



PAN AFRICAN
RESOURCES
PLC



PAN AFRICAN RESOURCES PLC

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PAN AFRICAN
RESOURCES OVERVIEW



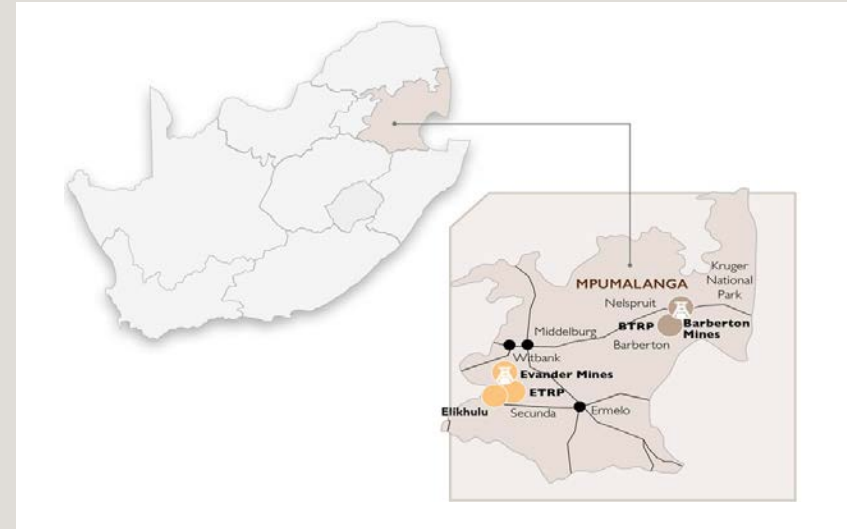
PAN AFRICAN RESOURCES OVERVIEW



Background

- South African mid-tier Gold Producer dual-listed on London's AIM market and South Africa's JSE (market capitalisation of ZAR3.2 billion (~USD242 million))
- Quality, long-life, low-cost producing assets
 - › Safety – LTIFR well below industry norms
 - › Three producing operations: Barberton Underground (certain orebodies grading in excess of 20g/t), Barberton Tailings Retreatment Plant (BTRP) and Evander Tailings Retreatment Plant (ETRP)
 - › Near-term development: Elikhulu first production in August 2018 with forecast AISC of sub USD700/oz
 - › Attractive short and medium-term opportunities: Royal Sheba project and Egoli
 - › Low execution risk – Balanced portfolio: underground and tailings remining
- 34.4Moz Au resource base, Au Reserves of 11.2Moz

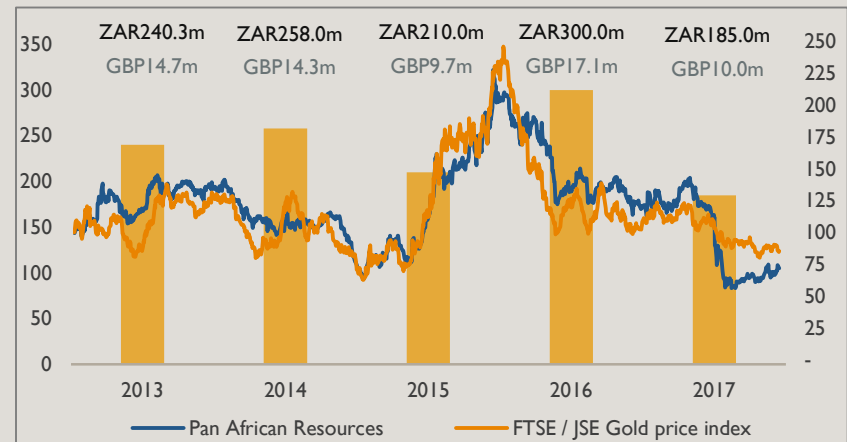
Asset overview



Reserves and Resources

Gold	Tonnes (Mt)	Grade (Au g/t)	Contained Gold (Moz Au)
<i>Reserves</i>			
Evander	213.7	1.3	9.3
Elikhulu	185.3	0.3	1.7
Barberton	18.17	3.3	1.9
Total	417.2	1.0	12.9
<i>Resources</i>			
Evander	306.3	3.1	30.3
Elikhulu	215.4	0.3	2.0
Barberton	31.6	4.1	4.1
Total	558.1	2.1	36.4

