.7% to R206.6 million (2015: R96.7 million).
- A marginal increase in the deferred taxation income to R30.0 million (2015: R22.3 million).

Historical dividends
The group paid a final dividend of R210 million or GBP9.7 million (2014: R258 million or GBP14.9 million) on 24 December 2015 relating to the 2015 financial year, equating to R0.11466 per share or 0.53 pence per share (2014: R0.14100 per share or 0.82 pence per share).

Dividend policy
Pan African Resources aspires to pay a regular dividend to shareholders. In balancing this cash return to shareholders with the group's strategy of generic and acquisitive growth, it believes that a target pay-out ratio of 40% of net cash generated from operating activities, after allowing for the cash flow impact of sustaining capital, contractual debt repayments and also the cash flow impact of once-off items, is appropriate. This measure aligns dividend distributions with the cash generation potential of the business. In proposing a dividend, the board will also take into account the company's financial condition, future prospects, satisfactory solvency and liquidity assessments and other factors deemed by the board to be relevant at the time.

Proposed dividend for approval at the AGM
The board has proposed a final dividend of R300 million or approximately GBP16.0 million, equating to R0.15438 per share or approximately 0.82338 pence per share. This dividend is subject to approval at the AGM, which will take place on Friday, 25 November 2016.

Assuming the final dividend is approved by the shareholders, the following salient dates would apply:

Currency conversion date	05 December, Monday
Last date to trade on the exchanges	06 December, Tuesday
Ex-Dividend date on the JSE	07 December, Wednesday
Ex-Dividend date on the LSE	08 December, Thursday
Record date	09 December, Friday

Payment date	22 December, Thursday

The GBP proposed final dividend was calculated based on 1,943,206,554 total shares in issue and an illustrative exchange rate of R18.75:1. Shareholders on the London register should note that a revised exchange rate will be communicated prior to approval at the AGM.

No transfers between the Johannesburg and London registers between the commencement of trading on Monday, 5 December 2016 and close of business on Friday, 9 December 2016 will be permitted.

No shares may be dematerialised or rematerialised between Wednesday, 7 December 2016 and Friday, 9 December 2016, both days inclusive.

The South African dividends tax rate is fifteen percent per ordinary share for shareholders who are liable to pay the dividends tax, resulting in a net dividend of R0.13123 per share for these shareholders. Foreign investors may qualify for a lower dividend tax rate, subject to completing a dividend tax declaration and submitting it to Computershare Limited or Capita Plc who manage the SA and UK register, respectively. The company's South African income tax reference number is 9154588173 and it has 1,943,206,554 shares currently in issue.

Debt facilities
The group's net debt increased marginally to R339.6 million (2015: R321.1 million) following the dividend payment of R210 million, the Uitkomst acquisition of R148 million and the cash funded portion of the Shanduka Gold transaction of R182.5 million.

Summary of the long-term debt liabilities:

	Revolving credit facility		Evander Mines gold loan		Total	
	30 June 2016	30 June 2015	30 June 2016	30 June 2015	30 June 2016	30 June 2015
	ZAR (millions)	ZAR (millions)	ZAR (millions)	ZAR (millions)	ZAR (millions)	ZAR (millions)
Non-current portion	279.3	224.1	26.6	82.0	305.9	306.1
Current portion	31.1	21.6	55.2	58.0	86.3	79.6
Total	310.4	245.7	81.8	140.0	392.2	385.7

Cash flow summary
Net cash flow generated by operations (after dividends) and before investing and financing activities increased to R581.4 million (2015: R95.7 million).
The cash outflows from investing activities increased to R969.0 million (2015: 366.0 million), predominately due to:
- Capital expenditure incurred decreasing to R302.4 million (2015: R352.0 million).
- The conclusion of the Shanduka Gold transaction for R546.9 million (2015: nil).
- The net cash consideration of R120 million for the acquisition of Uitkomst, being the purchase consideration of R148 million less cash acquired of R28 million on 31 March 2016.

Net cash flows from financing activities increased to R375.9 million (2015: R233.4 million), predominately due to:
- Cash raised for the Shanduka Gold transaction amounting to R339.8 million.

Operational performance
The groups operational and production summaries are disclosed on the Pan African Resources website at http://www.panafricanresources.com/investors/financial-reports/

Review of Barberton Mines

Safety
- The operation reported no fatalities (2015: one fatality).
- Total recordable injury frequency rate per 1,000,000 man hours worked ('TRIFR') improved to 15.00 (2015: 15.87).
- LTIFR improved to 1.86 (2015: 1.87).
- RIFR remained at 0.62 (2015: 0.62).

Operational performance
- Average underground head grade achieved of 11.0g/t (2015: 10.9g/t).
- Gold sold increased by 7.1% to 113,281oz (2015: 105,776oz).
- Revenue increased by 30.8% to R1,921.8 million (2015: R1,469.0 million), as a result of the improved gold sales and the higher effective ZAR gold price.
- Cash cost per kilogramme increased marginally to R279,226/kg (2015: R278,859/kg), and in USD term the cash cost per ounce decreased to USD599/oz (2015: USD758/oz), due to improved gold ounce production.
- All-in sustaining cost per kilogramme increased by 4.8% to R348,231/kg (2015: R332,151/kg), and in USD terms the all-in sustaining cost per ounce decreased to USD746/oz (2015:USD902/oz).
- All-in cost per kilogramme increased by 5.1% to R354,417/kg (2015: R337,317/kg), and in USD terms the all-cost per ounce decreased to USD760/oz (2015: USD916/oz).
- Adjusted EBITDA increased to R729.8 million (2015: R505.5 million).
- Capital expenditure increased to R139.7 million (2015: R112.6 million) summarised in the following categories:
- Sustaining development capital expenditure was R63.4 million (2015: R53.7 million).

