



MACQUARIE INVESTOR DAY

ELIKHULU AND THE FUTURE
JUNE 2018

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THE AFRICAN FOCUSED GOLD PRODUCER



OVERVIEW OF PRESENTATION



- Background
- 2018 predicament and remedial plans
- Tailings operations and Barberton Mines
- Future growth prospects
 - ✓ Royal Sheba
 - ✓ Egoli

BACKGROUND



BACKGROUND

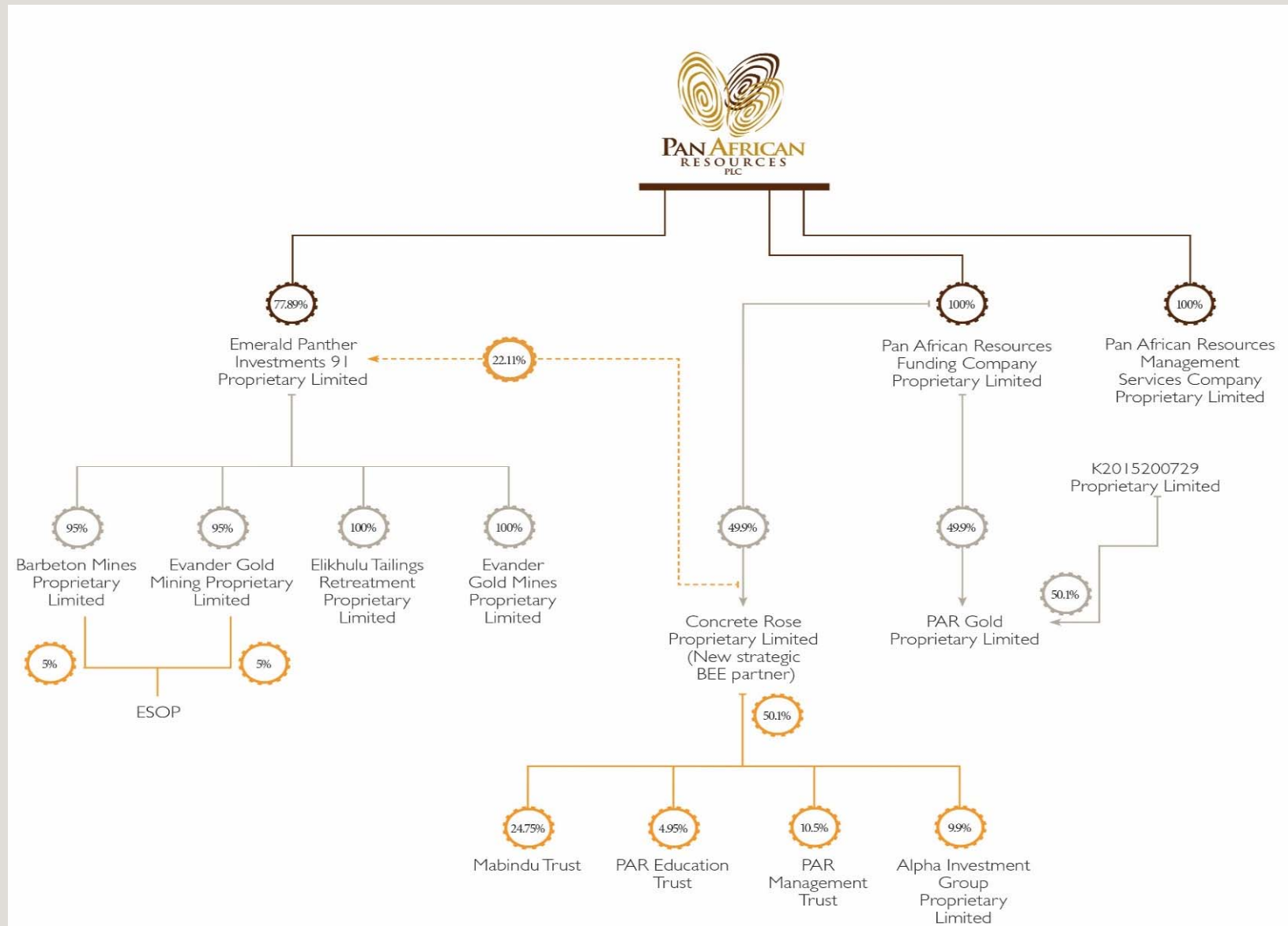


- PAR is dual-listed on the JSE and on AIM
- All operations are currently in South Africa
- Market capitalisation ~ ZAR 3.1 billion
- Group refocused on its core gold operations during the current financial year
- High cost ounces curtailed - strategic focus on long life, low cost, sustainable production ounces
- PAR tailings operations are critical to deliver into this strategy
- Attractive growth potential through Royal Sheba and Egoli
 - › Updated Royal Sheba feasibility study by end September 2018