Five year history of sector-leading dividends*

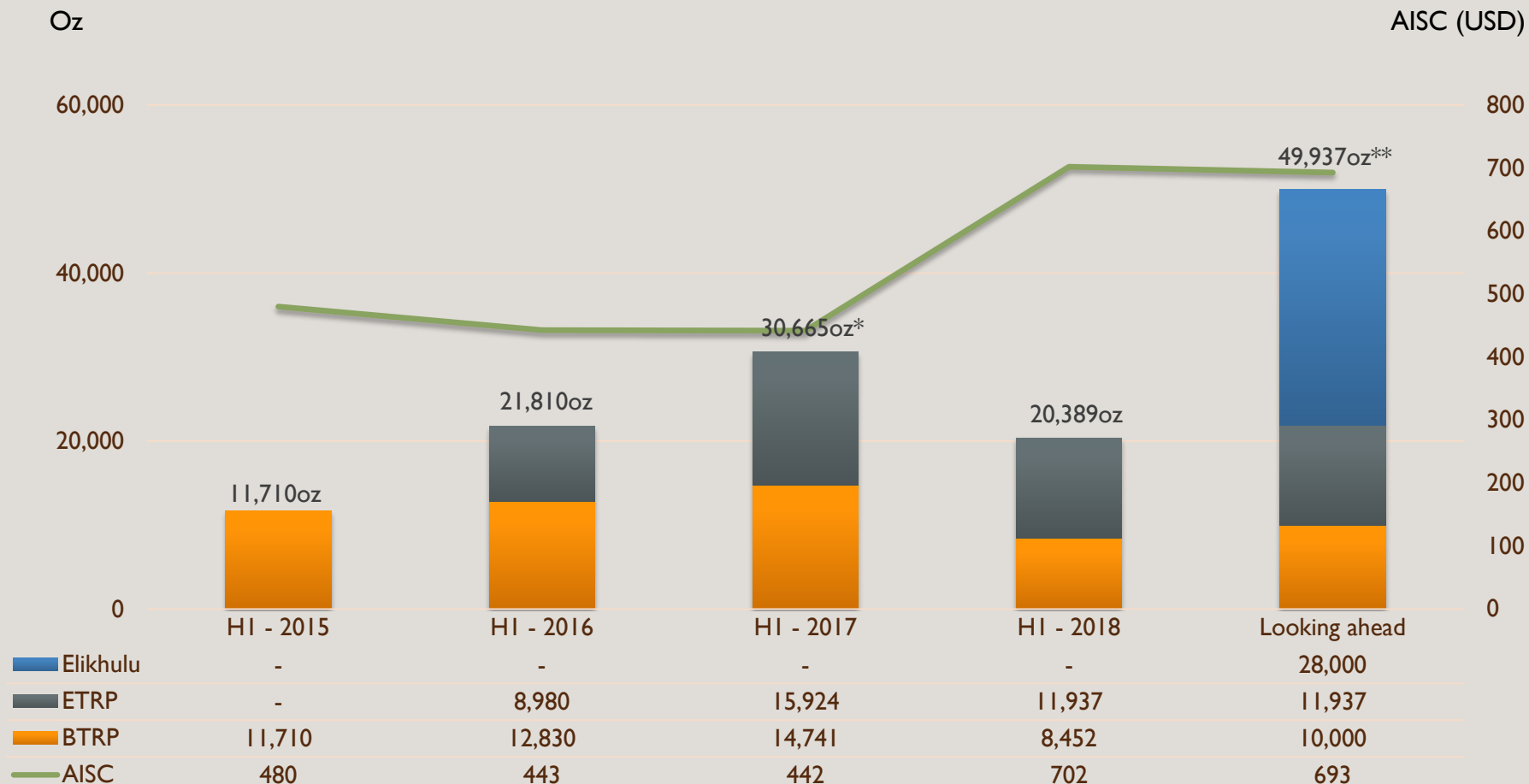


* Axis on the right hand side showing share price performance since July 2013 rebased at 100.

OUR LONG-LIFE, LOW-COST TAILINGS RETREATMENT OPERATIONS



Gold surface sources production (6 months ending 31 December)

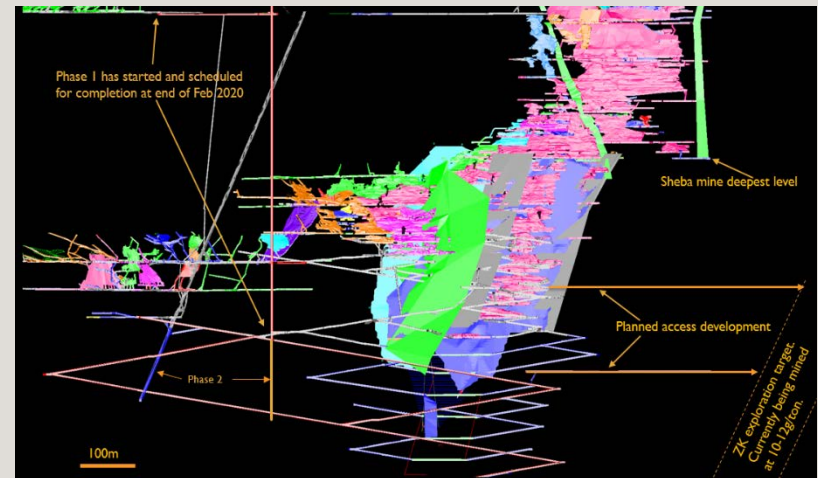


* ETRP ounces increased due to additional surface sources processed through the ETRP section to compensate for the repairs to 7 Shaft in October 2016 and the resultant reduced production from underground.

** Forecasted production and AISC based on current ETRP achievement and assuming surface sources can be secured at the same rate over the life of the ETRP, BTRP producing 20,000oz per annum at an AISC of USD610/oz and forecasted Elikhulu production of 56,000oz per annum at a forecasted AISC of USD700/oz.

OUR LONG LIFE, HIGH GRADE UNDERGROUND MINING OPERATION – BARBERTON MINES

- Life of Mine: 20 years
- Three operating underground mines:
 - Sheba Mine
 - Consort Mine
 - Fairview Mine
- Birthplace of BIOX[®] (Biological oxidation)
- Treating approximately 22,000 tons of underground ore per month
- Average Grade: >10g/t (certain orebodies in excess of 20g/t)
- Producing 95,000oz to 100,000oz per annum (Incl. BTRP)



Fairview Mine sub-vertical shaft

OPERATIONAL COST COMPARISON



PAR lower cost operations (6 months ending 31 December 2017)

	Barberton underground*	BTRP	ETRP	Elikhulu**	Total
All in sustaining cost (ZAR'mil)	479.7	74.2	117.4	264.6	935.9
Gold sold (kg)	863	263	371	871	2,368
All-in sustaining cost per Kg (ZAR)	556,220	282,376	316,208	303,826	395,228
All-in sustaining cost per oz (USD)***	1,282	651	729	700	911

PAR higher cost operations (6 months ending 31 December 2017)