- Sustaining maintenance capital expenditure was R54.5 million (2015: R44.2 million).
- Once-off expansion capital was R21.8 million (2015 R14.7 million), which relates to the Royal Sheba development costs and the completion of the BTRP power line extension and installation. In the prior year R14.7 million was spent on the development of the Fairview ventilation raise borehole project to improve operating conditions.
- Effective from 1 July 2016 the life-of-mine of respective operations at Barberton Mines are:

* Fairview mine	22 years	(2015: 20 years)
* Sheba mine	18 years	(2015: 20 years)
* New Consort mine	5 years	(2015: 7 years)
* BTRP	14 years	(2015: 15 years)

Review of Evander Mines

Safety
- The operation reported one fatality detailed above in the CEO statement (2015: nil).
- TRIFR increased to 14.18 (2015: 6.87).
- LTIFR increased to 4.96 (2015: 2.66).
- RIFR increased to 3.31 (2015: 1.54).

Operational performance
- Underground head grade improved to 5.7g/t (2015: 4.6g/t), principally due to establishing mining on 8 Shaft's new 25 level.
- Gold sold increased substantially by 30.8% to 91,647oz (2015: 70,081oz), primarily due to improved production associated with an increase in tonnages mined and head grades.
- Revenue increased by 58.3% to R1,538.3 million (2015: R972.0 million) as a result of improved gold production and an increase in the effective ZAR gold price.
- The ETRP produced 18,151oz (2015: 16,336oz), following an increase in gold produced from tailings to 6,724oz (2015: 2,494oz) and surface feedstock contributing 11,427oz (2015: 13,842oz).
- Cash costs per kilogramme decreased by 9.8% to R411,168/kg (2015: R455,896/kg), and in USD terms the cash cost per ounce decreased to USD881/oz (2015:USD 1,238/oz), due to additional gold production from the ETRP and higher grades mined at 8 Shaft.
- All-in sustaining cost per kilogramme decreased by 6.1% to R477,044/kg (2015: R507,980/kg), and in USD terms the all-in sustaining cost per ounce decreased to USD1,023/oz (2015:USD1,380/oz), in line with the decrease in cash costs.
- All-in cost per kilogramme decreased by 14.1% to R479,145/kg (2015: R557,553/kg), and in USD terms the all-in cost per ounce decreased to USD1,027/oz (2015:USD1,515/oz), in addition to the factors detailed above, the prior year included once-off ETRP expansionary capital of R95.1 million during the prior reporting period.
- Adjusted EBITDA increased to R357.7 million (2015: R47.4 million).
- Capital expenditure decreased to R153.8 million (2015: R238.2 million) summarised in the following categories:
- Sustaining development capital expenditure was R118.4 million (2015: R104.4 million).
- Sustaining maintenance capital expenditure was R29.4 million (2015: R38.7 million).
- Once-off expansion capital expenditure was R6.0 million (2015 R95.1 million), relating to development costs associated with 8 Shafts' 26 level in the current financial year and the completion of the ETRP, which contributed R95.1 million in capital costs to the 2015 cost base.
- On 1 July 2015, Evander Mines implemented an employee share ownership programme, which is similar to the scheme implemented at Barberton Mines in June 2015. A newly established employee trust acquired 5% of the issued share capital of Evander Mines.
- Effective from 1 July 2016, the life-of-mine of 8 Shaft and the ETRP remained at 16 years (2015: 16 years).

Review of Phoenix Platinum

Safety
No safety incidents were reported during the financial year.

Operational performance
- Phoenix Platinum's profitability was negatively impacted during the reporting period due to a curtailment in current arisings from IFMSA Lesedi mine, following the initiation of business rescue proceedings by IFMSA. Tonnages processed were also adversely impacted by the drought and associated water shortages affecting re-mining and processing.
- Phoenix Platinum's loss after taxation was R9.6 million (2015: R12.3 million profit after taxation).
- PGE production decreased by 18.6% to 8,339oz (2015: 10,245oz).
- Revenue decreased by 24.1% to R74.7 million (2015: R98.4 million) due to lower tonnages processed as result of the operational challenges highlighted above and the lower effective PGE net revenue price received of R8,952/oz (2015: R9,603/oz).
- The average PGE net revenue price received decreased by 6.8% to R8,952/oz (2015: R9,603/oz), and in USD terms the average PGE net revenue per ounce decreased to USD617/oz (2015: USD839/oz).
- Cost per tonne increased by 15.1% to R298/t (2015: R259/t), mainly due to tonnages processed decreasing by 5.0% to 248,981t (2015: 262,119t).
- Cost per ounce of production increased by 34.3% to R8,890/oz (2015: R6,621/oz), and in USD terms the cost per ounce increased to USD613/oz (2015: USD578/oz).
- Adjusted EBITDA decreased to a loss of R4.8 million (2015: R27.7 million).
- Capital expenditure incurred was R6.8 million (2015: R0.6 million).
- Effective from 1 July 2016 the life-of-operation decreased to 9 years (2015: 28 years) as a result of taking into account surface material available to process, excluding current arisings.

Review of Uitkomst

Pan African Resources completed the acquisition of Uitkomst from Oakleaf Investments Holding 109 Proprietary Limited (‘Oakleaf’) and Shanduka Resources Proprietary Limited for a final net cash consideration of R148 million on 31 March 2016. Uitkomst is located close to the town of Utrecht in KwaZulu-Natal, South Africa, and is a high grade thermal export quality coal deposit with metallurgical applications.