BACKGROUND



Group empowerment structure





**OUR PREDICAMENT
AND ACTION PLANS –
FEBRUARY 2018**

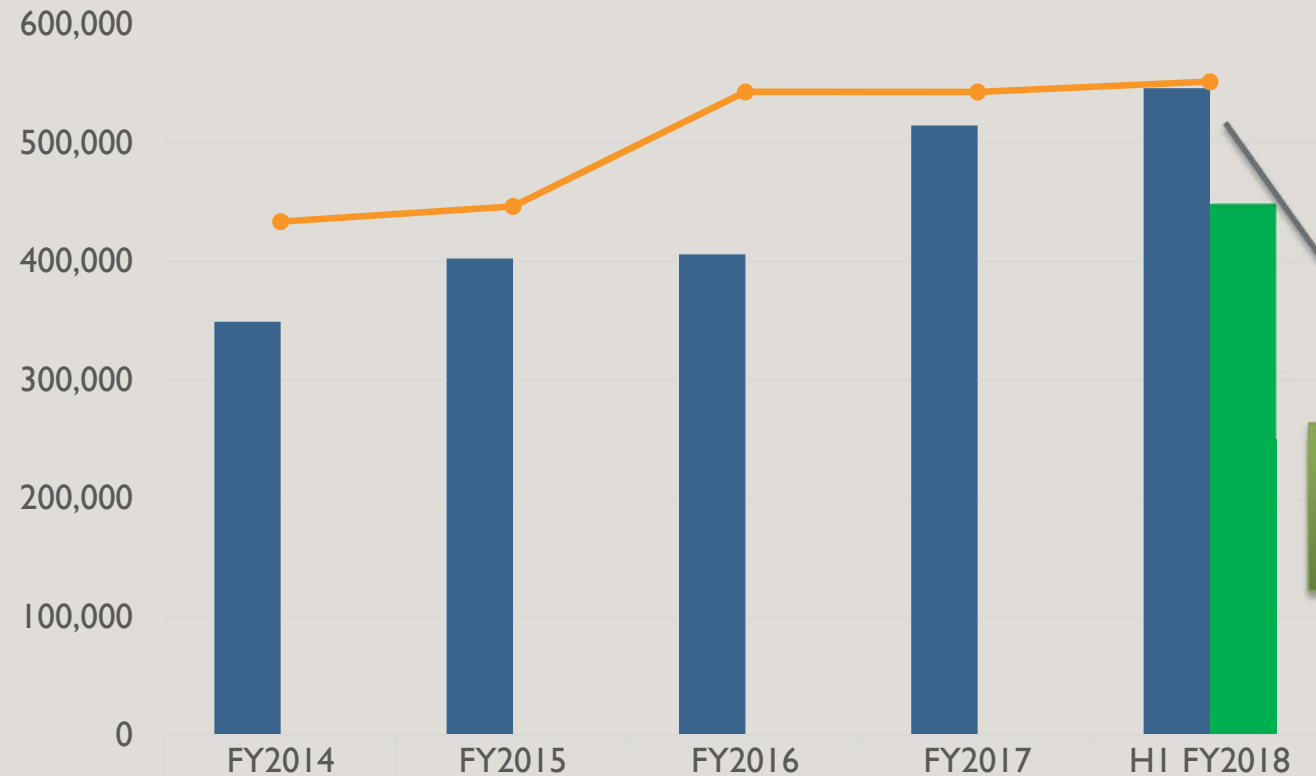


OUR PREDICAMENT – FEBRUARY 2018



Group costs as defined by World Gold Council

ZAR/kg



Gold price on
27 February
2018 –
R495,000/kg

- All-in sustaining costs
- All-in sustaining cost excl. EGM U/G
- Average gold price received

Remedial actions

- Evander initiated Section 189 process in terms of South African Labour Act on 26 February 2018
- Section 189 process concluded on 27 May 2018
- Approximate number of employees retrenched – 1,700 employees
- Retrenchment cost approximately R160 million excluding leave liability
- Evander 7 and 8 Shafts placed on care and maintenance for Egoli and remnant mining on 8 Shaft
- Surface sources processing and ETRP remining continuing
- Also considering very limited mining of high grade underground areas, and possibly mining of Evander 8 Shaft pillar
- Have also indicated to government that Pan African would consider any other credible proposal that creates employment opportunities whilst safeguarding our assets



TAILINGS OPERATIONS AND BARBERTON MINES



OUR LONG-LIFE, LOW-COST
TAILINGS RETREATMENT
OPERATIONS



OUR LONG-LIFE, LOW-COST TAILINGS RETREATMENT OPERATIONS



Gold tailings retreatment operations

- **Barberton Tailings Retreatment Plant**
 - Regrind mill installed to improve throughput and recoveries
 - Initial capital outlay of ZAR325.7 million (~USD37 million) – paid back in 18 months
- **Evander Tailings Retreatment Plant (To be incorporated into the Elikhulu Tailings Retreatment Plant)**
 - LOM of 14 years
 - Current AISC of USD735/oz
 - Initial capital outlay of ZAR174.3 million (~USD15 million) – paid back in less than 3 years
- **Elikhulu Tailings Retreatment Plant (Currently in final construction phase)**
 - ~56,000oz p/a gold production in first 8 years, LOM of 14 years
 - AISC forecast at below USD700/oz (@R12.50)
 - Forecast capital of ZAR1.74 billion (~USD125 million) – forecasting payback of 4 years post commissioning

