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

Interim unaudited results for the six months ended 31 December 2015

Key features reported in South African Rand ('ZAR') and Pound Sterling ('GBP')
- Group earnings in ZAR terms increased by 129.4% to ZAR227.6 million (2014: ZAR99.2 million). In GBP terms, group earnings increased by 98.2% to GBP10.9 million (2014: GBP5.5 million)(note 1).
- Group revenue increased by 29.4% to ZAR1,575.4 million (2014: ZAR1,217.4 million).
- Group gold sales increased by 17.4% to 101,797oz (2014: 86,675oz).
- Effective ZAR gold price received increased by 11.7% to ZAR485,215/kg (2014: ZAR434,403/kg).
- All-in cost per kilogramme decreased to ZAR397,692/kg or USD910/oz (2014: ZAR453,068/kg or USD1,283/oz), due to improved gold production and lower expansionary capital.
- All-in sustaining cost per kilogramme decreased to ZAR396,819/kg or USD908/oz (2014: ZAR411,384/kg or USD1,165/oz).
- For the 2015 financial year, the group paid a dividend of ZAR210 million or GBP9.7 million (2014: ZAR258 million or GBP14.9 million), equating to ZAR0.1147 per share or 0.53p per share (2014: ZAR0.1410 per share or 0.82p per share). This payment was made on 24 December 2015.
- Substantial improvement in the group net debt to ZAR345.8 million (GBP15.0 million) from the ZAR458.6 million (GBP25.4 million) in December 2014.
- The group is pleased to report no fatalities in the reporting period (2014: no fatalities).
- The group is well positioned to sustain attractive final dividend payments.

	Metric	For the six months ended 31 December 2015		For the six months ended 31 December 2014		Movement	
Revenue	(ZAR millions - GBP millions)	1,575.4	75.6	1,217.4	68.1	29.4%	11.0%
Average gold price received	(ZAR/kg – USD/oz)	485,215	1,110	434,403	1,231	11.7%	(9.8%)
Cash costs	(ZAR/kg – USD/oz)	323,730	740	351,461	996	(7.9%)	(25.7%)
All-in sustaining costs	(ZAR/kg – USD/oz)	396,819	908	411,384	1,165	(3.5%)	(22.1%)
All-in costs	(ZAR/kg – USD/oz)	397,692	910	453,068	1,283	(12.2%)	(29.1%)
Adjusted EBITDA (note 3)	(ZAR millions - GBP millions)	418.7	20.1	230.6	12.9	81.6%	55.8%
Attributable earnings	(ZAR millions - GBP millions)	227.6	10.9	99.2	5.5	129.4%	98.2%
Earnings per share ('EPS')	(cents - pence)	12.43	0.60	5.42	0.30	129.3%	100.0%
Headline earnings per share ('HEPS')	(cents - pence)	12.43	0.60	5.61	0.31	121.6%	93.5%
Net debt	(ZAR millions - GBP millions)	345.8	15.0	458.6	25.4	(24.6%)	(40.9%)
Total sustaining capital expenditure	(ZAR millions - GBP millions)	100.1	4.8	114.9	6.4	(12.9%)	(25.0%)
Total capital expenditure	(ZAR millions - GBP millions)	128.9	6.2	214.6	12.0	(39.9%)	(48.3%)
Net asset value per share	(cents - pence)	150.4	7.0	143.4	8.2	4.9%	(14.6%)
Weighted average number of shares in issue	(millions)	1,831.5	1,831.5	1,830.0	1,830.0	0.1%	0.1%
Average exchange rate	(ZAR/GBP – ZAR/USD)	20.83	13.60	17.87	10.98	16.6%	23.9%
Closing exchange rate	(ZAR/GBP – ZAR/USD)	22.99	15.53	18.03	11.60	27.5%	33.9%

Cobus Loots, CEO of Pan African Resources commented: "We are delighted to announce a much improved operating and financial performance, underpinned by the stronger prevailing ZAR gold price environment. We delivered important operational improvements at Evander Mines, with gold sales and revenue increasing significantly. The Evander Mines Tailing Retreatment Plant has assisted our production growth and continued focus on low-cost, high-margin gold ounces. The performance in this period is a testament to our quality assets and dedicated workforce and management. The group is well positioned to produce approximately 200,000oz and 9,000oz of gold and PGEs respectively, over the full year period.

Cash generation increased greatly during the period and is a key benchmark of our success, allowing us to substantially reduce our net debt position and improve our overall finances. As a result, the company remains well positioned to maintain its sector-leading dividend pay-out and take advantage of future growth opportunities."

Operational

Barberton Mines Proprietary Limited ('Barberton Mines') (note 5)

- The operation reported no fatalities (2014: no fatalities).
- Average underground head grade of 10.9g/t (2014: 11.6g/t).
- Gold sold increased by 6.6% to 56,447oz (2014: 52,942oz).
- Revenue increased by 19.6% to ZAR854.3 million (2014: ZAR714.3 million), as a result of the improved gold sales and the higher effective ZAR gold price.
- Cash cost per kilogramme decreased by 4.5% to ZAR266,690/kg (2014: ZAR279,150/kg), due to improved gold ounce production.
- All-in sustaining cost per kilogramme increased by 5.7% to ZAR349,218/kg (2014: ZAR330,340/kg). The increase was mainly as a result of an unrealised derivative cost collar mark to market fair value adjustment of ZAR40.6 million, which was revalued at 31 December 2015 following the depreciation of the ZAR/USD exchange rate.
- All-in cost per kilogramme increased by 3.5% to ZAR349,739/kg (2014: ZAR337,814/kg).
- Adjusted EBITDA increased by 31.7% to ZAR310.1 million (2014: ZAR235.5 million)(note 3).
- Capital expenditure was unchanged at ZAR55.9 million (2014: ZAR55.9 million).
- Effective from 1 July 2015, the life of mine was increased to 20 years (2014: 19 years) due to the down dip extension of the high grade 11 Block of the main reef complex ore body by a further 170 metres. This has resulted in an annual increase in Barberton Mines' mineral reserves by 236,162oz.