The acquisition was funded from an existing revolving credit facility and internally generated cash flows. Uitkomst is, for accounting and production reporting purposes, consolidated effectively from 1 April 2016.

Summary of the purchase price allocation:

	Fair value at acquisition	Fair value at acquisition
	ZAR	GBP
Non-current assets	191.9	9.1
Current assets	67.0	3.2
Non-current liabilities	(67.5)	(3.2)
Current liabilities	(43.4)	(2.1)
Net assets at fair value	148.0	7.0
Net cash consideration paid	148.0	7.0

Safety
- The operation reported no fatalities.
- TRIFR per 200,000 man hours for the three month period was 5.59.
- LTIFR per 200,000 man hours for the three month period was 2.79.
- RIFR per 200,000 man hours for the three month period was 0.93.

Operational performance
- Profit after taxation for the period 1 April 2016 to 30 June 2016 was R11.4 million.
- Underground coal plant feed was 128,022t and also acquired third party coal for processing of 38,354t.
- Coal sold was 136,102t.
- Revenue amounted to R98 million.
- Cost of production of R91.8 million.
- The average revenue per ton received was R720/t or USD48/t.
- Cost per tonne was R674/t or USD45/t.
- All-in sustaining costs and all-costs per tonnes were R657/t or USD44/t. The all-in sustaining costs and all-in costs were marginally lower than the direct cost per tonne as result of other income earned by the logistics department of Uitkomst.
- Adjusted EBITDA was R10.8 million.
- Capital expenditure incurred was R0.9 million.
- Effective from 1 July 2016 the life-of-operation was 22 years for a run-of-mine coal production profile of 600,000t per annum.

Commitments reported in Rand and GBP
The group had identified no contingent liabilities in the current or prior financial period.

The group had outstanding open orders contracted for at year end of R12.7 million (2015: R22.8 million) or GBP0.6 million (2015: GBP1.2 million).

Authorised commitments for the new financial year, not yet contracted for, totalled R345.9 million (2015: R271.1 million) or GBP17.5 million (2015: GBP14 million).

At 30 June 2016, the group had guarantees in place of R24.6 million (2015: R24.6 million) or GBP1.2 million (2015: GBP1.3 million) in favour of Eskom, R20.3 million (2014: R14.0 million) or GBP1.0 million (2015: GBP0.8 million) in favour of the Department of Mineral Resources, and R6.6 million (2015: Nil) or GBP0.3 (2015: nil) in favour of Transnet SOC Limited.

Operating lease commitments, which fall due within the next year, amounted to R3.5 million (2015: R4.0 million) or GBP0.2 million (2015: GBP0.2 million).

Fair value instruments
Financial instruments that are measured at fair value grouped into levels 1 to 3 based on the extent to which fair value is observable.

The levels are classified as follows:
Level 1 – fair value is based on quoted prices in active markets for identical financial assets or liabilities;
Level 2 – fair value is determined using inputs other than quoted prices included within level 1 that are observable for the asset or liability; and

Level 3 – fair value is determined on inputs not based on observable market data.

Level 1 financial instruments:
The group’s rehabilitation trust funds are valued at R321.5 million (2015: R312.3 million) or GBP16.3 million (2015: GBP16.2 million), which comprise of investments in guaranteed equity-linked notes, government bonds and equities, according to quoted prices in an active market.

During the prior financial year, the company purchased 1,750,850 shares for R18.9 million (GBP1 million) in a listed available-for-sale investment. The investment is valued according to quoted prices in an active market currently valued at R25.1 million (GBP1.3 million).

Level 2 financial instruments:
During the financial period, the company entered into a Cost Collar derivative with a financial institution. At the end of the period under review the financial instrument was not closed out and settled, therefore resulting in a financial exposure to be fair value on a mark-to-market basis. The financial instrument was valued according to quoted prices in an active market resulting in a Cost Collar mark-to-market liability of R117.6 million (2015: Nil).

The group’s cash settled share option liability which is valued on a mark-to-market basis according to the Pan African Resources quoted share price amounted to R104.0 million (2015: R23.7 million).

Level 3 financial instruments:
The group’s ESOP liability is accounted on a cash settled share option basis and valued on a mark-to-market on the net present value of the discounted future cash flows applicable to the beneficiaries to the schemes. The ESOP liability was R5.6 million (2015: R0.2 million).

Basis of preparation of the financial statements and accounting policies
Investors should consider non-Generally Accepted Accounting Principles (‘non-GAAP’) financial measures shown in this provisional announcement in addition to, and not as a substitute for or as superior to, measures of financial performance reported in accordance with International Financial Reporting Standards (‘IFRS’). The IFRS results reflect all items that affect reported performance and therefore it is important to consider the IFRS measures alongside the non-GAAP measures.

The provisional announcement has been prepared using accounting policies that comply with the IFRS adopted by the European Union and South Africa, which are consistent with those applied in the financial statements for the prior years ended 30 June 2015 and 30 June 2014.

The provisional audited results announcement is only a summary of the information in the Integrated Report and does not contain full or complete details. Any investment decision by investors and/or shareholders should be based on consideration of the final Integrated Report to be published on SENS and the company’s website as a whole.

Jse Limited Listing
The company has a dual primary listing on JSE Limited (‘JSE’) in South Africa and the AIM market (‘AIM’) of the London Stock Exchange (‘LSE’).

This provisional announcement has been prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS and SAICA Financial Reporting Guides as issued by the Accounting Practice Committee and the Financial Pronouncements as issued by the Financial Reporting Standards Council, and the minimum information as required by International Accounting Standards 34: Interim Financial Reporting.