PAR INVESTMENT CASE



Disciplined capital allocation decisions

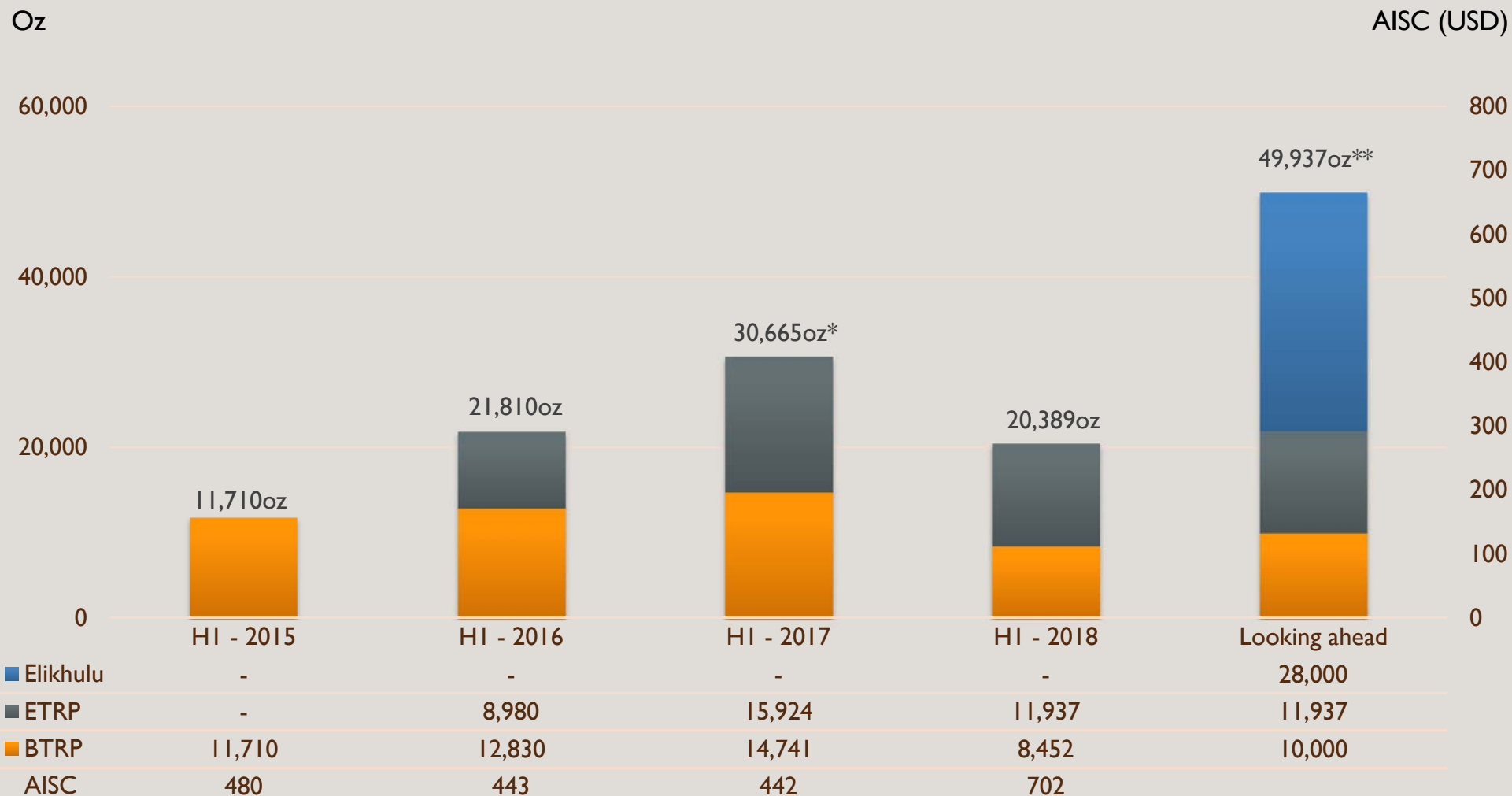
Project	Investment capital/ purchase price (ZAR million)	Forecast payback period
Phoenix CTRP	308.9*	Disposed of to Sylvania Platinum for R89 million
Evander Underground	1,300	Original forecast payback of approximately 4 years – impacted by deep level underground challenges in the SA mining industry and gold price – however purchase included the Elikhulu and Egoli projects
BTRP	325.7	Paid back in 18 months
ETRP	174.3	Paid back in less than 3 years
Uitkomst Colliery	148.0	Disposed of Uitkomst for a profit of R91.3 million
Shanduka Gold transaction	546.7	Materially value accretive to shareholders – 17% increase in EPS
Elikhulu Tailings Project	175.5	Forecasting capital of R1.74 billion – Forecasting 4 years payback

* Recorded ZAR125 million impairment for Phoenix during FY2013 and ZAR101 million during FY2017

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 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 and forecasted Elikhulu production of 56,000oz per annum.

Production challenges

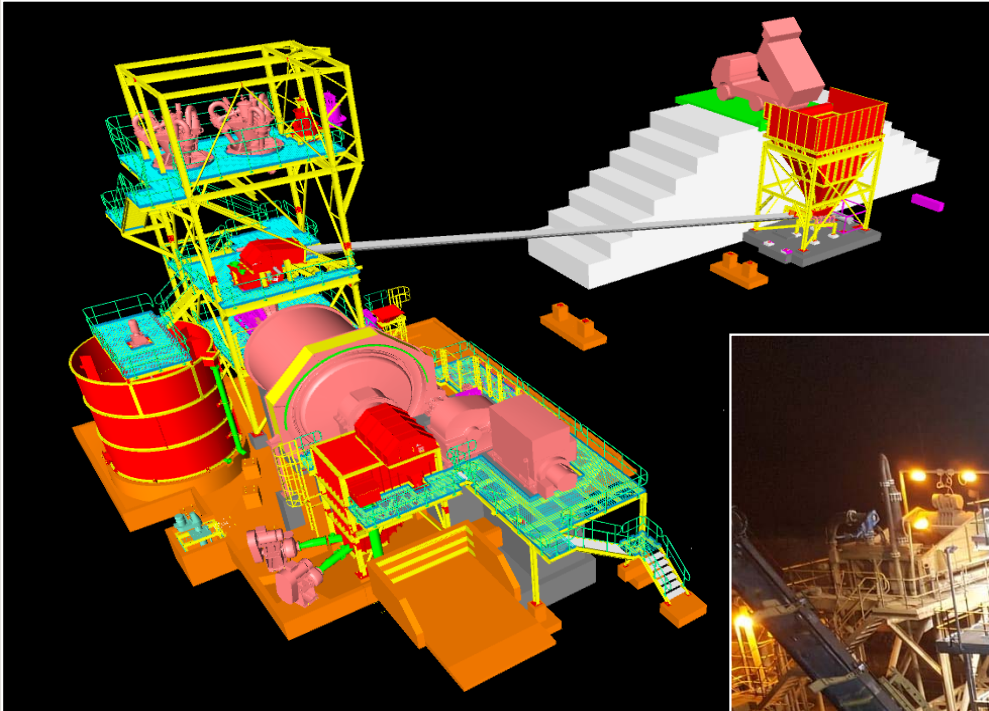
- **BTRP**
 - › Processing difficulties at the Barberton's Tailings Retreatment Plant ("BTRP"), due to the re-mining operation moving to the lower-grade Harper dump following depletion of the Bramber dump, and the head grade reducing from 2.2g/t to 1.4g/t
 - › The Harper dump material has a larger coarse fraction, which resulted in clogging of the thickener
 - › A regrind mill has been installed to reduce the Harper dumps course fraction material, which will improve material handling and recoveries

Addressing BTRP recoveries

- › Installation of a 1.6 MW regrind mill to facilitate treatment of coarse material
- › Return the Barberton Mines BTRP to 21 Koz per annum
- › Project cost – approximately R60 million
- › Commissioned end May 2018 – first gold by June 2018
- › Process flowsheet – regrinding of coarse TSF fraction and conveyor sand/coarse fed material