Evander Gold Mining Proprietary Limited ('Evander Mines') (note 5)

- The operation reported no fatalities (2014: no fatalities).
- Underground head grade improved to 5.8g/t (2014: 4.3g/t), principally due to mining at 8 Shaft's newly established 25 level.
- Gold sold increased substantially by 34.4% to 45,350oz (2014: 33,733oz), due to the underground mining operations increasing production to 36,370oz (2014: 26,024oz), while the Evander Mines Tailing Retreatment Plant ('ETRP') provided an additional 3,708oz (2014: Nil) from tailings sources. Surface sources and surface feedstock material produced 5,272oz (2014: 7,831oz), following a reduction in the available surface tonnages to process.
- Revenue increased by 49.3% to ZAR682.0 million (2014: ZAR456.8 million) as result of improved gold production and an increase in the effective ZAR gold price.
- The ETRP produced 3,708oz of gold at 0.3g/t from tailing sources at a higher than expected recovery of 49% (forecasted recovery of 42%).
- Cash costs per kilogramme decreased by 15.1% to ZAR394,730/kg (2014: ZAR464,955/kg), due to improved gold production from the ETRP and higher grades mined at 8 Shaft.
- All-in sustaining cost per kilogramme decreased by 15.3% to ZAR456,070/kg (2014: ZAR538,584/kg), in line with the decrease in cash costs per kilogramme.
- All-in cost per kilogramme decreased by 27.9% to ZAR457,380/kg (2014: ZAR633,960/kg), due to once-off ETRP expansionary capital of ZAR88.3 million during the prior reporting period.
- Adjusted EBITDA increased to ZAR124.2 million (2014: ZAR6.2 million) (note 3).
- Capital expenditure incurred was ZAR71.9 million (2014: ZAR157.6 million).
- Effective from 1 July 2015, the life of mine was 16 years (2014: 17 years).

Phoenix Platinum Mining Proprietary Limited ('Phoenix Platinum')

- Phoenix Platinum's profitability and cash generation decreased during the reporting period due to a curtailment in current arisings from International Ferro Metals (SA) Proprietary Limited's ('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. The lower platinum group elements ('PGE') price environment further affected the operation's profitability.
- Phoenix Platinum's earnings decreased to ZAR0.1 million (2014: ZAR7.3 million).
- PGE production decreased by 4.6% to 4,493oz (2014: 4,711oz) (note 2).
- Revenue decreased by 15.2% to ZAR39.2 million (2014: ZAR46.2 million) due to lower tonnages processed as result of the operational challenges highlighted above and the lower effective PGE net revenue price received of ZAR8,716/oz (2014: ZAR9,815/oz).
- The average PGE net revenue price received decreased by 11.2% to ZAR8,716/oz (2014: ZAR9,815/oz) (note 4).
- Cost per tonne increased by 24.2% to ZAR293/t (2014: ZAR236/t), mainly due to tonnages processed decreasing by 13.6% to 117,461t (2014: 135,963t).
- Cost per ounce of production increased by 12.3% to ZAR7,653/oz (2014: ZAR6,817/oz).
- Adjusted EBITDA decreased to ZAR2.9 million (2014: ZAR13.5 million) (note 3).
- Capital expenditure incurred was ZAR0.8 million (2014: ZAR0.1 million).
- Effective from 1 July 2015, the life of operation was 28 years (2014: 28 years).

Notes:

1. Refer to the statement of comprehensive income for a reconciliation of profit after taxation to headline earnings.
2. PGEs are platinum, palladium, rhodium, iridium, ruthenium and gold.
3. Adjusted EBITDA is represented by earnings before interest, taxation, depreciation and amortisation, impairments and loss on disposal of associate.
4. Phoenix Platinum's average PGE net revenue price received represents the value received per ounce post refining and is therefore disclosed as net of refining charges.
5. Combined underground and tailings operations.

Nature of business

Pan African Resources is a mid-tier African-focused precious metals producer with a production capacity in excess of 200,000oz gold and 12,000oz of PGEs per annum. The group's operating assets include:

- Barberton Mines : three gold mines and the Barberton Mines Tailing Retreatment Plant ('BTRP') in the Mpumalanga province;
- Evander Mines : a gold mine and the ETRP in the Mpumalanga province; and
- Phoenix Platinum : a Chrome Tailing Retreatment Plant ('CTRP') in the North West province.

Pan African Resources' growth strategy is aimed at identifying and exploiting mining opportunities at margins that create stakeholder value by driving growth in its earnings, cash flows, production and in its mineral reserve and resource base, and by capturing the full precious metals mining value chain.

The group is profitable and cash generative at prevailing gold prices, with the ability to fund all on-mine sustaining capital expenditure internally and also meet its other funding and growth commitments.

Financial performance

Key external drivers of the group's results

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 results of operations conducted 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 period under review the average ZAR/GBP exchange rate was ZAR20.83:1 (2014: ZAR17.87:1) and the closing ZAR/GBP exchange rate was ZAR22.99:1 (2014: ZAR18.03:1). The period-on-period change in the average and closing exchange rates of 16.6% and 27.5%, respectively, must be taken into account for the purposes of translating and comparing period-on-period 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 period had a compensating effect on the weaker USD metals revenue received. The average ZAR/USD exchange rate was 23.9% weaker at ZAR13.60:1 (2014: ZAR10.98:1).

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.

Commodity prices

During the period, the average USD gold and PGE basket prices achieved were substantially lower than the previous period.

The group realised an average gold price of USD1,110/oz, a decrease of 9.8% from the average USD1,231/oz achieved in the prior period.

The market PGE basket price (applying the Phoenix Platinum prill split) during the period decreased by 20.4% to USD859/oz (2014: USD1,079/oz). Phoenix Platinum's average PGE net basket price received decreased to USD641/oz (2014: US894/oz), after taking into account the terms of its off-take agreement with Western Platinum Limited, a subsidiary of Lonmin Plc.

Despite the lower USD gold price, the average ZAR gold price received by the group increased by 11.7% to ZAR485,215/kg (2014: ZAR434,403/kg), as a result of the weakening of the ZAR/USD exchange rate.

The average ZAR PGE net basket price received by the group decreased by 11.2% to ZAR8,716/oz (2014: ZAR9,815/oz), mainly as result of the lower USD PGE basket prices received, set-off to some extent by the weakening of the ZAR/USD exchange rate during the period.

Statement of profit or loss and other comprehensive income

	For the six months ended 31 December 2015		**For the six months ended 31 December 2014**		**Movement**	
	ZAR (millions)	**GBP (millions)**	**ZAR (millions)**	**GBP (millions)**	**ZAR**	**GBP**
Revenue	1,575.4	75.6	1,217.4	68.1	29.4%	11.0%
Cost of production	(1,053.7)	(50.6)	(974.3)	(54.5)	8.1%	(7.2%)
Mining profit	406.2	19.5	154.2	8.6	163.4%	126.7%
EBITDA	418.7	20.1	230.6	12.9	81.6%	55.8%
Profit after taxation	227.6	10.9	99.2	5.5	129.4%	98.2%
Headline earnings	227.6	10.9	102.6	5.7	121.8%	91.2%
EPS (cents/pence)	12.43	0.60	5.42	0.30	129.3%	100.0%
HEPS (cents/pence)	12.43	0.60	5.61	0.31	121.6%	93.5%
Weighted average number of shares in issue (millions)	1,831.5	1,831.5	1,830.0	1,830.0	0.1%	0.1%