	Evander underground	Consort Mine	Total
All in sustaining cost (ZAR'mil)	685.7	104.9	790.6
Gold sold (kg)	1,018	138	1,156
All-in sustaining cost per Kg (ZAR)	673,444	761,562	683,873
All-in sustaining cost per oz (USD)***	1,552	1,755	1,576

* Excluding Consort Mine

** Elikhulu included at a forecast 56,000oz per annum and an AISC of USD700/oz.

*** USD:ZAR exchange rate of USD1:ZAR13.50 used for conversion

DIFFERENTIATING FACTORS FROM OTHER SA GOLD MINES



Operational risk – significantly reduced via long life, low cost tailings operations

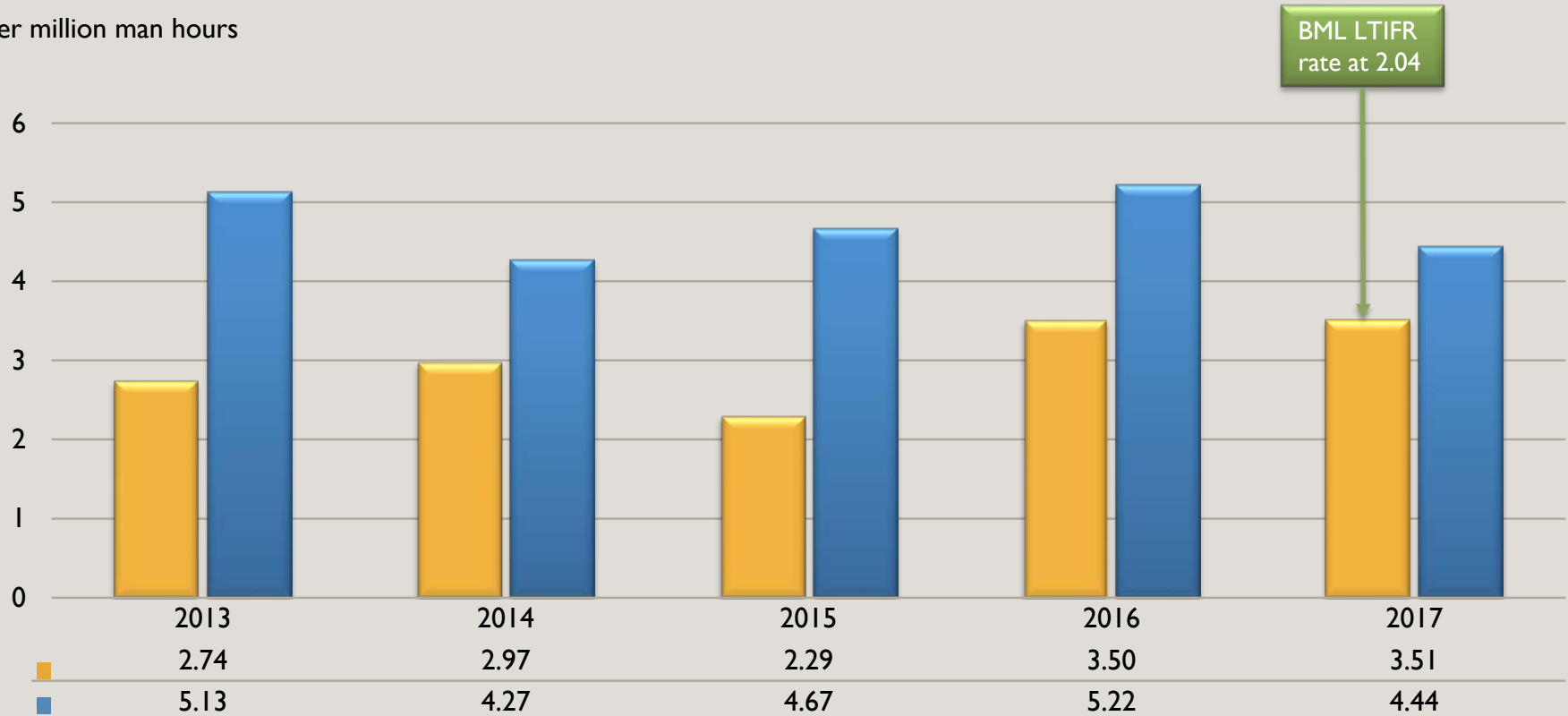
- **Barberton Tailings Retreatment Plant**
 - › Initial capital outlay of ZAR326 million (~USD37 million)
 - › Regrind mill installed to improve throughput and recoveries
 - › LOM in excess of 10 years
- **Evander Tailings Retreatment Plant**
 - › Initial capital outlay of ZAR174 million (~USD15 million)
 - › LOM of 14 years
 - › AISC forecast at below USD700/oz (@\$/R13.30) once incorporated in Elikhulu
- **Elikhulu Tailings Retreatment Plant (Currently in final commissioning phase)**
 - › Forecast capital of ZAR1.7 billion (~USD125 million) – calculated payback of 4 years post commissioning
 - › Forecast production of 56,000oz p/a in first 8 years with a LOM of 14 years
 - › AISC forecast at below USD700/oz (@\$/R13.30)

DIFFERENTIATING FACTORS FROM OTHER SA GOLD MINES - SAFETY



Accident rates compared to the South African gold mining industry

Per million man hours



- PAR Lost-time injury frequency rate (LTIFR)
- Gold Industry Lost-time injury frequency rate (LTIFR)