The group’s South African external auditors, Deloitte & Touche, have issued their opinions on the group’s consolidated financial statements and the provisional summarised consolidated financial statements for the year ended 30 June 2016. The audits were for both the summarised and full set of financial statements conducted in accordance with International Standards on Auditing. Deloitte & Touche have expressed unmodified opinions on the group’s consolidated financial statements and the provisional summarised consolidated financial statements. The copies of their audit reports are available for inspection at the company’s registered office. Any reference to future financial performance included in this provisional report has not been reviewed or reported on by the group’s South African external auditors.

The auditor’s report does not necessarily report on all of the information contained in this announcement/financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor’s engagement they should obtain a copy of that report, together with the accompanying financial information, from the company’s registered office.

These provisional summarised consolidated financial statements are extracted from the audited group consolidated financial statements. The directors take full responsibility for the preparation of the provisional summarised audited results and confirm that the financial information and related commentary has been correctly extracted from the underlying group consolidated financial statements.

AIM Listing
The financial information for the year ended 30 June 2016 does not constitute statutory accounts as defined in sections 435(1) and 435(2) of the UK Companies Act 2006 (‘Companies Act 2006’) but has been derived from those accounts. Statutory accounts for the year ended 30 June 2015 have been delivered to the Registrar of Companies and those for 2016 will be delivered following the company’s AGM. Deloitte LLP, the external auditor registered in the UK, have reported on these accounts for the year ended 30 June 2016. Their report was unqualified, did not include a reference to any matters to which auditors draw attention by way of emphasis of matter and did not contain a statement under section 498(2) or 498(3) of the Companies Act 2006. These statutory accounts have been prepared in accordance with IFRS and IFRS Interpretations Committee interpretations adopted for use by the EU, with those parts of the UK Companies Act 2006 applicable to companies reporting under IFRS.

Directorship changes and dealings
No changes took place during the year and there were no director dealings in securities during the period under review.

Shares issued

On 3 June 2016 Pan African Resources issued 111,711,791 shares for R339.8 million to fund the Shanduka Gold transaction.

Going concern

The board confirms that the business is a going concern and that it has reviewed the group's working capital requirements in conjunction with its future funding capabilities for at least the next 12 months and has found them to be adequate. The group has a R800 million revolving credit facility from a consortium of South African banks (and a two year accordion option, subject to the bank's credit committee approval, for an additional R300 million facility), as well as access to general banking facilities of R100 million. At 30 June 2016 the group had borrowing capacity on the revolving credit facility and general banking facilities of R490 million (GBP24.8 million) and R50 million (GBP2.5 million), respectively, to assist in funding working capital requirements. On 1 July 2016 the group finalised the general banking facility of R85 million (GBP4.3 million) for Uitkomst. Management is not aware of any material uncertainties which may cast significant doubt on the group's ability to continue as a going concern. Should the need arise the group can cease discretionary exploration and certain capital expenditure activities to conserve cash on the short to medium term.

Events after the reporting period

No material events occurred after the reporting period.

Cobus Loots
Chief Executive Officer

Deon Louw
Financial Director

21 September 2016

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Financial statements: Summarised financial information

Summarised consolidated statement of financial position as at 30 June 2016

	30 June 2016	30 June 2015	30 June 2016	30 June 2015
	(Audited)	(Audited)	(Unaudited)	(Unaudited)
	GBP	GBP	ZAR	ZAR
Assets				
Non-current assets				
Property, plant and equipment and mineral rights	190,725,199	181,532,780	3,772,544,439	3,503,582,652
Other intangible assets	123,235	202,488	2,437,592	3,908,021
Deferred taxation	1,117,092	327,748	22,096,084	6,325,533
Long term inventory	186,861	-	3,696,114	-
Goodwill	21,000,714	21,000,714	303,491,812	303,491,812
Investments	1,269,228	904,818	25,105,331	17,462,996
Rehabilitation trust fund	16,253,708	16,181,925	321,498,339	312,311,153
	230,676,037	220,150,473	4,450,869,711	4,147,082,167
Current assets				
Inventories	4,398,813	3,502,569	87,008,537	67,599,584
Current tax asset	848,946	827,298	16,792,156	15,966,858
Trade and other receivables	14,042,357	9,559,010	277,757,811	184,488,890
Cash and cash equivalents	2,658,947	3,328,850	52,593,979	64,246,802
	21,949,063	17,217,727	434,152,483	332,302,134
Non-current assets held for sale	66,873	-	1,322,750	-
Total assets	252,691,973	237,368,200	4,886,344,944	4,479,384,301
Equity and liabilities				
Capital and reserves				
Share capital	19,432,065	18,314,947	269,660,040	244,752,779
Share premium	108,936,082	94,846,046	1,638,563,371	1,323,632,626
Translation reserve	(58,583,849)	(56,402,515)	-	-
Share option reserve	1,035,888	1,035,888	13,957,178	13,957,178
Retained earnings	126,620,651	110,850,201	1,789,877,978	1,452,863,957
Realisation of equity reserve	(10,701,093)	(10,701,093)	(140,624,130)	(140,624,130)
Treasury capital reserve	(25,376,743)	-	(548,619,802)	-