TAILINGS OPERATIONS – BTRP

Schematic and actual view of BTRP regrind mill addition



TAILINGS PRODUCTION GROWTH - ELIKHULU

Location



TAILINGS PRODUCTION GROWTH - ELIKHULU



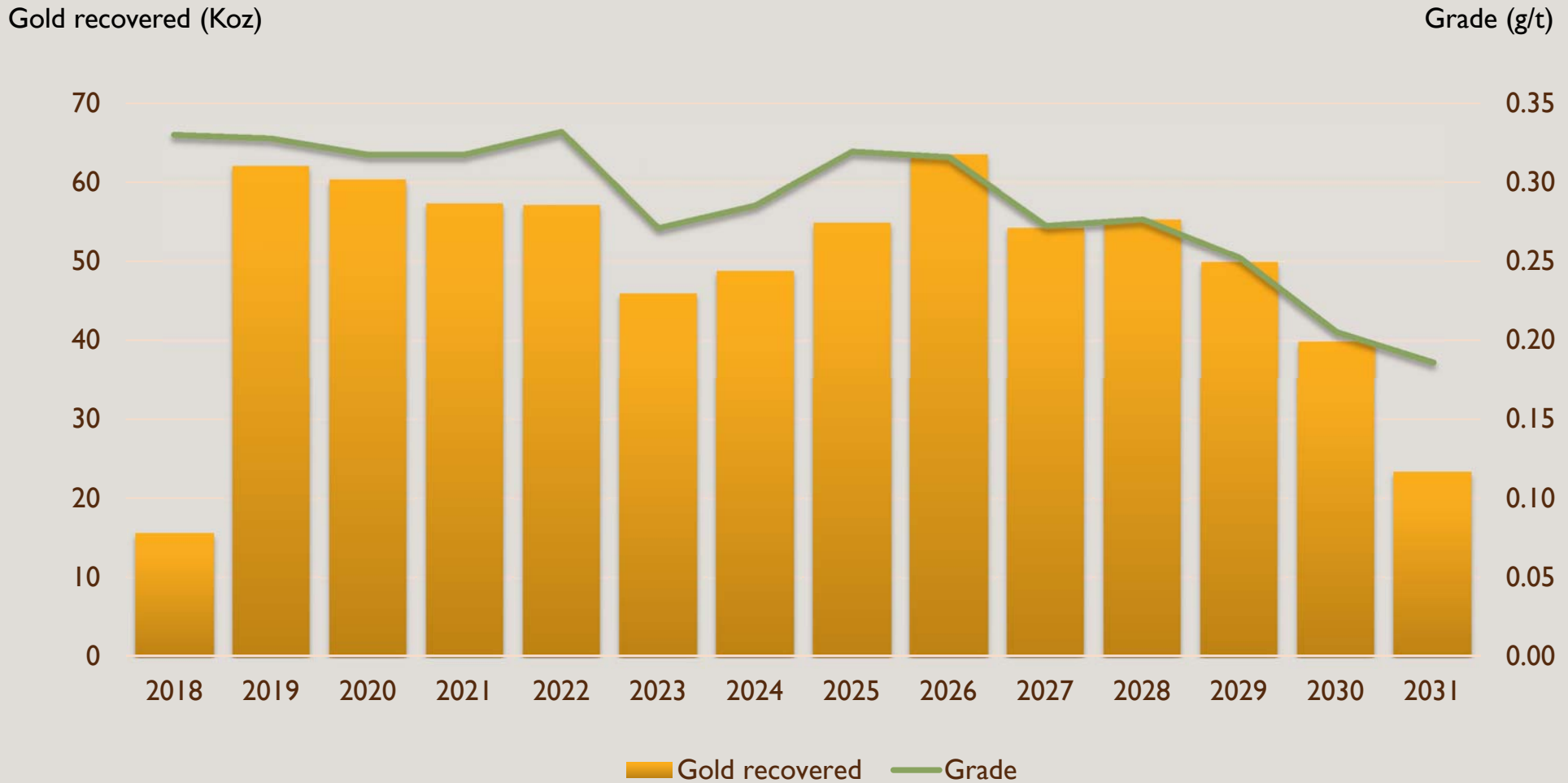
Accelerated development programme



TAILINGS PRODUCTION GROWTH - ELIKHULU



Forecasted production profile (calendar years)



* 2018 excludes possible improved production due to earlier commissioning of the Elikhulu plant during August 2018 as well as additional ounces to be produced when combining ETRP production into the Elikhulu plant.