Analysing the group's financial performance

Revenue, costs, profitability and dividends

Performance	**Interim period commentary**
Revenue	The group's revenue, period-on-period, increased by 29.4% to ZAR1,575.4 million (2014: ZAR1,217.4 million). The increase was predominantly due to the following: 1) Gold sold increased by 17.4% to 101,797oz (2014:86,675oz). 2) The average ZAR gold price received by the group increased by 11.7% to ZAR485,215/kg (2014: ZAR434,403/kg), as a result of the weakening of the ZAR/USD exchange rate.
Average gold price and PGE price	As previously noted the average ZAR gold price increased by 11.7% to ZAR485,215/kg (2014: ZAR434,403/kg), as a result of the weakening of the ZAR/USD exchange rate. The increase in the average ZAR gold price was a result of the following movements: 1) The group realised an average gold price of USD1,110/oz, a decrease of 9.8% from the USD1,231/oz achieved in the prior reporting period. 2) The average ZAR/USD exchange rate was 23.9% weaker at ZAR13.60:1 (2014: ZAR10.98:1).

Cost of production	Pan African Resources' period-on-period total gold and PGE cost of production per the statement of comprehensive income increased by 8.1% to ZAR1,053.7 million (2014: ZAR974.3 million). The new ETRP resulted in an additional ZAR30.2 million in production costs. During the period under review the group also had gold inventory credit adjustments which reduced the cost of production by ZAR25.5 million (2014: gold inventory debit adjustments increasing cost of production by ZAR14.4 million). Excluding the ETRP and gold inventory adjustments, the effective cost increased by 9.3% to ZAR1,049.0 million (2014: ZAR959.9 million) predominately effected by the following:
	- The group's salaries and wages increased by 9.4% to ZAR497.6 million (2014: ZAR455.0 million). This increase was due to:
	  o The average Barberton Mines salary and wage agreement for the two financial years ending 30 June 2016 and 2017 amounts to approximately 9% per annum, effective from 1 July 2015.
	  o The average Evander Mines salary and wage agreement for the three financial years ending 30 June 2016, 2017 and 2018 amounts to approximately 7.8% per annum, effective from 1 July 2015.
	  o The employees received higher production incentives in comparison to the prior reporting period as result of the increase in tonnages milled and gold sold from underground mining operations.
	- The group's electricity costs increased by 16.0% to ZAR170.6 million (2014: ZAR147.1 million). The NERSA approved increases applied to electricity consumption was 12.7% for the period under review. The further increase was a result of the additional electricity costs associated with the ETRP amounting to ZAR6.0 million (2014: nil).

Cash costs	The group's cost of production per kilogramme decreased by 7.9% to ZAR323,730/kg (2014: ZAR351,461/kg). The 7.9% decrease was predominantly due to: - Gold sold increased by 17.4% to 101,797oz (2014:86,675oz). - Total gold cost of production (including realisation costs) increased by 8.2% to ZAR1,025.0 million (2014: ZAR947.5 million).
All-in sustaining cash costs	The group's all-in sustaining cost of production per kilogramme (including direct cost of production, royalties, associated corporate costs and overheads and sustaining capital expenditure) decreased by 3.5% to ZAR396,819/kg (2014: ZAR411,384/kg). In addition to the matters detailed previously, the group's all-in sustaining cash costs were also impacted by an unrealised cost collar derivative mark to market fair value adjustment of ZAR40.6 million in the reporting period, which was allocated to the operational all-in sustaining costs.
All-in costs	The all-in cost per kilogramme (sustaining cost of production and once-off expansion capital) decreased by 12.2% to ZAR397,692/kg (2014: ZAR453,068/kg). In addition to the matters detailed previously, the group's all-in costs were also impacted by ZAR88.3 million once-off ETRP expansionary capital in the prior reporting period.
Gold collar derivatives	Barberton Mines entered into a short-medium term strategic hedge in July 2015, when the spot gold price was at ZAR440,000/kg, to protect its operational revenue, cash flows and group dividends payments against severe adverse price movements in the ZAR gold price. During the current financial period, the group recorded an unrealised cost collar derivative mark to market fair value adjustment of ZAR40.6 million (2014: realised cost collar derivative income of ZAR44.8 million), which was recorded under the other income and expense line in the statement of comprehensive income. The transaction expenditure/income was also factored into the current and prior year's operational all-in sustaining costs and all-in costs.

	The salient terms and conditions of the current calendar spread zero cost collar is summarised as follows: 1) The put option volume of 50,000oz of gold is effective from 1 October 2015 – 30 September 2016 at a strike price of ZAR450,000/kg of gold, representing approximately 25% of the anticipated production volumes. 2) The call option volume of 25,000oz of gold is effective from 1 October 2016 – 30 September 2017 at a strike price of ZAR505,000/kg gold representing approximately 12.5% of the anticipated production volumes. 3) The cost collar is measured on an Asian basis and amortises on a monthly basis over its term. 4) The mark to market fair value adjustment of the zero cost collar of ZAR40.6 million at 31 December 2015, was based on a gold price of approximately ZAR530,000/kg. The group currently only has this one gold collar derivative in place.
Profit after tax and headline earnings	Profit after taxation increased by 129.4% to ZAR227.6 million (2013: ZAR99.2 million) and the corresponding headline earnings increased by 121.8% to ZAR227.6 million (2014: ZAR102.6 million), primarily impacted by the following: 1) Revenue increased by ZAR358 million supported by higher gold production and the effective ZAR gold price received. 2) Cost of production increased by ZAR79.4 million. 3) Depreciation increased by ZAR26.3 million following increased charges associated with the commissioning of the ETRP and Evander Mine’s 8 Shaft 25 level. 4) Other income and expenditure increased to ZAR72.6 million due to the unrealised cost collar derivative mark to market fair value adjustment of ZAR40.6 million (2014: realised cost collar derivative income of ZAR44.8 million). 5) Royalty costs increased by ZAR10.7 million to ZAR24.9 million (2014: ZAR14.2 million) resulting from increased gold revenues. 6) Taxation increased by ZAR31.2 million as result of the improved operational performance.
EPS and HEPS	The group’s EPS in ZAR was 12.43 cents (2014: 5.42 cents), an increase of 129.3%. The group’s HEPS in ZAR terms increased by 121.6% to 12.43 cents (2014: 5.61 cents). The difference between the EPS and HEPS, was as a result of adjusting the attributable earnings for the loss on disposal of fixed assets and the associated impairment upon the sale of Auroch Minerals NL 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 groups’ weighted average number of shares to the attributable and headline earnings, which increased by 0.1% to 1,831.5 million shares (2014:1,830.0 million shares).
Taxation	The group’s total taxation charge increased by 75.5% to ZAR72.5 million (2014: ZAR41.3 million) due to higher gold revenues and improved profit margins.
Dividend	The group paid a final dividend for the 2015 financial year of ZAR210.0 million or GBP9.7 million (2014: ZAR258.0 million or GBP14.9 million) on 24 December 2015, equating to ZAR0.1147 or 0.53p per share (2014: ZAR0.1410 or 0.82p per share).