Merger reserve	(10,705,308)	(10,705,308)	(154,707,759)	(154,707,759)
Other reserves	317,509	(70,679)	6,280,332	(1,364,097)
Equity attributable to owners of the parent	150,975,202	147,167,487	2,874,387,208	2,738,510,554
Total equity	150,975,202	147,167,487	2,874,387,208	2,738,510,554
Non-current liabilities				
Long term provisions	10,432,986	12,249,367	206,364,460	236,412,781
Long term liabilities	18,456,309	16,312,982	362,640,753	314,840,546
Deferred taxation	40,616,337	39,288,059	803,391,140	758,259,537
	69,505,632	67,850,408	1,372,396,353	1,309,512,864
Current liabilities				
Trade and other payables	18,743,235	16,799,043	370,741,187	324,221,523
Financial instrument liabilities	5,945,399	-	117,600,000	-
Current portion of long term liabilities	6,980,711	5,047,478	140,503,506	97,416,327
Current tax liability	541,794	503,784	10,716,690	9,723,033
	32,211,139	22,350,305	639,561,383	431,360,883
Total equity and liabilities	252,691,973	237,368,200	4,886,344,944	4,479,384,301

Summarised consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2016

	30 June 2016	30 June 2015	30 June 2016	30 June 2015
	(Audited)	(Audited)	(Unaudited)	(Unaudited)
	GBP	GBP	ZAR	ZAR
Revenue	169,360,532	141,076,883	3,632,783,424	2,539,383,882
Gold sales	161,312,220	135,611,436	3,460,147,123	2,441,005,844
Platinum sales	3,480,338	5,465,447	74,653,256	98,378,038
Coal sales	4,567,974	-	97,983,045	-
Realisation costs	(956,709)	(690,538)	(20,521,416)	(12,429,687)
On - mine revenue	168,403,823	140,386,345	3,612,262,008	2,526,954,195
Gold cost of production	(100,487,340)	(106,644,655)	(2,155,453,481)	(1,919,603,779)
Platinum cost of production	(3,456,007)	(3,768,530)	(74,131,334)	(67,833,541)
Coal cost of production	(4,279,735)	-	(91,800,287)	-
Mining depreciation	(10,456,129)	(10,337,211)	(224,283,967)	(186,069,804)
Mining profit	49,724,612	19,635,949	1,066,592,939	353,447,071
Other (expenses)/income	(12,182,895)	249,776	(261,323,095)	4,495,974

Loss in associate	-	(127,950)	-	(2,291,239)
Loss on disposal of associate	-	(139,970)	-	(2,429,880)
Impairments	-	(58,424)	-	(1,014,239)
Royalty costs	(2,799,947)	(1,647,297)	(60,058,865)	(29,651,339)
Net income before finance income and finance costs	34,741,770	17,912,084	745,210,979	322,556,348
Finance income	442,616	348,959	9,494,114	6,281,253
Finance costs	(1,448,738)	(2,458,287)	(31,075,424)	(44,249,162)
Profit before taxation	33,735,648	15,802,756	723,629,669	284,588,439
Taxation	(8,233,831)	(4,132,789)	(176,615,651)	(74,390,185)
Profit after taxation	25,501,817	11,669,967	547,014,018	210,198,254
Other comprehensive income:				
Fair value movement on available for sale investment	388,188	(70,679)	7,644,429	(1,364,097)
Other movements	-	5,529	-	99,569
Foreign currency translation differences	(2,181,333)	(8,857,195)	-	-
Total comprehensive income for the year	23,708,672	2,747,622	554,658,447	208,933,726
Profit attributable to:				
Owners of the parent	25,501,817	11,669,967	547,014,018	210,198,254
Total comprehensive income attributable to:				
Owners of the parent	23,708,672	2,747,622	554,658,447	208,933,726
Earnings per share	1.41	0.64	30.20	11.48
Diluted earnings per share	1.41	0.64	30.19	11.48
Weighted average number of shares in issue	1,811,427,377	1,830,422,160	1,811,427,377	1,830,422,160
Diluted number of shares in issue	1,811,916,935	1,830,967,266	1,811,916,935	1,830,967,266

Note 1: The adjustments accounted for, did not have any taxation impact to the group.

Summarised audited GBP consolidated statement of changes in equity for the year ended 30 June 2016

GROUP	Share capital	Share premium	Translation reserve	Share option reserve	Retained earnings	Realisation of equity reserve	Treasury capital reserve	Merger reserve	Other reserves	Total
	GBP	GBP	GBP	GBP	GBP	GBP	GBP	GBP	GBP	GBP
Balance at 30 June 2014	18,299,947	94,792,516	(47,545,320)	1,154,891	114,106,005	(10,701,093)	-	(10,705,308)	(5,529)	159,396,109
Issue of shares	15,000	53,530	-	-	-	-	-	-	-	68,530
Total comprehensive income	-	-	(8,857,195)	-	11,669,967	-	-	-	(65,150)	2,747,622

Dividends paid	-	-	-	-	(14,925,771)	-	-	-		(14,925,771)
Share based payment - charge for the year	-	-	-	(119,003)	-	-	-	-	-	(119,003)
Balance at 30 June 2015	18,314,947	94,846,046	(56,402,515)	1,035,888	110,850,201	(10,701,093)	-	(10,705,308)	(70,679)	147,167,487
Issue of shares	1,117,118	15,011,206	-	-	-	-	-	-	-	16,128,324
Share issue costs	-	(921,170)	-	-	-	-	-	-	-	(921,170)
Total comprehensive income	-	-	(2,181,333)	-	25,501,817	-	-	-	388,188	23,708,672
Dividends paid	-	-	-	-	(9,731,368)	-	-	-	-	(9,731,368)
Share buyback	-	-	-	-	-	-	(25,376,743)	-	-	(25,376,743)
Balance at 30 June 2016	19,432,065	108,936,082	(58,583,848)	1,035,888	126,620,650	(10,701,093)	(25,376,743)	(10,705,308)	317,509	150,975,202