TAILINGS PRODUCTION GROWTH - ELIKHULU



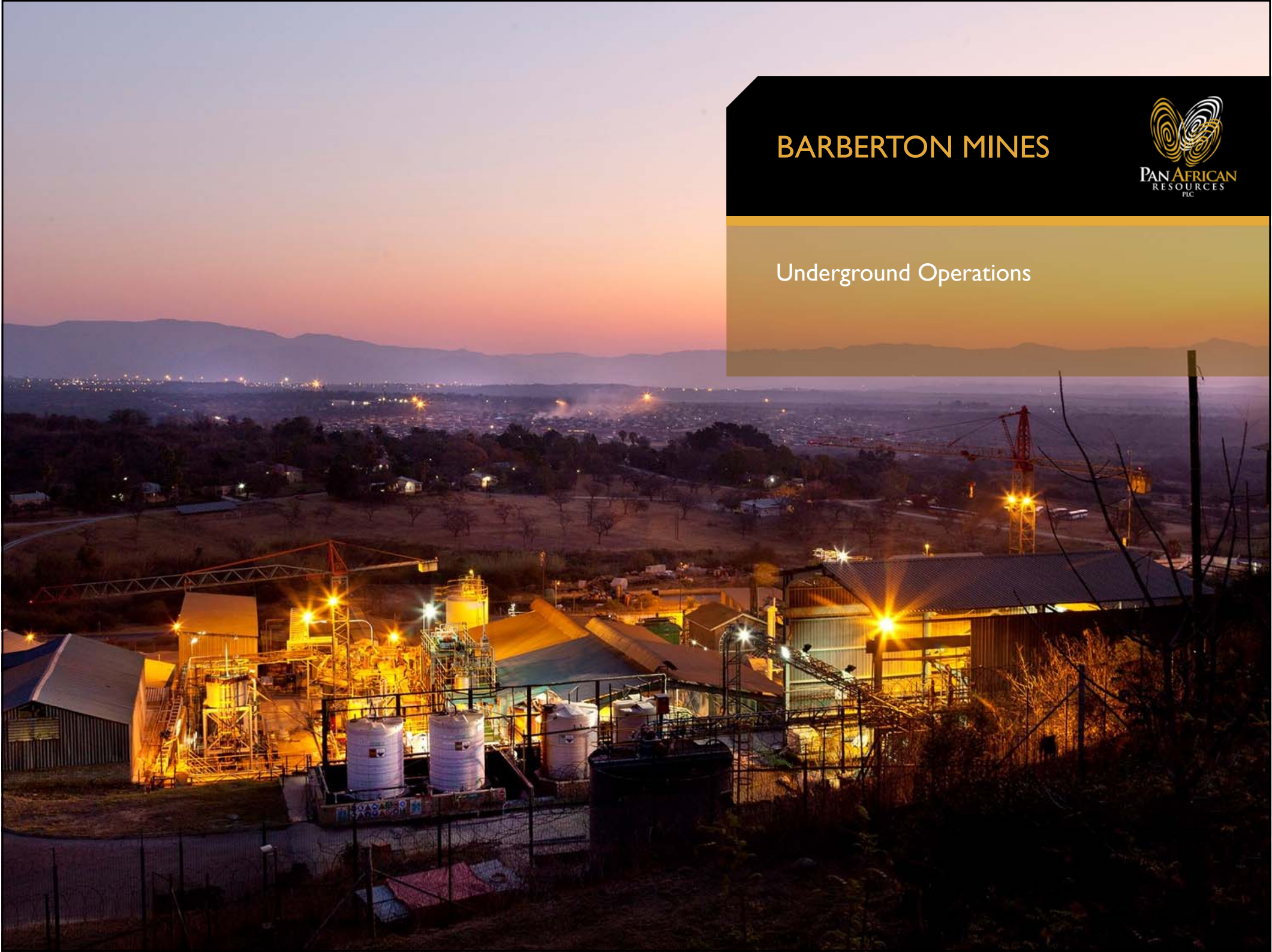
Current status

- › Construction progressing well and currently ahead of schedule and below budgeted cost
- › First gold anticipated in August 2018 and full commissioning in September 2018
- › Current project expenditure is R1.2 billion and forecasting an overall saving on approved capital budget