Statement of financial position

	At 31 December 2015		At 30 June 2015		Movement	
	ZAR (millions)	GBP (millions)	ZAR (millions)	GBP (millions)	ZAR	GBP
Non-current assets	4,169.9	189.2	4,147.1	220.2	0.5%	(14.1%)
Current assets	271.4	11.8	332.3	17.2	(18.3%)	(31.4%)
Total equity	2,754.2	127.6	2,738.5	147.2	0.6%	(13.3%)
Non-current liabilities	1,251.4	54.4	1,309.5	67.9	(4.4%)	(19.9%)
Current liabilities	435.7	19.0	431.4	22.4	1.0%	(15.2%)

The increase in non-current assets was mainly attributable to capital expenditure during the period, amounting to ZAR128.9 million (2014: ZAR214.6 million) less depreciation of ZAR109.9 million (2014: ZAR83.6 million). The capital expenditure is detailed by operation below:

	For the six months ended 31 December 2015		For the six months ended 31 December 2014		Movement	
	ZAR (millions)	GBP (millions)	ZAR (millions)	GBP (millions)	ZAR	GBP
Barberton Mines	48.2	2.3	54.8	3.0	(12.0%)	(23.3%)
BTRP	7.7	0.4	1.1	0.1	600.0%	300.0%
Evander Mines	71.9	3.5	69.3	3.9	3.8%	(10.3%)
ETRP	-	-	88.3	4.9	(100.0%)	(100.0%)
Phoenix Platinum	0.8	-	0.1	-	700.0%	0.0%
Corporate	0.3	-	1.0	0.1	(70.0%)	(100.0%)
Total capital expenditure	128.9	6.2	214.6	12.0	(39.9%)	(48.3%)

Included in non-current assets is the rehabilitation trust fund balance of ZAR321.9 million (30 June 2015: ZAR312.3 million), which increased by ZAR9.5 million as a result of growth in the underlying investment portfolio. The rehabilitation trust fund's investment portfolio comprises investments in guaranteed equity linked notes, government bonds and equities.

Current assets decreased as a result of *inter-alia*:

- A decrease in cash on hand from ZAR64.2 million at 30 June 2015 to an overdraft held within the group's centralised general banking facilities of ZAR10.2 million. The group's treasury function ensures that all available cash resources are pooled and actively managed to ensure that the group's indebtedness is kept to a minimum.
- Accounts receivable decreased to ZAR162.9 million (30 June 2015: ZAR184.5 million), as a result of lower outstanding gold receivables owing at the end of the reporting period.
- Inventory increased to ZAR93.4 million (30 June 2015: ZAR67.6 million) due to an increase in gold concentrates and gold plant inventory at period end.

The group remains liquid with a net debt position of ZAR345.8 million (30 June 2015: ZAR321.1 million), comprising the revolving credit facility balance of ZAR225.2 million (30 June 2015: ZAR245.7 million), the Evander Mines' gold loan of ZAR110.4 million (30 June 2015: ZAR139.6 million) and a general banking facility of ZAR10.2 million (30 June 2015: Cash on hand of ZAR64.2 million). The group is profitable and cash flow generative, which has resulted in the group's net debt being reduced from ZAR458.6 million at 31 December 2014 to ZAR345.8 million at 31 December 2015.

The decrease in non-current liabilities is largely attributable to the decrease in the Evander Mines' gold loan of ZAR53.9 million (30 June 2015: ZAR78.3 million) and the non-current portion of the revolving credit facility reducing to ZAR204.3 million (30 June 2015: ZAR221.6 million).

Summary of long term debt facilities:

	Revolving credit facility		**Evander Mines gold loan**		**Total**	
	31 December	**30 June 2015**	**31 December 2015**	**30 June 2015**	**31 December 2015**	**30 June 2015**
	ZAR (millions)	**ZAR (millions)**	**ZAR (millions)**	**ZAR (millions)**	**ZAR (millions)**	**ZAR (millions)**
Non-current Portion	204.3	221.6	53.9	78.3	258.2	299.9
Current portion	20.9	24.1	56.5	61.3	77.4	85.4
Total	**225.2**	**245.7**	**110.4**	**139.6**	**335.6**	**385.3**

Current liabilities remained relatively constant, with an increase in taxation payable to the South African Revenue Service at ZAR28.6 million (30 June 2015: ZAR9.7 million) and an increase in the general banking facility balance to ZAR10.2 million (30 June 2015: nil), set-off by a decrease in accounts payable to ZAR299.2 million (30 June 2015: ZAR324.2 million).

The group's equity increased largely due to the group generating earnings of ZAR227.6 million (2014: ZAR99.2 million) less a dividend of ZAR210 million (2014:ZAR258 million) paid during the reporting period.