Summarised unaudited ZAR consolidated statement of changes in equity for the year ended 30 June 2016

GROUP	Share capital	Share premium	Share option reserve	Retained earnings	Realisation of equity reserve	Treasury capital reserve	Merger reserve	Other reserves	Total
	ZAR	ZAR	ZAR	ZAR	ZAR	ZAR	ZAR	ZAR	ZAR
Balance at 30 June 2014	244,480,271	1,322,660,134	15,965,957	1,500,694,965	(140,624,130)	-	(154,707,759)	(99,569)	2,788,369,869
Issue of shares	272,508	972,492	-	-	-	-	-	-	1,245,000
Total comprehensive income	-	-	-	210,198,257	-	-	-	(1,264,528)	208,933,729
Dividends paid	-	-	-	(258,029,262)	-	-	-	-	(258,029,262)
Share based payment - charge for the year	-	-	(2,008,779)	-	-	-	-	-	(2,008,779)
Balance at 30 June 2015	244,752,779	1,323,632,626	13,957,178	1,452,863,960	(140,624,130)	-	(154,707,759)	(1,364,097)	2,738,510,557
Issue of shares	24,907,261	334,689,839	-	-	-	-	-		359,597,100
Share issue costs	-	(19,759,094)	-	-	-	-	-	-	(19,759,094)
Total comprehensive income	-	-	-	547,014,018	-	-	-	7,644,429	554,658,447
Dividends paid	-	-	-	(210,000,000)	-	-	-		(210,000,000)
Share buyback	-	-	-	-	-	(548,619,802)	-	-	(548,619,802)
Balance at 30 June 2016	269,660,040	1,638,563,371	13,957,178	1,789,877,978	(140,624,130)	(548,619,802)	(154,707,759)	6,280,332	2,874,387,208

Summarised consolidated statement of cash flows for the year ended 30 June 2016

	30 June 2016	30 June 2015	30 June 2016	30 June 2015
	(Audited)	(Audited)	(Unaudited)	(Unaudited)

	GBP	GBP	ZAR	ZAR
Net cash generated from operating activities	28,464,205	5,364,480	581,423,450	95,659,360
Investing activities				
Additions to property, plant and equipment and mineral rights	(14,079,918)	(19,528,616)	(302,014,225)	(351,515,099)
Additions to other intangible assets	(17,248)	(25,740)	(369,970)	(463,320)
Investments acquired	-	(1,037,677)	-	(18,825,000)
Proceeds on disposals of Property plant and equipment	14,620	-	313,600	-
Acquisition of Uitkomst	(5,700,402)	-	(120,013,429)	-
Shanduka Gold transaction	(25,299,095)	-	(546,941,145)	-
Proceeds on disposals of associate	-	277,732	-	4,834,253
Net cash used in investing activities	(45,082,043)	(20,314,301)	(969,025,169)	(365,969,166)
Financing activities				
Proceeds from borrowings	38,061,147	27,898,927	840,000,000	500,000,000
Borrowings repaid	(38,131,957)	(14,728,154)	(803,889,110)	(262,552,468)
Settlement of equity share option costs	-	(303,067)	-	(5,321,928)
Shares issued	16,128,324	68,530	359,597,100	1,245,000
Share issue costs	(921,170)	-	(19,759,094)	-
Net cash from financing activities	15,136,344	12,936,236	375,948,896	233,370,604
Net (decrease)/increase in cash and cash equivalents	(1,481,494)	(2,013,585)	(11,652,823)	(36,939,202)
Cash and cash equivalents at the beginning of the year	3,328,850	5,618,323	64,246,802	101,186,004
Effect of foreign exchange rate changes	811,591	(275,888)	-	-
Cash and cash equivalents at the end of the year	2,658,947	3,328,850	52,593,979	64,246,802

Summarised audited consolidated GBP segment report for the year ended 30 June 2016

	Year ended 30 June 2016						
	Barberton Mines	Evander Mines	Phoenix Platinum	Uitkomst	Corporate office and Growth Projects	Funding Company (Note 3)	Consolidated
	GBP	GBP	GBP	GBP	GBP	GBP	GBP
Revenue							
Gold sales1	89,596,245	71,715,975	-	-	-	-	161,312,220

Platinum sales	-	-	3,480,338	-	-	-	3,480,338
Coal sales	-	-	-	4,567,974	-	-	4,567,974
Realisation costs	(398,937)	(557,772)	-	-	-	-	(956,709)
On-mine revenue	89,197,308	71,158,203	3,480,338	4,567,974	-	-	168,403,823
Cost of production	(45,461,824)	(55,025,516)	(3,456,007)	(4,279,735)	-	-	(108,223,082)
Depreciation	(3,562,121)	(6,433,405)	(311,870)	(148,733)	-	-	(10,456,129)
Mining profit	40,173,363	9,699,282	(287,539)	139,506	-	-	49,724,612
Other expenses2	(7,253,912)	873,481	(249,773)	233,905	(5,867,371)	80,775	(12,182,895)
Loss from associate	-	-	-	-	-	-	-
Loss on disposal of associate/asset held for sale	-	-	-		-	-	-
Impairment costs	-	-	-	-	-	-	-
Royalty costs	(2,450,505)	(332,918)	-	(16,524)	-	-	(2,799,947)
Net income/(loss) before finance income and finance costs	30,468,946	10,239,845	(537,312)	356,887	(5,867,371)	80,775	34,741,770
Finance income	13,380	27,840	448	8,823	79,755	312,370	442,616
Finance costs	(6,048)	(7,383)	(489)	-	(7)	(1,434,811)	(1,448,738)
Profit/(loss) before taxation	30,476,278	10,260,302	(537,353)	365,710	(5,787,623)	(1,041,666)	33,735,648
Taxation	(8,492,721)	(757,683)	118,266	226,037	701,414	(29,144)	(8,233,831)
Profit/(loss) after taxation before inter-company charges	21,983,557	9,502,619	(419,087)	591,747	(5,086,209)	(1,070,810)	25,501,817
Inter-company transactions							
Management fees	(1,439,394)	(1,137,529)	(107,226)	(65,734)	2,749,883	-	-
Inter-company interest charges	(331,029)	(750,800)	79,849	7,489	(135,868)	1,130,359	-
Profit after taxation after inter-company charges	20,213,134	7,614,290	(446,464)	533,502	(2,472,194)	59,549	25,501,817
Segmental assets (Total assets excluding goodwill)	56,651,503	146,201,423	9,991,120	15,034,211	3,180,048	632,954	231,691,259
Segmental liabilities	27,035,796	48,372,120	883,249	4,545,415	5,154,888	15,725,303	101,716,771
Goodwill	21,000,714	-	-	-	-	-	21,000,714
Net assets (excluding goodwill)	29,615,707	97,829,303	9,107,871	10,488,796	(1,974,840)	(15,092,349)	129,974,488
Adjusted EBITDA	34,031,067	16,673,250	(225,442)	505,620	(5,867,371)	80,775	45,197,899
Capital expenditure	6,513,408	7,179,831	316,726	40,251	46,950	-	14,097,166