**RE-ESTABLISHED LOW
COST, SUSTAINING AND
PROFITABLE OPERATIONS**

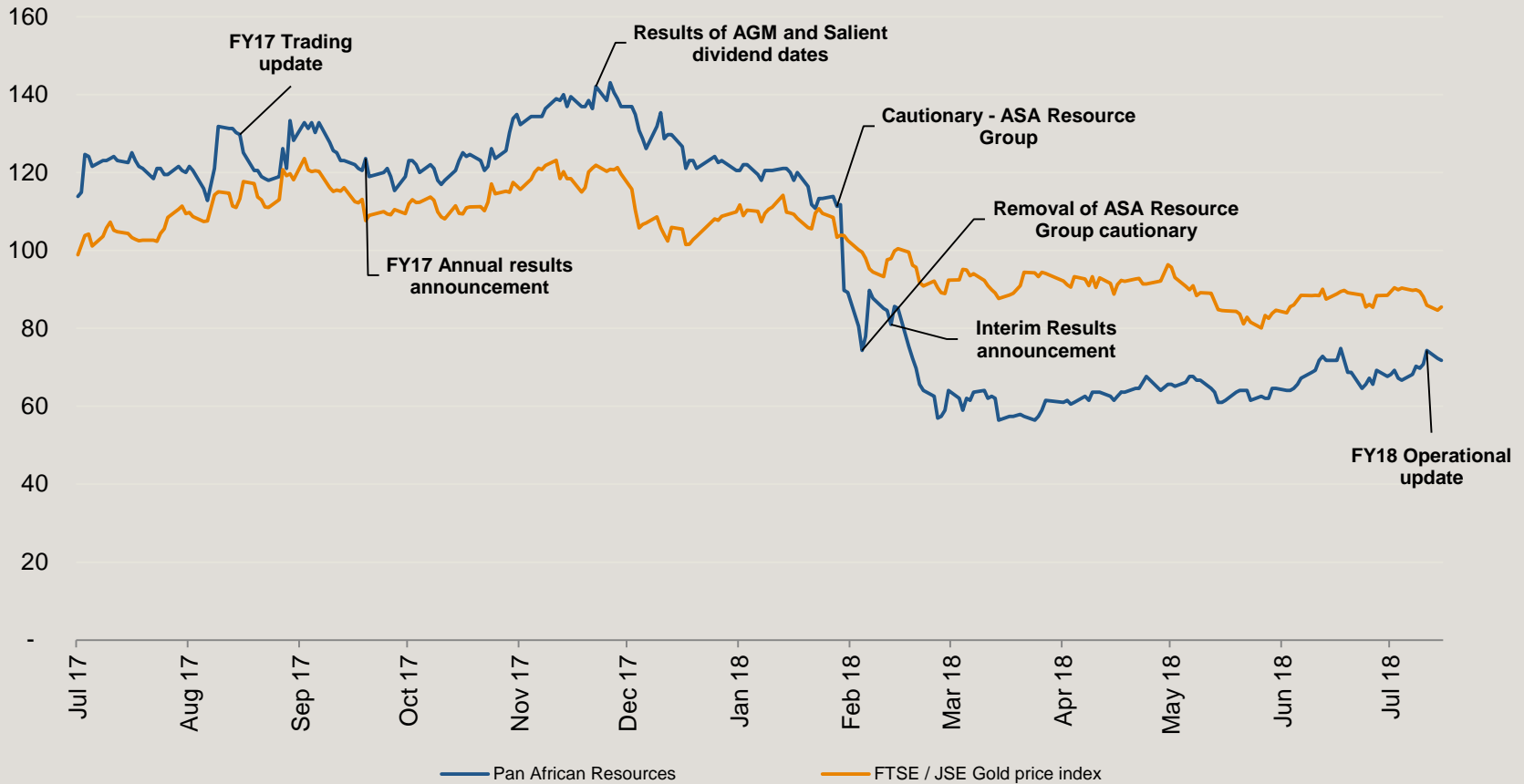


INTRODUCTION



PAN share price underperformance as a result of operational challenges – 1 year ended 18 July 2018

Relative performance rebased to 100



RE-ESTABLISHED LOW COST, SUSTAINING AND PROFITABLE OPERATIONS



Cessation of high cost and high risk underground operations

- Acquired Evander Gold Mines in 2013 from Harmony Gold
- High cost due to expanded infrastructure and mining distance from the shaft
- Depressed ZAR gold price for past three years compounded operational challenges

Remedial actions taken

- Successfully placed the underground operation on care and maintenance - materially reducing the group's cost of production and reducing the group's exposure to deep level underground mining
- Consequence is lower group ounce production but materially more profitable ounces

RE-ESTABLISHED LOW COST, SUSTAINING AND PROFITABLE OPERATIONS

Remedial action at Barberton Mines

- BTRP's low recoveries - installed regrind mill to improve production to 21,000oz per annum
- Underground flexibility - improved through additional development to ensure continuous availability of high grade platforms in the Fairview MRC orebody
- Barberton mines underground production increased by 23% from first 6 months of FY18



RE-ESTABLISHED LOW COST, SUSTAINING AND PROFITABLE OPERATIONS



Short term growth – Elikhulu

- A near commissioned tailings plant forecast to produce 56,000 ounces per annum
 - › Forecast capital of ZAR1.74 billion (~USD125 million) – forecasting payback of 4 years post commissioning
 - › Real post tax IRR of 23.1% (30.6% nominal)
- First gold expected in mid August 2018 and a LOM of 14 years
- AISC forecast at below USD700/oz (@R13.30)