Operational performance

Review of group gold operations production summary

	Period ended 31 December	Units	Underground and surface operations			Tailings operations		Total continuing operations		
			Barberton Mines	Evander Mines	Total	BTRP	ETRP	Barberton Mines total	Evander Mines total	Group total
Tonnes milled - underground	2015	*(t)*	133,890	200,942		-	-	133,890	200,942	334,832
	2014	*(t)*	124,185	197,879	322,064	-	-	124,185	197,879	322,064
Tonnes milled - surface (note 5)	2015	*(t)*	5,540	-	5,540	-	-	5,540	-	5,540
	2014	*(t)*	2,528	198,578	201,106	-	-	2,528	198,578	201,106
Tonnes milled - total underground and surface	2015	*(t)*	139,430	200,942	340,372	-	-	139,430	200,942	340,372
	2014	*(t)*	126,713	396,457	523,170	-	-	126,713	396,457	523,170
Tonnes processed - tailings	2015	*(t)*	-	-	-	464,179	729,085	464,179	729,085	1,193,264
	2014	*(t)*	-	-	-	484,315	-	484,315	-	484,315
Tonnes processed - surface feedstock (note 5)	2015	*(t)*	-	-	-	-	161,090	-	161,090	161,090
	2014	*(t)*	-	-	-	-	-	-	-	-
Tonnes processed - total tailings and surface feedstock	2015	*(t)*	-	-	-	464,179	890,175	464,179	890,175	1,354,354
	2014	*(t)*	-	-	-	484,315	-	484,315	-	484,315
Tonnes milled and processed - total	2015	*(t)*	139,430	200,942	340,372	464,179	890,175	603,609	1,091,117	1,694,726
	2014	*(t)*	126,713	396,457	523,170	484,315	-	611,028	396,457	1,007,485
Headgrade - underground	2015	*(g/t)*	10.9	5.8	7.9	-	-	10.9	5.8	7.9
	2014	*(g/t)*	11.6	4.3	7.1	-	-	11.6	4.3	7.1
Headgrade - surface	2015	*(g/t)*	1.1	-	1.1	-	-	1.1	-	1.1
	2014	*(g/t)*	1.4	1.4	1.4	-	-	1.4	1.4	1.4
Headgrade - total underground and surface	2015	*(g/t)*	10.6	5.8	7.8	-	-	10.6	5.8	7.8
	2014	*(g/t)*	11.4	2.9	4.9	-	-	11.4	2.9	4.9
Headgrade - tailings	2015	*(g/t)*	-	-	-	1.3	0.3	1.3	0.3	0.7
	2014	*(g/t)*	-	-	-	1.5	-	1.5	-	1.5
Headgrade - surface feedstock	2015	*(g/t)*	-	-	-	-	1.3	-	1.3	1.3
	2014	*(g/t)*	-	-	-	-	-	-	-	-
Headgrade - total tailings and surface feedstock	2015	*(g/t)*	-	-	-	1.3	0.5	1.3	0.5	0.8
	2014	*(g/t)*	-	-	-	1.5	-	1.5	-	1.5
Headgrade - total	2015	*(g/t)*	10.6	5.8	7.8	1.3	0.5	3.5	1.5	2.2
	2014	*(g/t)*	11.4	2.9	4.9	1.5	-	3.6	2.9	3.3
Recovered grade	2015	*(g/t)*	9.7	5.6	7.3	0.9	0.3	2.9	1.3	1.9
	2014	*(g/t)*	10.1	2.6	4.5	0.8	-	2.7	2.6	2.7
Overall recovery - underground operations	2015	*(%)*	92%	97%	94%	-	-	92%	97%	94%
	2014	*(%)*	89%	93%	91%	-	-	89%	93%	91%
Overall recovery - tailings operations	2015	*(%)*	-	-	-	64%	63%	64%	63%	63%
	2014	*(%)*	-	-	-	51%	-	51%	-	51%
Gold production - underground operations	2015	*(oz)*	43,487	36,370	79,857	-	-	43,487	36,370	79,857
	2014	*(oz)*	42,666	26,024	68,690	-	-	42,666	26,024	68,690
Gold production - surface operations (note 5)	2015	*(oz)*	130	-	130	-	-	130	-	130
	2014	*(oz)*	76	7,831	7,907	-	-	76	7,831	7,907
Gold production - tailings operations	2015	*(oz)*	-	-	-	12,830	3,708	12,830	3,708	16,538
	2014	*(oz)*	-	-	-	11,710	-	11,710	-	11,710
Gold production - surface feedstock (note 5)	2015	*(oz)*	-	-	-	-	5,272	-	5,272	5,272
	2014	*(oz)*	-	-	-	-	-	-	-	-
Gold sold	2015	*(oz)*	43,617	36,370	79,987	12,830	8,980	56,447	45,350	101,797
	2014	*(oz)*	41,232	33,733	74,965	11,710	-	52,942	33,733	86,675
Average ZAR gold price received	2015	*(ZAR/KG)*	486,567	483,309	485,075	486,566	484,298	486,589	483,504	485,215
	2014	*(ZAR/KG)*	433,778	435,376	434,497	433,799	-	433,783	435,376	434,403
Average USD gold price received	2015	*(USD/oz)*	1,113	1,105	1,109	1,113	1,108	1,113	1,106	1,110
	2014	*(USD/oz)*	1,229	1,233	1,231	1,229	-	1,229	1,233	1,231

ZAR cash cost	2015	*(ZAR/KG)*	297,877	435,190	360,313	160,665	230,857	266,690	394,730	323,730
	2014	*(ZAR/KG)*	312,502	464,955	381,040	162,203	-	279,150	464,955	351,461
ZAR all-in sustaining costs	2015	*(ZAR/KG)*	402,747	511,427	452,164	167,241	231,859	349,218	456,070	396,819
	2014	*(ZAR/KG)*	376,211	538,584	449,200	169,396	-	330,340	538,584	411,384
ZAR all-in cost	2015	*(ZAR/KG)*	403,422	513,061	453,275	167,241	231,859	349,739	457,380	397,692
	2014	*(ZAR/KG)*	385,812	549,796	459,523	169,396	-	337,814	633,960	453,068
USD cash cost	2015	*(USD/oz)*	681	995	824	367	528	610	903	740
	2014	*(USD/oz)*	885	1,317	1,079	459	-	791	1,317	996
USD all-in sustaining cost	2015	*(USD/oz)*	921	1,170	1,034	382	530	799	1,043	908
	2014	*(USD/oz)*	1,066	1,526	1,272	480	-	936	1,526	1,165
USD all-in cost	2015	*(USD/oz)*	923	1,173	1,037	382	530	800	1,046	910
	2014	*(USD/oz)*	1,093	1,557	1,302	480	-	957	1,796	1,283
ZAR cash cost per tonne	2015	*(ZAR/t)*	2,898	2,450	2,632	138	72	776	510	605
	2014	*(ZAR/t)*	3,161	1,230	1,698	122	-	752	1,230	940
Capital expenditure	2015	*(ZAR million)*	48.2	71.9	120.1	7.7	-	55.9	71.9	127.8
	2014	*(ZAR million)*	54.8	69.3	124.1	1.1	88.3	55.9	157.6	213.5
Average exchange rate	2015	*(ZAR/USD)*	13.60	13.60	13.60	13.60	13.60	13.60	13.60	13.60
	2014	*(ZAR/USD)*	10.98	10.98	10.98	10.98	10.98	10.98	10.98	10.98
Revenue	2015	*(ZAR million)*	660.1	546.7	1,206.8	194.2	135.3	854.3	682.0	1,536.3
	2014	*(ZAR million)*	556.3	456.8	1,013.1	158.0	-	714.3	456.8	1,171.1
Cost of production (note 4)	2015	*(ZAR million)*	404.1	492.3	896.4	64.1	64.5	468.2	556.8	1,025.0
	2014	*(ZAR million)*	400.6	487.8	888.4	59.1	-	459.7	487.8	947.5
All-in sustainable cost of production	2015	*(ZAR million)*	546.4	578.5	1,124.9	66.7	64.8	613.1	643.3	1,256.4
	2014	*(ZAR million)*	482.3	565.1	1,047.4	61.7	-	544.0	565.1	1,109.1
All-in cost of production	2015	*(ZAR million)*	547.3	580.4	1,127.7	66.7	64.8	614.0	645.2	1,259.2
	2014	*(ZAR million)*	494.6	576.8	1,071.4	61.7	-	556.3	576.8	1,133.1
Adjusted EBITDA	2015	*(ZAR million)*	180.0	59.6	239.6	130.1	64.6	310.1	124.2	434.3
	2014	*(ZAR million)*	155.3	6.2	161.5	80.2	-	235.5	6.2	241.7

