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General manager



**OVERVIEW OF OPERATIONS**

Elikhulu, Pan African’s flagship tailings retreatment operation, distinguishes itself as one of Southern Africa’s lowest-cost gold mining operations. In FY25, it produced 52,606oz (FY24: 54,812oz) at an AISC<sup>®</sup> of US\$1,077/oz (FY24: US\$1,034/oz), despite challenges such as electricity supply disruptions and adverse weather conditions experienced during the rainy season from November 2024 to February 2025. The operation has a remaining mine life of eight years.

The plant currently processes approximately 1.2Mt of historical tailings per month from the existing Leslie/Bracken TSF. By reprocessing these tailings, the operation deposits processed residues into a single, more modern TSF site, thereby reducing its ecological footprint. Phases 3 and 4 of the expanded Elikhulu TSF were completed on time and below budget, and this modern facility adheres to the latest global standards for tailings management, ensuring adequate capacity for future re-mining operations including residues from Evander Mines’ underground operations.

The Kinross phase 1 TSF extension is lined to mitigate the risk of underground seepage and pollution, underscoring our commitment to addressing the environmental impact of historical tailings depositions.

Elikhulu’s operation features a technologically advanced, automated plant with a low labour contingent, high throughput and relatively short pumping distances. Its innovations include a modern extraction process that eliminates the need for regrind mills and thickeners. The plant supplements recirculated process water with non-potable water pumped from nearby underground operations and potable water from our reverse osmosis water treatment plant.

The Group designs its tailings plants to incorporate a high oxygen mass transfer pre-oxidation step to improve gold extraction. The re-mining activities are also automated to some degree, with the latest in hydro-mining technology employed. These factors contribute to a safe working environment while production costs remain low.

Elikhulu is a testament to Pan African’s ability to conceptualise, plan and construct substantial growth projects ahead of schedule and within budget. The Group has successfully delivered three such projects of this nature to date, with the fourth project, the MTR operation, commissioned in FY25.

The design of Elikhulu’s TSF entailed a significant expansion and construction effort from FY17 and, thereafter, phase 1 expansion during FY19. This expansion coincided with the construction of the plant and its associated infrastructure. As part of the phase 2 expansion, the existing Kinross TSF footprint will be reutilised once the reclamation process is completed.

In May 2022, Pan African became the first South African mining company to commission a utility-scale, grid-tied solar plant at Evander Mines. The solar plant, with a capacity of 9.975MW, supplies clean energy to Elikhulu, meeting approximately 30% of its annual power needs. This solar plant significantly reduces Elikhulu’s GHG footprint.

Climate change has disrupted traditional rainfall patterns, leading to more intense rainfall and electrical storms over shorter periods, compelling operations to adapt to managing increased water volumes.

The national grid’s unreliable electricity supply has caused operational disruptions and process interruptions, resulting in production delays. Unplanned power outages and ageing infrastructure exacerbate these challenges, leading to production losses, which may result in missed production targets in the short term.

While excess rainwater is manageable, severe lightning and subsequent power outages adversely impact production by reducing pumping capacity and hindering water removal from mining areas, which may take hours to drain after power is restored and production can commence.

Despite these challenges, Elikhulu has increased its throughput compared to the previous financial year, demonstrating management’s ability to deal with production challenges. The installation of Evander Mines’ solar plant has, however, significantly alleviated electricity supply constraints, reducing the operation’s reliance on the national grid.

**Focus for FY26**

Our goal is to maintain our performance at the surface operations.

Our focus areas include:

- commencing the construction of the Winkelhaak pump station, to ensure operational stability and flexibility, one year earlier relative to the feasibility study
- completing the construction of phase 2 of the reverse osmosis water treatment plant
- continuing to invest in sustaining capital projects, focused on maintaining Elikhulu’s infrastructure
- commence sonic drilling on Winkelhaak TSF to update the Mineral Reserve estimate.



*A view of the Evander underground ore silos at the Kinross metallurgical plant*