	Year ended 30 June 2015					
	Barberton Mines	Evander Mines	Phoenix Platinum	Corporate office and Growth Projects	Funding Company (Note 3)	Consolidated
	GBP	GBP	GBP	GBP	GBP	GBP
Revenue						
Gold sales1	81,609,692	54,001,744	-	-	-	135,611,436
Platinum sales	-	-	5,465,447	-	-	5,465,447
Coal sales	-	-	-	-	-	-
Realisation costs	(534,421)	(156,117)	-	-	-	(690,538)
On-mine revenue	81,075,271	53,845,627	5,465,447	-	-	140,386,345
Cost of production	(50,434,360)	(56,210,295)	(3,768,530)	-	-	(110,413,185)
Depreciation	(4,008,467)	(5,963,752)	(364,992)	-	-	(10,337,211)
Mining profit	26,632,444	(8,328,420)	1,331,925	-	-	19,635,949
Other expenses2	(966,703)	5,057,581	(163,390)	(3,676,779)	(933)	249,776
Loss from associate	-	-	-	(127,950)	-	(127,950)
Loss on disposal of associate/asset held for sale	-	-	-	(139,970)	-	(139,970)
Impairment costs	-	-	-	(58,424)	-	(58,424)
Royalty costs	(1,595,802)	(51,495)	-	-	-	(1,647,297)
Net income/(loss) before finance income and finance costs	24,069,939	(3,322,334)	1,168,535	(4,003,123)	(933)	17,912,084
Finance income	109,514	167,047	11,186	53,290	7,922	348,959
Finance costs	(246,094)	(918,923)	(1,136)	(13,164)	(1,278,970)	(2,458,287)
Profit/(loss) before taxation	23,933,359	(4,074,210)	1,178,585	(3,962,997)	(1,271,981)	15,802,756
Taxation	(5,956,861)	2,270,046	(336,438)	(89,033)	(20,503)	(4,132,789)
Profit/(loss) after taxation before inter-company charges	17,976,498	(1,804,164)	842,147	(4,052,030)	(1,292,484)	11,669,967
Inter-company transactions						
Management fees	(1,666,667)	(1,248,661)	(152,777)	3,068,105	-	-
Inter-company interest charges	(57,776)	(1,230,251)	(4,605)	(16,450)	1,309,082	-
Profit after taxation after inter-company charges	16,252,055	(4,283,076)	684,765	(1,000,375)	16,598	11,669,967
Segmental assets (Total assets excluding goodwill)	55,423,588	146,705,365	10,850,893	2,454,933	932,707	216,367,486
Segmental liabilities	21,528,152	52,987,201	933,751	1,973,835	12,777,774	90,200,713
Goodwill	21,000,714	-	-	-	-	21,000,714
Net assets (excluding goodwill)	33,895,436	93,718,164	9,917,142	481,098	(11,845,067)	126,166,773

Adjusted EBITDA	28,078,406	2,641,418	1,533,527	(3,804,729)	(933)	28,447,689
Capital expenditure	6,258,248	13,231,962	31,355	32,791	-	19,554,356

Note 1: All gold sales were made in the Republic of South Africa and the majority of revenue was generated from selling gold to South African institutions through the group's Funding Company.
Note 2: Other expenses exclude inter-management fees and dividend received
Note 3: Pan African Resources Funding Company (Pty) Ltd ('Funding Company') manages the group's treasury function.