Note 1: Surface source production allocated to ETRP from 1 March 2015.
Note 2: Split between ETRP and surface feedstock cost per tonne is ZAR42/t and ZAR213/t, averaging at ZAR72/t, and cost per kilogramme of ZAR262,120/kg and ZAR208,863/kg, averaging at ZAR230,857/kg.
Note 3: Adjusted EBITDA is represented by earnings before interest, taxation, depreciation and amortisation, impairments and loss on disposal of associate.
Note 4: The gold cost of production, comprises of gold cost of production and realisation costs as reported in the statement of comprehensive income.
Note 5: Since commissioning the ETRP, the Evander Mines surface tonnes are being treated through the ETRP circuit, therefore it is recorded in the ETRP surface feedstock line item in the current reporting period. The ETRP surface feedstock material includes Evander Mines surface sources and higher grade toll-treatment material.

Review of Barberton Mines

Safety

Barberton Mines’ total recordable injury frequency rate (‘TRIFR’) increased to 14.81 (2014: 12.93) per 1,000,000 man hours worked, and the lost time injury frequency rate (‘LTIFR’) increased to 2.47 (2014: 1.50) per 1,000,000 man hours worked. The reportable injury frequency rate (‘RIFR’) increased to 0.62 (2014: Nil) per 1,000,000 man-hours worked. The group is actively pursuing measures to reduce injury frequency rates. No fatalities were reported in the current period (2014: no fatalities).

Operating performance

Barberton Mines’ (including BTRP) gold sold increased by 6.6% to 56,447oz (2014: 52,942oz). The increased production resulted in the total combined ZAR cash cost per kilogramme, decreasing by 4.5% to ZAR266,690/kg (2014: ZAR279,150/kg). The Barberton Mines’ combined USD cash costs per ounce reduced by 22.9% to USD610/oz (2014: USD791/oz).

Barberton Mines’ (excluding BTRP) gold sold increased by 5.8% to 43,617oz (2014: 41,232oz). Tonnes milled from mining operations was 10.0% higher at 139,430t (2014: 126,713t), due to the underground mining operations tonnes increasing to 133,890t (2014: 124,185t) and surface tonnes milled increasing to 5,540t (2014: 2,528t). The underground head grade reduced to 10.9g/t (2014: 11.6g/t). The increase in gold sold from underground and surface mining operations was largely attributable to the increase in tonnes milled.

Gold sold from the BTRP increased by 9.6% to 12,830oz (2014: 11,710oz). Tonnes processed decreased by 4.2% to 464,179t (2014: 484,315t) at a lower head grade of 1.3g/t (2014: 1.5g/t) which was set-off by an increase in plant recoveries to 64% (2014: 51%).

Barberton Mines’ (excluding BTRP) ZAR cash costs per kilogramme decreased by 4.7% to ZAR297,877kg (2014: ZAR312,502/kg) and the USD cash costs per ounce decreased by 23.1% to USD681/oz (2014: USD885/oz). This was mainly due to an increase in gold sold by 5.8% to 43,617oz (2014: 41,232oz) and a reduction in cost of production following a gold inventory credit adjustment amounting to ZAR23.5 million (2014: ZAR14.4 million debit adjustment) as a result of 58 kilogrammes of unsold gold inventory concentrates held in the Fairview BIOX plant. Excluding these gold inventory adjustments Barberton Mines’ (excluding BTRP) ZAR cash costs per kilogramme increased by 4.6% to ZAR315,213/kg (2014: ZAR301,238/kg).

The BTRP’s ZAR cash costs decreased by 0.9% to ZAR160,665/kg (2014: ZAR162,203/kg) and USD cash costs per ounce decreased to USD367/oz (2014: USD459/oz). Total cost of production increased by 8.5% to ZAR64.1 million (2014: ZAR59.1 million), while the BTRP gold sold increased by 9.6% to 12,830oz (2014: 11,710oz).

The total cost of production (including realisation costs and gold inventory adjustments) increased by 1.8% to ZAR468.2 million (2014: ZAR459.7 million). Excluding gold inventory adjustments, the total cost of production increased by 10.4% to ZAR491.7 million (2014: ZAR445.3 million). The main period-on-period cost contributors were the following:

- Salaries and wages (excluding the BTRP) increased by 15.7% to ZAR219.3 million (2014: ZAR189.5 million). The salary and wages increase was as a result of the wage agreement settlement, which averages 9% over the two year period. This increase was coupled with increased production, which resulted in a rise in production incentives and overtime payments; as a result, the effective increase was 15.7% higher than the comparable period.
- Mining costs increased by 1.0% to ZAR58.5 million (2014: ZAR57.9 million). The vamping contractor’s costs increased by 2.7%. The mining costs excluding the vamping contractors’ costs remained flat period-on-period, indicating excellent cost control exercised by the mining team, while also increasing tonnes mined.
- Processing costs (excluding the BTRP) decreased by 10.2% to ZAR29.1 million (2014: ZAR32.4 million), as a result of lower metallurgical plant repairs and maintenance costs in comparison to the prior reporting period.
- Engineering and technical services costs increased by 24.2% to ZAR39.0 million (2014: ZAR31.4 million). Barberton Mines incurred an additional cost of ZAR5.5 million for secondary support at Fairview mine to assist in accessing additional high grade pillars, as well as an additional ZAR2.2 million that was spent on corrosion maintenance in BTRP’s carbon-in-leach tanks.

- The cost of electricity increased by 9.2% to ZAR52.1 million (2014: ZAR47.7 million). Electricity costs excluding the BTRP increased by 8.9% to ZAR45.3 million (2014: ZAR41.6 million). The increase was lower than the National Energy Regulator South Africa ('NERSA') approved rate increases, due to improved electricity management of metallurgical plants and ensuring processing occurred predominantly during lower peak tariff periods.
- Security costs were well controlled and only increased by 3.7% to ZAR14.1 million (2014: ZAR13.6 million). The security complement remains adequate to curtail criminal mining activities and ensure protection of assets.
- Administration and other costs increased by 18.6% to ZAR19.8 million (2014: ZAR16.7 million). In addition to the standard inflationary increases, the occupational accident and disease insurance, which is based on the average cost to company of employees, increased by ZAR0.7 million. The asset and bullion insurance costs increased by ZAR0.3 million due to a rise in insured asset values. Additional legal expenses amounted to ZAR0.3 million during the period under review. License and software charges increased by ZAR0.3 million following IT upgrades.
- Gold inventory movement credits amounted to ZAR23.5 million (2014: ZAR14.4 million debit adjustment).
- Off-mine realisation costs decreased by 19.4% to ZAR2.5 million (2014: ZAR3.1 million).
- The BTRP operating costs increased by 8.5% to ZAR64.1 million (2014: ZAR59.1 million).