RE-ESTABLISHED LOW COST, SUSTAINING AND PROFITABLE OPERATIONS

Elikhulu progress



SHORT - MEDIUM TERM
GROWTH PROSPECTS

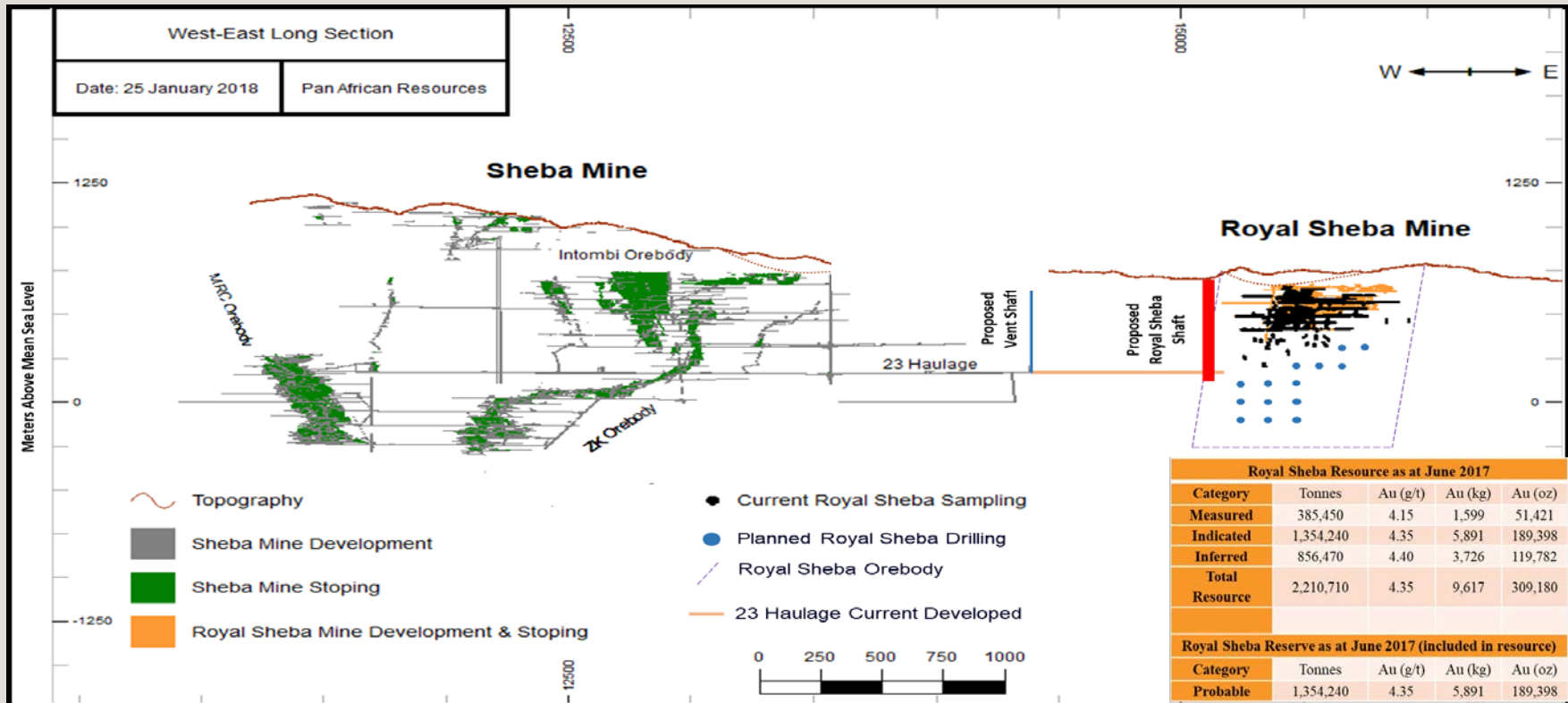


SHORT - MEDIUM TERM GROWTH PROSPECTS



Royal Sheba project

Expansion of an previously mined orebody to produce an estimated 30,000 ounces per annum over medium term. Orebody is being accessed from 23 Level Sheba Mine development of which +/-900m has been developed and approximately 850m remains



SHORT - MEDIUM TERM GROWTH PROSPECTS



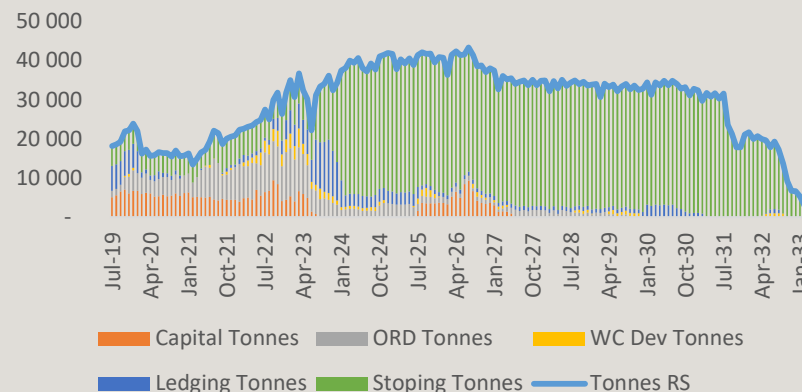
Egoli project overview

- An orebody adjacent to Evander’s No 7 Shaft infrastructure. The Project will use the established No 7 Shaft and metallurgical facilities, which are approximately 3km from the shaft infrastructure.
- Historical development at 7 Shaft has made ready access to the orebody possible within a relatively short timeframe coupled with low execution risk.
- The Project has more than one-million ounces of contained gold in measured and indicated categories.
- Mining feasibility study undertaken by DRA Global into the viability of the Project, the findings of which are summarised hereunder:

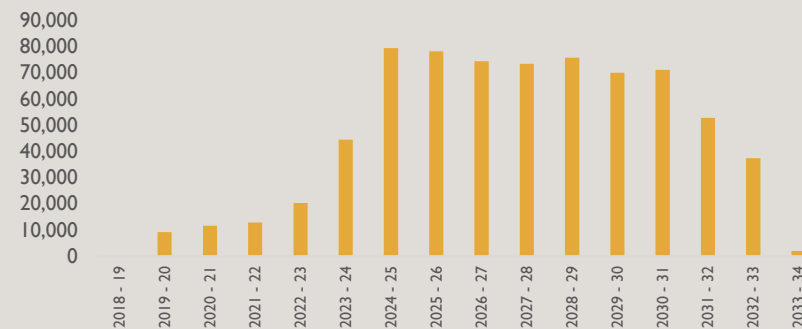
Key Metrics

CAPEX (R-million)	R 572.0
OPEX (incremental)	R 1,250/t
IRR (Real, pre-taxation)	46%
NPV (R mill) (Real, pre-taxation)	
@7.5%	R 2,303
@10%	R 1,742
@12.5%	R 1,324

LOM Production Profile (ROM tonnes)



Production Profile (Au oz)



SHORT - MEDIUM TERM GROWTH PROSPECTS – EXPLORATION PROSPECTS



Short Term Exploration

- › Independent geological consultancy conducted a review of the group’s mining rights resulting in:
 - In excess of 35 targets being identified and ranked on prospectivity for exploration;
 - Exploration has commenced on the most attractive prospect with first results expected later this year.
- › Extending reserves from known orebodies by delineating down dip, surface and lateral continuity within:

Fairview	Sheba	New Consort
I I Block MRC Infill Drilling	ZK Down Dip	45 Level High Grade Shoot Delineation
	ZK Horizon in the MRC Footwall	
	Drummond Mineralisation	
Hope Reef Delineation	Royal Sheba Near Surface Resource Definition	
	Royal Sheba Underground Extention	

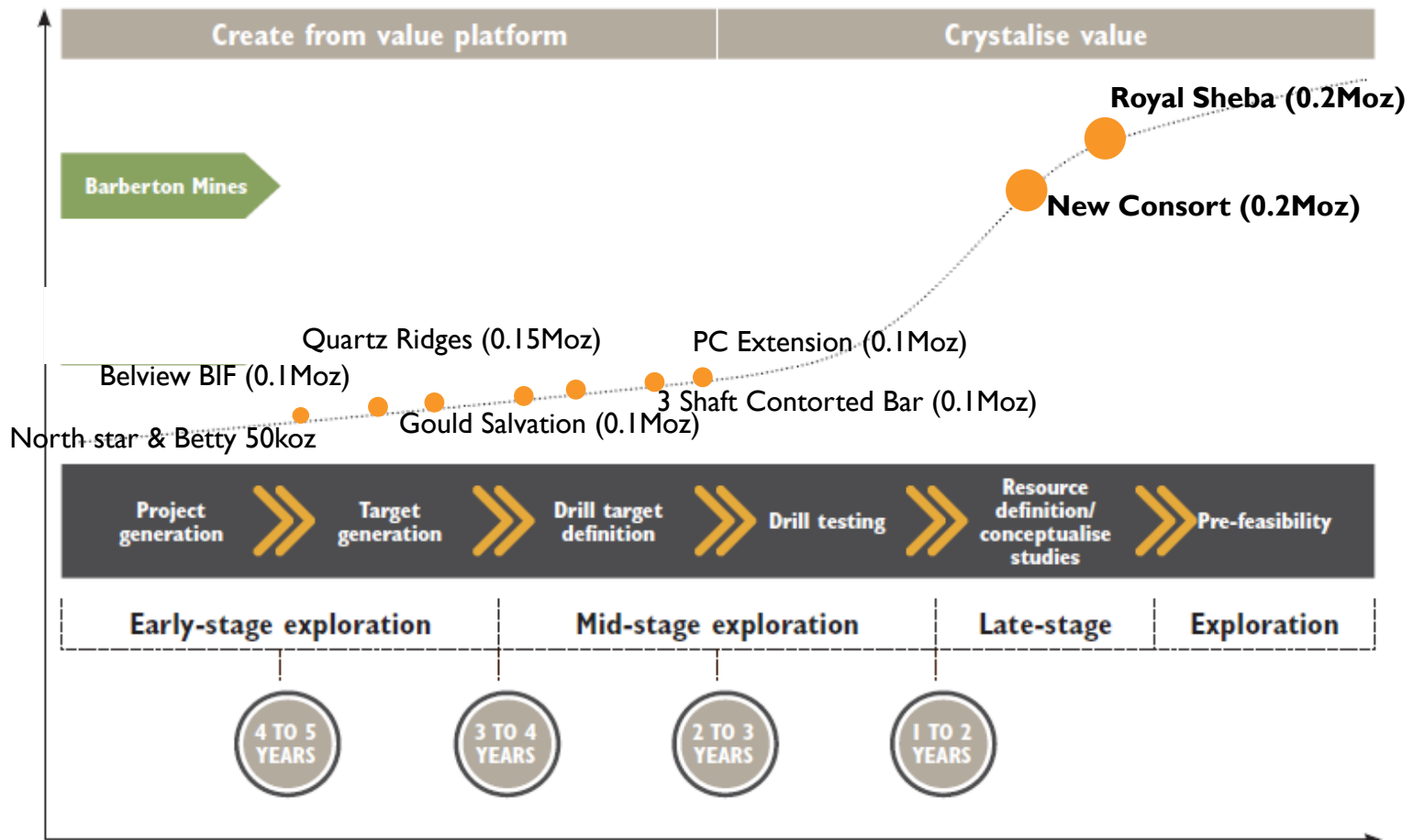
Medium Term Exploration

- › Near mine exploration on a number of brownfield targets on the Barberton mining right