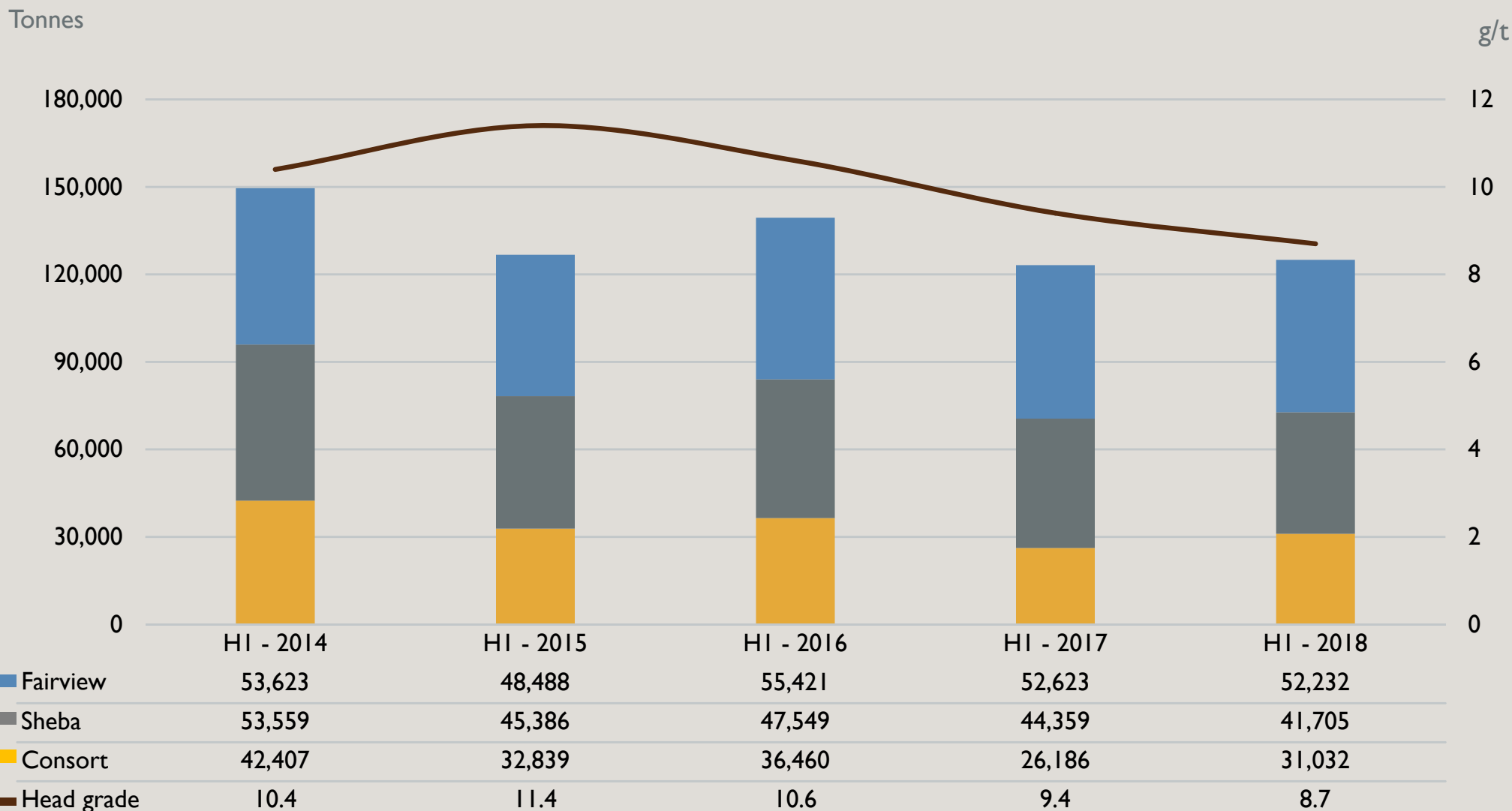
BARBERTON MINES



Underground Operations



Production statistics



BARBERTON MINES -SUSTAINING PRODUCTION, TONNAGE AND GRADE



Arresting the historical declining underground mining profile

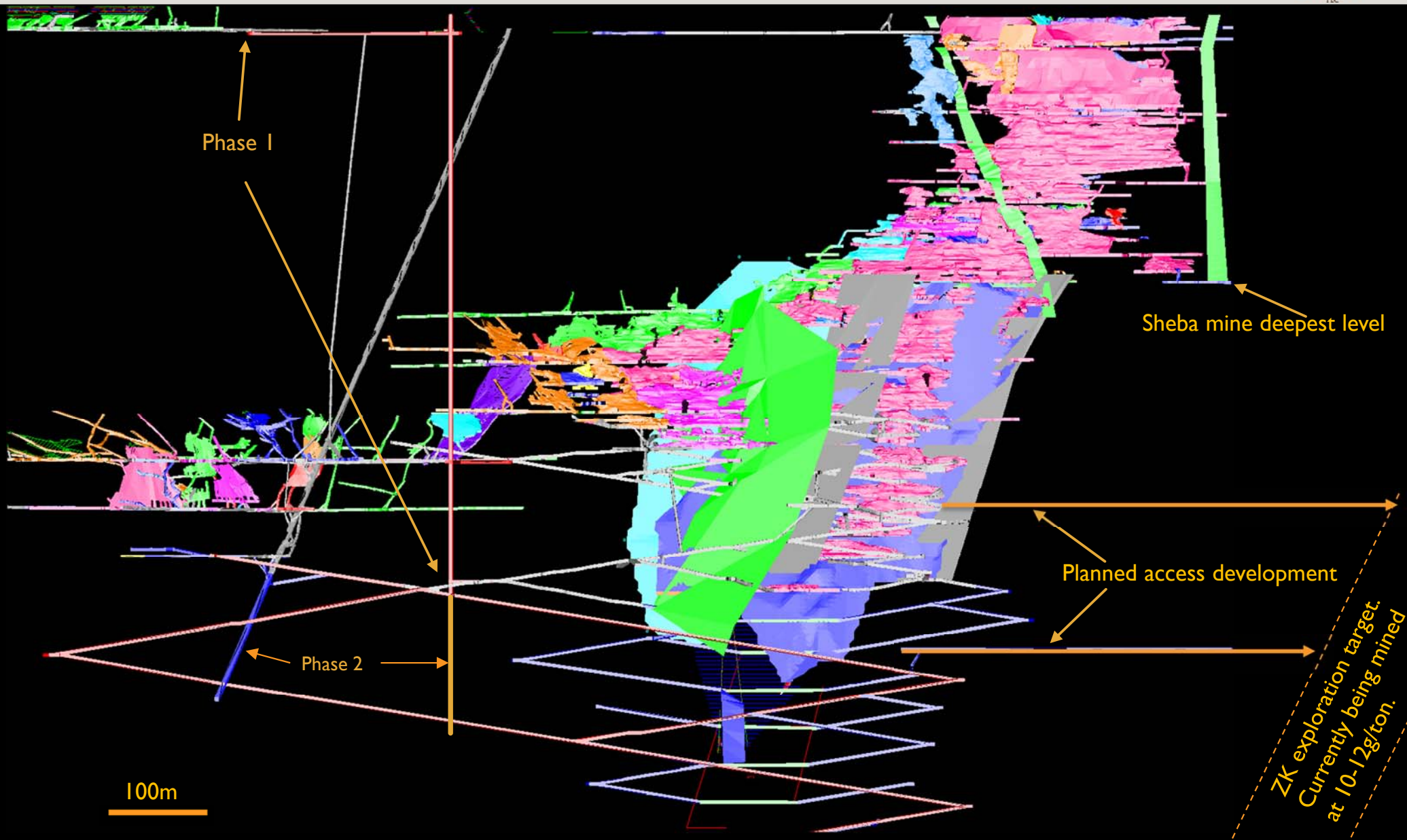
Tonnage:

- › Increase waste and reef development for ore reserve generation by 61% relative to FY18, to improve mining flexibility
- › Currently 2 high grade platforms being cycle mined at Fairview mine and development fast-tracked to open up 3rd platform thereby increasing flexibility even further
- › Improve logistical constraints at Fairview 3 Shaft decline by optimising hoisting of men and material
- › Fairview sub-vertical shaft as previously announced

Grade:

- › Grade control: 25mx25m in-fill drilling on MRC which will increase block factors to 90% confidence
- › Implementing new estimation methods for grade forecast (Kriging)
- › Detail mine scheduling to manage grade and tonnage variables (Planned vs Actual)

BARBERTON MINES PROJECTS – FAIRVIEW SUB-VERTICAL SHAFT





**FUTURE GROWTH
PROSPECTS**



Exploration Upside

- › Embarked on a strategy to assess the exploration potential at Barberton and Evander Mines
- › Egoli Project - surface drilling completed and identified prospective geology indicating secondary Channel parallel to Kinross Channel
- › Royal Sheba - surface drilling for resource definition
- › Shango Solutions (independent geological consultants) have been mandated to define the following:
 - **Short Term Exploration – Objective: to improve geological confidence in near term reserves**
 - › Extending reserves from known orebodies by delineating down-dip and lateral continuity within the MMR, MRC, ZK and other orebodies at Barberton and Kinross Channel at Evander
 - **Medium Term Exploration – Objective: to identify opencast resources and increase Egoli’s geological confidence**
 - › Near mine exploration on brownfield targets such as Royal Sheba, Bullion, Clutha, Margret, Victory Hill at Barberton and Egoli extension, No 5 Decline at Evander
 - **Long Term Exploration – Objective: to identify replacement orebodies**
 - › Identifying potential targets along the regional structural settings for example the Sheba, Ulundi and Eureka antiforms at Barberton and prospective Channels in the Evander Basin

FUTURE GROWTH – BARBERTON & EVANDER



Royal Sheba: Priority surface geological prospect

Geology

Gold mineralisation occurs within the Sheba Fault shear zone in the banded chert-carbonate shale unit of the Fig Tree Group. The Royal Sheba orebody was previously mined and is open-ended at depth.