Barberton Mines' ZAR combined all-in cash cost per kilogramme increased by 3.5% to ZAR349,739/kg (2014: ZAR337,814/kg). The total combined USD all-in cash cost per ounce decreased by 16.4% to USD800/oz (2014: USD957/oz). This increase in all-in cash costs was mainly as a result of the following:

- Gold sold increased by 6.6% to 56,447oz (2014: 52,942oz) therefore reducing the all-costs per kilogramme.
- Cost of production increased by 1.8% to ZAR468.2 million (2014: ZAR459.7 million).
- Barberton Mines recorded an unrealised mark to market fair value adjustment of ZAR40.6 million (2014: nil) on its cost collar derivative structure, increasing the all-in sustaining costs and all-in costs.
- Unchanged capital expenditure of ZAR55.9 million.

Capital expenditure

Total capital expenditure at Barberton Mines was ZAR55.9 million (2014: ZAR55.9 million). Maintenance capital expenditure of ZAR30.0 million (2014: ZAR20.1 million) and development capital expenditure of ZAR25.0 million (2014: ZAR25.5 million) was incurred.

Expansion capital of ZAR0.9 million (2014: ZAR10.3 million) was spent on the development of the Fairview ventilation raise borehole project to improve operating ambient temperatures.

Looking ahead

Barberton aims to maintain and increase levels of production by focussing on improving its tonnages throughput, while delivering on underground head grade in excess of 10g/t. Cost containment to avoid margin erosion is a constant focus of the management team and will continue to be a priority. The management team remains committed to improving their safety performance.

Review of Evander Mines

Safety

Evander Mines' TRIFR increased to 14.61 (2014: 7.55) per 1,000,000 man hours worked. In the current period, Evander Mines implemented new systems and controls to ensure the reporting of all incidents and accidents. The LTIFR increased to 5.44 (2014: 2.86) and RIFR increased to 3.44 (2014: 1.82) per 1,000,000 man hours worked respectively. The group is actively pursuing measures to reduce injury frequency rates. No fatalities were reported in the current period (2014: no fatalities).

Operating performance

For the period under review Evander Mines’ (including ETRP) gold sold increased by 34.4% to 45,350oz (2014: 33,733oz). Gold sold increased due to the underground mining operations increasing production to 36,370oz (2014: 26,024oz), while the ETRP provided an additional 3,708oz (2014: Nil) from tailings sources. Surface sources and surface feedstock material produced 5,272oz (2014: 7,831oz), following a reduction in the available surface tonnages to process.

Tonnes milled from underground sources, increased by 1.5% to 200,942t (2014: 197,879t). Tonnage treated by the ETRP amounted to 890,175t, which comprised of 729,085t (2014: Nil) from tailings sources and 161,090t of surface feedstock (2014: 198,578t of surface sources which is now reported under the ETRP).

The total cost of production (including realisation costs and gold inventory adjustments) increased by 14.1% to ZAR556.8 million (2014: ZAR487.8 million). The cost of production includes additional costs in relation to the new ETRP plant. The cost of production, excluding the additional ETRP costs, increased by 8.0% to ZAR526.6 million (2014: ZAR487.8 million).

The combined ZAR cash costs per kilogramme decreased by 15.1% to ZAR394,730/kg (2014: ZAR464,955/kg), following from the improved production which led to gold sales increasing by 34.4% to 45,350oz (2014: 33,733oz). USD cash costs per ounce decreased by 31.4% to USD903/oz (2014: USD1,317/oz), supported by the depreciating ZAR/USD exchange rate and improved gold production.

The main period-on-period cost contributors were the following:

- Salaries and wages (excluding the ETRP) increased by 4.3% to ZAR247.8 million (2014: ZAR237.5 million). The salaries and wages costs increased as a result of the Chamber of Mines’ wage agreement averages 7.8% over a three year period. The increase was lower than the average chamber increase, due to the implementation of a voluntary separation programme to optimise employee numbers. The average number of employees (excluding capital employees) retained during the previous financial period decreased by 2.8% to 2,247 (2014: 2,312).
- Mining costs increased by 8.3% to ZAR49.5 million (2014: ZAR45.7 million) due to additional costs incurred on the No. 2 and 3 declines vamping recovery projects totalling ZAR4.5 million. This produced an additional 25.5 kilogramme (820oz) of gold during the current period.
- Processing costs (excluding ETRP) increased by 11.7% to ZAR57.4 million (2014: ZAR51.4 million), mainly as result of acquiring surface feedstock material for ZAR4.4 million.
- Engineering and technical services costs increased by 24.7% to ZAR28.3 million (2014: ZAR22.7 million), due to increased conveyor belt maintenance costs of ZAR2.4 million to maintain current efficiencies, as well as increased electrical repairs and maintenance costs of ZAR1.6 million to support the mines’ mature infrastructure.
- Electricity and water costs increased by 19.1% to ZAR116.0 million (2014: ZAR97.4 million). The electricity costs that related to the ETRP amounted to ZAR6.0 million for the six months ended 31 December 2015. The increase in electricity and water excluding the ETRP increased by 12.9% to ZAR110.0 million (2014: ZAR97.4 million) which is in line with Eskom’s tariff increase of 12.7% applicable for the period under review.
- Security costs increased by 37.5% to ZAR7.7 million (2014: ZAR5.6 million) to curtail criminal mining activities and protect surface assets.
- Administration and other costs decreased by 2.7% to ZAR25.6 million (2014: ZAR26.3 million).
- Gold inventory credit movements amounted to ZAR2.0 million (2014: nil).
- Off-mine realisation costs increased to ZAR2.3 million (2014: ZAR1.2 million) as a result of additional gold concentrates provided by the ETRP to Rand Refinery.
- ETRP’s cost of production associated with tailings sources amounted to ZAR30.2 million (2014: nil).

Evander Mines’ ZAR combined all-in cash cost per kilogramme decreased by 27.9% to ZAR457,380/kg (2014: ZAR633,960/kg). The total combined USD all-in cash cost per ounce decreased by 41.8% to USD1,046/oz (2014: USD1,796/oz). This increase in all-in cash costs was mainly as a result of the following:

- Increase in gold produced of 34.4% to 45,350oz (2014: 33,733oz).
- Once-off expansion capital related to the ETRP plant construction of ZAR88.3 million in the previous comparative period as well as once-off voluntary separation costs of ZAR11.8 million in the previous corresponding period.