SHORT - MEDIUM TERM GROWTH PROSPECTS – EXPLORATION PROGRAMS AT BARBERTON MINES



PATHWAY TO VALUE – CONCEPT TO RESOURCE DEFINITION





SA MINING ENVIRONMENT

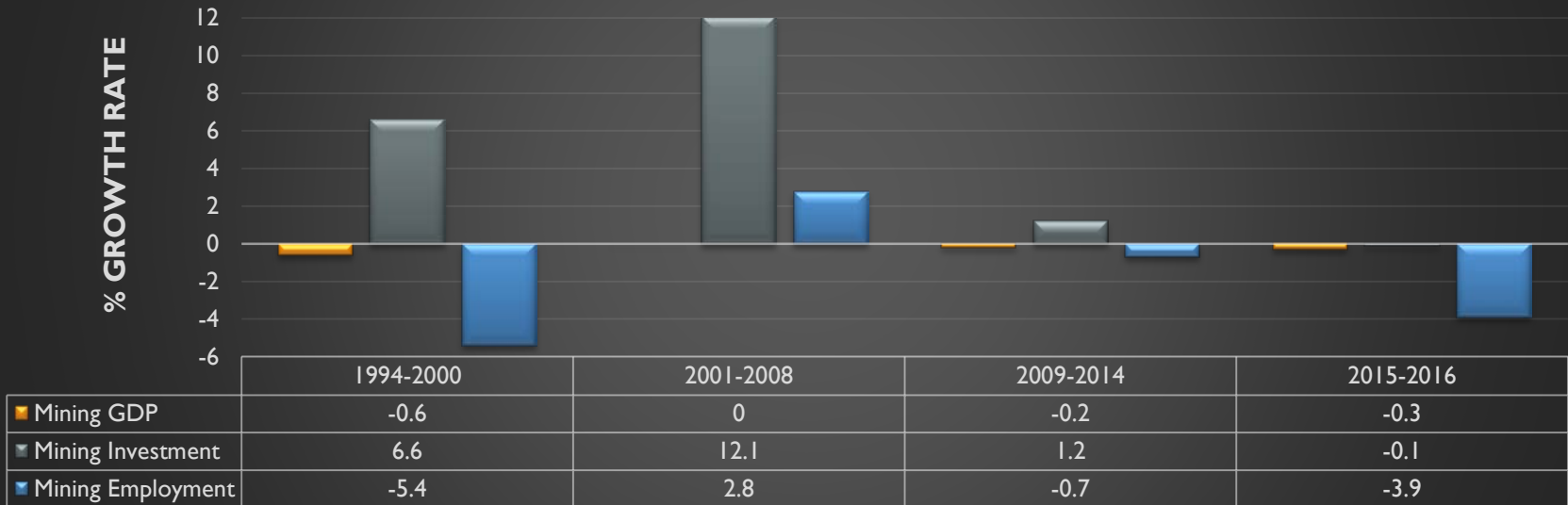


SA MINING ENVIRONMENT



- **Declining production profile, increasing costs**
 - › Underground mines – deep and increasingly difficult and expensive
 - › Declining employment numbers
 - › High mining cost inflation
- **Negative perceptions of SA mining industry**
 - › Safety - challenges
 - › Uncertainty around mining legislation
 - › Labour and community expectations
 - › Illegal mining activities

Growth rates, Mining GDP, Fixed Investment and Employment

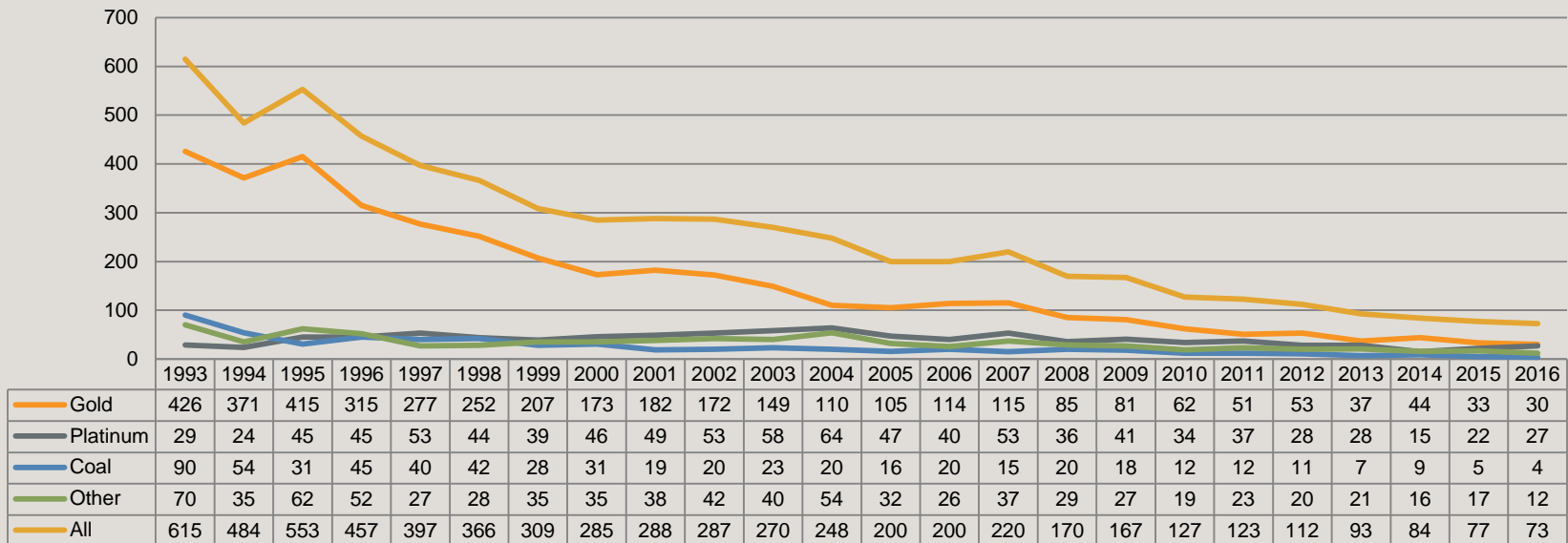


* Source: Chamber of Mines - SA

Positives on South Africa

- **Mining safety**
 - › Between 1993 and 2016 mining fatalities reduced by 88%
 - › Mining injuries have decreased by 9% from 2016 to 2017