Summarised unaudited consolidated ZAR segment report for the year ended 30 June 201

	30 June 2016						
	Barberton Mines	Evander Mines	Phoenix Platinum	Uitkomst	Corporate and Growth Projects	Funding Company (Note 3)	Group
	ZAR' million	ZAR' million	ZAR' million	ZAR' million	ZAR' million	ZAR' million	ZAR' million
Revenue							
Gold sales1	1,921.8	1,538.3	-	-	-	-	3,460.1
Platinum Sales	-	-	74.7	-	-	-	74.7
Coal sales	-	-	-	98.0	-	-	98.0
Realisation costs	(8.6)	(11.9)	-	-	-	-	(20.5)
On-mine revenue	1,913.2	1,526.4	74.7	98.0	-	-	3,612.3
Gold cost of production	(975.2)	(1,180.3)	-	-	-	-	(2,155.5)
Platinum cost of production	-	-	(74.1)	-	-	-	(74.1)
Coal cost of production	-	-	-	(91.8)	-	-	(91.8)
Depreciation	(76.4)	(138.0)	(6.7)	(3.2)	-	-	(224.3)
Mining Profit	861.6	208.1	(6.1)	3.0	-	-	1,066.6
Other expenses2	(155.6)	18.7	(5.4)	5.0	(125.7)	1.7	(261.3)
Bargain purchase	-	-	-	-	-	-	-
Loss from associate	-	-	-	-	-	-	-
Loss on disposal of associate	-	-	-	-	-	-	-
Impairment costs	-	-	-	-	-	-	-
Royalty costs	(52.6)	(7.1)	-	(0.4)	-	-	(60.1)
Net income/(loss) before finance income and finance costs	653.4	219.7	(11.5)	7.6	(125.7)	1.7	745.2
Finance income	0.3	0.6	-	0.2	1.7	6.7	9.5
Finance costs	(0.1)	(0.2)	-	-	-	(30.8)	(31.1)
Profit/(loss) before taxation	653.6	220.1	(11.5)	7.8	(124.0)	(22.4)	723.6
Taxation	(182.2)	(16.3)	2.5	4.8	15.2	(0.6)	(176.6)

Profit/(loss) after taxation	471.4	203.8	(9.0)	12.6	(108.8)	(23.0)	547.0
Inter-company transactions							
Management fees	(30.9)	(24.4)	(2.3)	(1.4)	59.0	-	-
Inter-company interest charges	(7.1)	(16.1)	1.7	0.2	(2.9)	24.2	-
Profit/(loss) after taxation after inter-company charges	433.4	163.3	(9.6)	11.4	(52.7)	1.2	547.0
Segmental assets (Total assets excluding goodwill)	1,120.6	2,891.9	198.6	297.4	61.6	12.5	4,582.6
Segmental liabilities	534.8	956.8	17.5	92.9	98.9	311.0	2,011.9
Goodwill	303.5	-	-	-	-	-	303.5
Net Assets (excluding goodwill)	585.8	1,935.1	181.1	204.5	(37.3)	(298.5)	2,570.7
Adjusted EBITDA	729.8	357.7	(4.8)	10.8	(125.7)	1.7	969.5
Capital expenditure	139.7	154.0	6.8	0.9	1.0	-	302.4

	30 June 2015					
	Barberton Mines	Evander Mines	Phoenix Platinum	Corporate and Growth Projects	Funding Company	Group
	ZAR’ million	ZAR’ million	ZAR’ million	ZAR’ million	ZAR’ million	ZAR’ million
Revenue						
Gold sales1	1,469.0	972.0	-	-	-	2,441.0
Platinum Sales	-	-	98.4	-	-	98.4
Coal sales	-	-	-	-	-	-
Realisation costs	(9.6)	(2.8)	-	-	-	(12.4)
On-mine revenue	1,459.4	969.2	98.4	-	-	2,527.0
Gold cost of production	(907.8)	(1,011.8)	-	-	-	(1,919.6)
Platinum cost of production	-	-	(67.8)	-	-	(67.8)
Coal cost of production	-	-	-	-	-	-
Depreciation	(72.2)	(107.3)	(6.6)	-	-	(186.1)
Mining Profit	479.4	(149.9)	24.0	-	-	353.5
Other expenses2	(17.4)	91.0	(2.9)	(66.2)	-	4.5
Bargain purchase	-	-	-	-	-	-
Loss from associate	-	-	-	(2.3)	-	(2.3)
Loss on disposal of associate		-	-	(2.4)	-	(2.4)
Impairment costs	-	-	-	(1.0)	-	(1.0)
Royalty costs	(28.7)	(1.0)	-	-	-	(29.7)

Net income/(loss) before finance income and finance costs	433.3	(59.9)	21.1	(71.9)	-	322.6
Finance income	2.0	3.0	0.2	1.0	0.1	6.3
Finance costs	(4.4)	(16.5)	-	(0.3)	(23.1)	(44.3)
Profit/(loss) before taxation	430.9	(73.4)	21.3	(71.2)	(23.0)	284.6
Taxation	(107.2)	40.9	(6.1)	(1.7)	(0.3)	(74.4)
Profit/(loss) after taxation	323.7	(32.5)	15.2	(72.9)	(23.3)	210.2
Inter-company transactions						
Management fees	(30.0)	(22.5)	(2.7)	55.2	-	-
Inter-company interest charges	(1.0)	(22.1)	(0.2)	(0.3)	23.6	-
Profit/(loss) after taxation after inter-company charges	292.7	(77.1)	12.3	(18.0)	0.3	210.2
Segmental Assets (Total assets excluding goodwill)	1,069.7	2,831.4	209.4	47.4	18.0	4,175.9
Segmental liabilities	415.5	1,022.7	18.0	38.1	246.6	1,740.9
Goodwill	303.5	-	-	-	-	303.5
Net assets (excluding goodwill)	654.2	1,808.7	191.4	9.3	(228.6)	2,435.0
Adjusted EBITDA	505.5	47.4	27.7	(68.5)	-	512.1
Capital expenditure	112.6	238.2	0.6	0.6	-	352.0

Note 1: All gold sales were made in the Republic of South Africa and the majority of revenue was generated from selling gold to South African institutions through the group’s Funding Company.
Note 2: Other expenses exclude inter-management fees and dividend received
Note 3: Pan African Resources Funding Company (Pty) Ltd (‘Funding Company’) manages the group’s treasury function.