Exploration

Surface drilling program of 14 exploration holes has commenced to define the extension to the mineral resource.

Royal Sheba: Underground mining feasibility study

Mine Design Feasibility Studies

- › Evaluating advantages of an approximate 600m long, 1m diameter vent shaft on Sheba 23 Level haulage to enable multi-blast conditions
- › DRA is conducting a Basic Economic Assessment (BEA) which will focus on optimisation options
- › An update of the Royal Sheba structural, geological and mineral resource models in three dimensions (3D) are being conducted to optimise the mineral resource

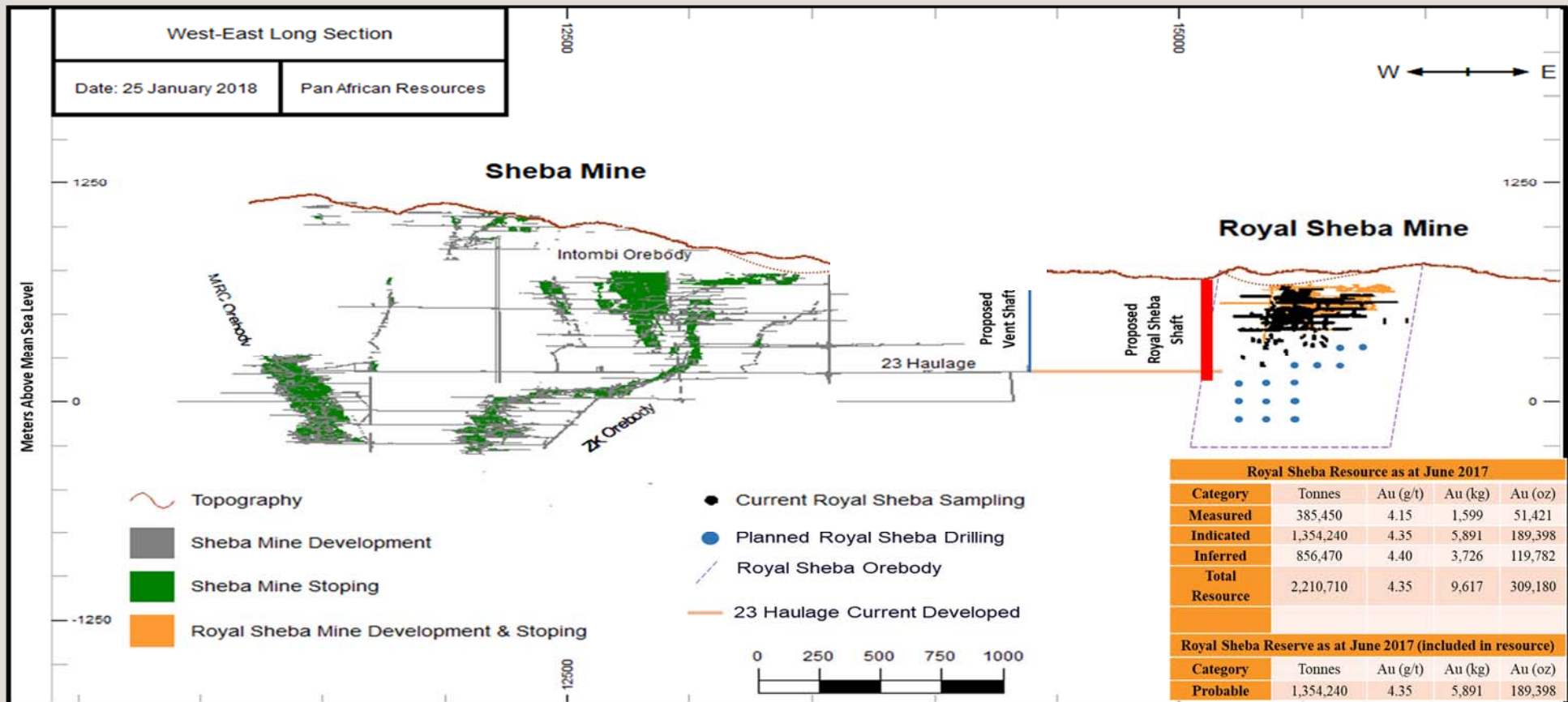
Up to 35kt of ore from either project can be treated at the BTRP.

FUTURE PROFITABLE GROWTH – ROYAL SHEBA



Project Status

The Royal Sheba orebody is being accessed from 23 Level Sheba Mine development of which +/- 900m has been developed and approximately 850m remains



FUTURE GROWTH - EGOLI



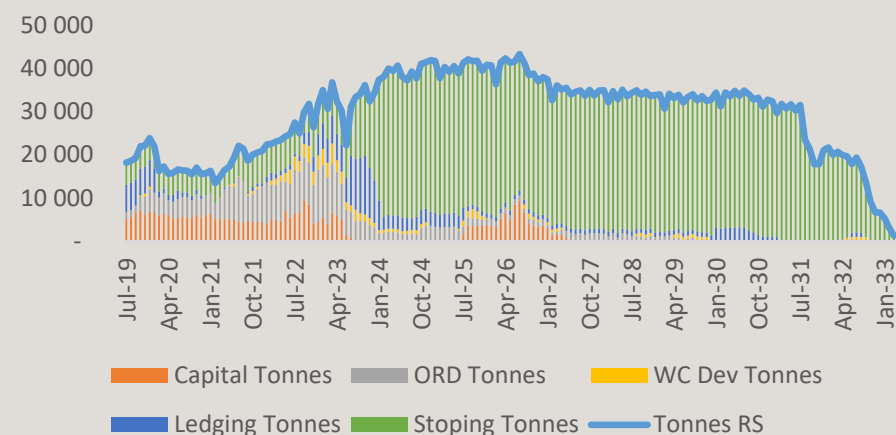
Overview

- The Project is adjacent to the No 7 Shaft infrastructure and extends from the boundary of Taung Gold International Limited's No 6 Shaft mining right.
- 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 study's findings are summarised hereunder:

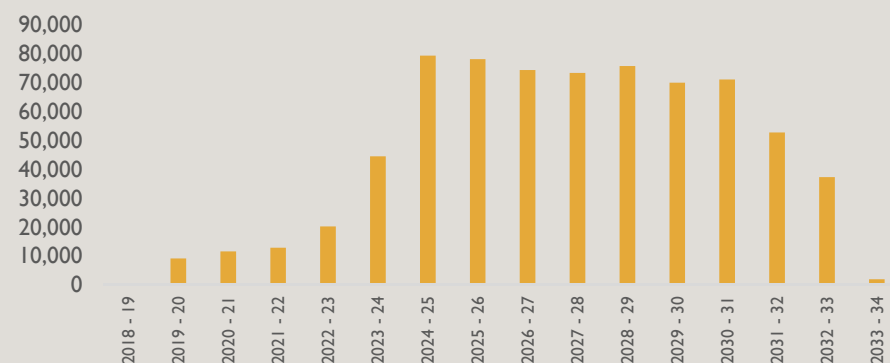
Key Metrics

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

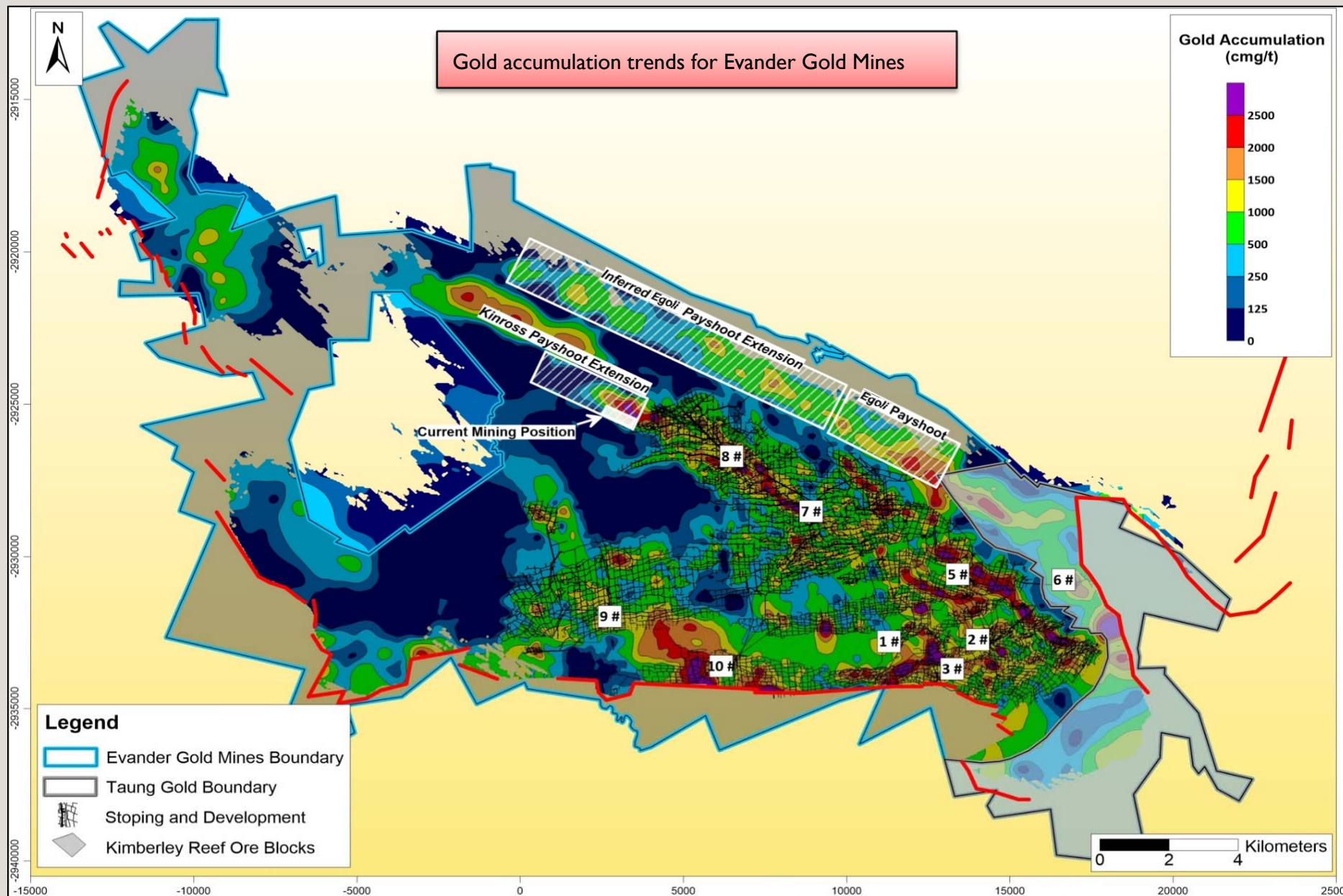
LOM Production Profile (ROM tonnes)



Production Profile (Au oz)



FUTURE PROFITABLE GROWTH - EGOLI



FUTURE PROFITABLE GROWTH - EGOLI



Resource Category	Tonnes (Mt)	Gold (Kg)	Gold (Koz)	Grade (g/t)	Block Width (cm)	Grade (cmg/t)	SG (t/m ³)
Measured	0.361	3,238	104	8.97	110	986	2.71
Indicated	2.922	28,828	927	9.87	110	1,085	2.71
Total M&I	3.283	32,066	1,031	9.77	110	1,074	2.71
Inferred	6.124	59,628	1,917	9.74	110	1,071	2.71
Grand Total	9.406	91,693	2,948	9.75	110	1,072	2.71

Notes:

Mineral Resources are reported in accordance with the SAMREC guidelines. Mineral Resources would be the same if they are reported according to the guidelines of JORC. Cut-off values are reported applying a gold price of ZAR600,000/kg (US\$1,370/oz and ZAR13.62/US\$1). Mineral Resources are reported inclusive of mineral reserves. All mineral resources exclude geological structures, regional pillars, middling pillars, safety pillars and shaft pillars. Mineral Resources are reported as in-situ tonnes. Any discrepancies in totals are due to rounding.

The following tonnage discount factors have been applied:

- Geological loss of 2% for the Measured Category
- Geological loss of 2% for the Indicated Category
- Geological loss of 5% for the Inferred Category

Additional effects of mining and recovery losses have been considered in the cut-off grade calculations.

THANK YOU