Number of fatalities – SA Mining



Achievements and business prospects:

- Operational challenges of 2017 financial year – remedial action achieving desired results on all fronts to re-establish sustainable operations
- Cessation of Evander’s loss making underground mining production – materially reducing group cost structure
- Elikhulu commissioning on track and within budget – first gold mid August 2018 making a material contribution to the group’s low cost production
- A number of very attractive prospects being explored for generic growth
- Attractive future profit and dividend prospects from a diversified production portfolio

“The 2017 financial year was extremely challenging on both technical and financial fronts, but it also afforded the group an opportunity to decisively deal with these issues and reposition the group as a low cost sustainable African producer with excellent growth prospects” - Cobus Loots



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THANK YOU



APPENDIX



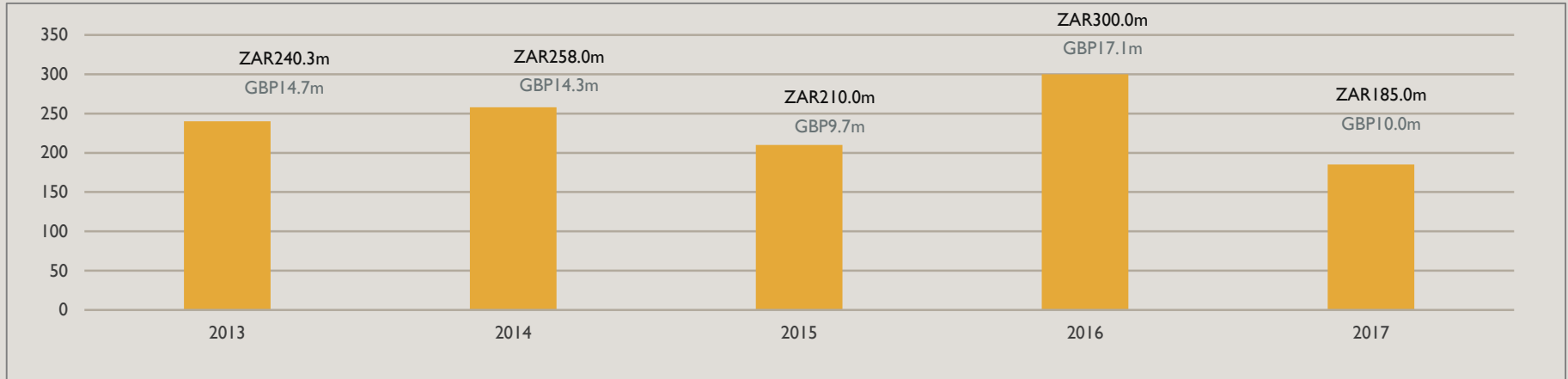
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DIFFERENTIATING FACTORS FROM OTHER SA GOLD MINES - PROFITABILITY



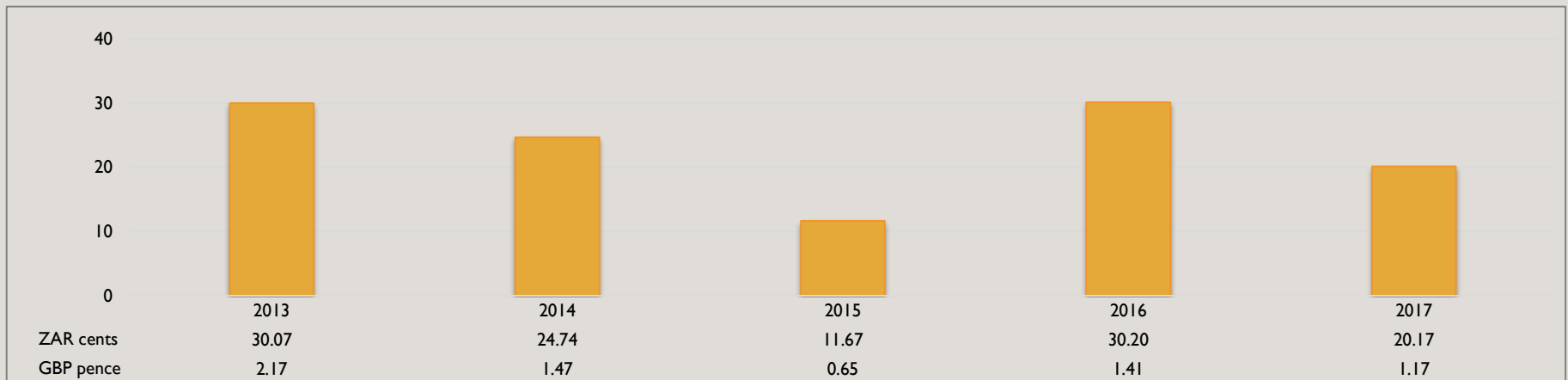
Dividends paid

ZAR million / GBP million



Headline earnings per share

ZAR cents / GBP pence



PAR'S WELL ESTABLISHED TRACK RECORD



PAR historic dividend yield relative to market