Capital expenditure

Total capital expenditure at Evander Mines was ZAR71.9 million (2014: ZAR157.6 million). Maintenance capital expenditure was ZAR30.6 million (2014: ZAR25.0 million) and development capital expenditure was ZAR39.4 million (2014: ZAR44.3 million). Expansion capital was ZAR1.9 million (2014: ZAR88.3 million), spent on the development of 26 level in the current period and the ETRP construction in the prior year.

Evander Mines employee share ownership programme

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.

Looking ahead

Evander Mines will invest in development capital expenditure to ensure that improved flexibility is achieved to mitigate the low grade mining cycles experienced in the prior year. The operational team will further focus on improving tonnages processed by the ETRP to reach its name plate capacity of 200,000t per month from tailings and surface feedstock material.

Evander Mines continues to investigate the Elikhulu tailings retreatment project, which is anticipated to treat slimes of approximately 12 million tonnes per annum at a headgrade of 0.28g/t, with a specific focus on reducing the overall project capital. The management team will also continue to source toll-treatment material with a higher head grade than our ETRP tailings sources as long as it is economically viable, relative to treating our own tailings. The team is also revisiting previous projects such as Evander South and the Evander 2010 Pay Channel, with the objective of identifying viable options for the monetisation of these projects, in light of the prevailing gold price.

Review of platinum tailings operations

Review of Phoenix Platinum

	Period ended 31 December	Units	Tailings operations
			Phoenix Platinum
Tonnes processed - tailings	2015	*(t)*	117,461
	2014	*(t)*	135,963
Headgrade - tailings	2015	*(g/t)*	3.25
	2014	*(g/t)*	3.16
Overall recovery	2015	*(%)*	39
	2014	*(%)*	34
PGE Sold	2015	*(oz)*	4,493
	2014	*(oz)*	4,711
Average ZAR PGE price received	2015	*(oz)*	8,716
	2014	*(oz)*	9,815
Average USD PGE price received	2015	*(USD/oz)*	641
	2014	*(USD/oz)*	894
ZAR cash cost	2015	*(ZAR/oz)*	7,653
	2014	*(ZAR/oz)*	6,817
ZAR all-in sustaining costs	2015	*(ZAR/oz)*	8,268
	2014	*(ZAR/oz)*	6,979
ZAR all-in cost	2015	*(ZAR/oz)*	8,268
	2014	*(ZAR/oz)*	6,979
USD cash cost	2015	*(USD/oz)*	563
	2014	*(USD/oz)*	621
USD all-in sustaining cost	2015	*(USD/oz)*	608
	2014	*(USD/oz)*	636

USD all-in cost	2015	*(USD/oz)*	608
	2014	*(USD/oz)*	636
ZAR cash cost per tonne	2015	*(ZAR/t)*	293
	2014	*(ZAR/t)*	236
Capital expenditure	2015	*(ZAR million)*	0.8
	2014	*(ZAR million)*	0.1
Average exchange rate	2015	*(ZAR/USD)*	13.60
	2014	*(ZAR/USD)*	10.98
Revenue	2015	*(ZAR million)*	39.2
	2014	*(ZAR million)*	46.2
Cost of Production	2015	*(ZAR million)*	34.4
	2014	*(ZAR million)*	32.1
All-in sustainable cost of production	2015	*(ZAR million)*	37.1
	2014	*(ZAR million)*	32.9
All-in cost of production	2015	*(ZAR million)*	37.1
	2014	*(ZAR million)*	32.9
Adjusted EBITDA	2015	*(ZAR million)*	2.9
	2014	*(ZAR million)*	13.5

Safety

Phoenix Platinum maintained its excellent safety record, with no injuries recorded.

Operating performance

Phoenix Platinum PGE's ounces produced decreased by 4.6% to 4,493oz (2014: 4,711oz). The main contributing factor for the lower PGE ounces produced was a reduction in tonnages processed of 13.6% to 117,461t (2014: 135,963t). This was as a result of the drought constraining water resources to support re-mining activities at the Buffelsfontein and Elandskraal tailings resource. The resultant effect was a loss of three weeks of production. The decrease in the PGE ounces produced was also affected by IFMSA shutting down its underground Lesedi operations, following the initiation of business rescue proceedings.

Phoenix Platinum is situated adjacent to the IFMSA property and a portion of the feedstock (previously 20%) for the Phoenix Platinum's operation was obtained from tailings arising from IFMSA's chrome processing and mining activities. IFMSA is currently in business rescue proceedings and its processing and mining activities have been suspended. Phoenix Platinum is not solely reliant on material from IFMSA and has alternative tailing sources. However, Phoenix Platinum sources electricity, water and certain other services from IFMSA and is in discussions with IFMSA regarding the continued provision of these services.

The CTRP achieved a 39% (2014: 34%) overall recovery on a blend of material from the Buffelsfontein and Elandskraal tailings resources.

The effective average ZAR PGE basket price received decreased by 11.2% to ZAR8,716/oz (2014: ZAR9,815/oz). Cost per ounce of production increased by 12.3% to ZAR7,653/oz (2014: ZAR6,817/oz). In USD terms the PGE basket price received decreased by 28.3% to USD641/oz (2014: USD894/oz). The USD cash costs per ounce decreased by 9.3% to USD563/oz (2014: USD621/oz).

The total cost of production increased by 7.2% to ZAR34.4 million (2014: ZAR32.1 million). The main period-on-period cost contributors were the following:

- Salary and wages increased by 5.3% to ZAR7.9 million (2014: ZAR7.5 million). A standard increase of 7.5% was granted to the employees, however production incentives decreased by 33.3% to ZAR0.2 million (2014: ZAR0.3 million).
- Processing costs increased by 5.5% to ZAR23.2 million (2014: ZAR22.0 million).
- Electricity costs increased by 31.6% to ZAR2.5 million (2014: ZAR1.9 million). This increase was above the NERSA tariff increase applicable for the period under review of 12.7%, due to adjusting the milling coarseness of Elandskraal tailings, resulting in higher electricity consumption.
- Administration costs increased by 14.3% to ZAR0.8 million (2014:0.7 million).

The group is monitoring the outcome of the IFMSA business rescue proceedings closely. In the event that the business rescue proceedings are finalised, and the Lesedi mine is put on care and maintenance indefinitely and the current PGE market conditions persist, there is a risk of an impairment of Phoenix Platinum's carry value at financial year end.

Capital expenditure

Total capital expenditure at Phoenix Platinum increased to ZAR0.8 million (2014: ZAR0.1 million).

Looking ahead

Phoenix Platinum aims to optimise resources from Elandskraal and Kroondal to maintain production and cash flows.

Group expansion/growth projects

Elikhulu Tailing Retreatment Plant ('Elikhulu')

In light of the positive results of the ETRP and the improved ZAR gold price, Pan African Resources is completing a definitive feasibility-study to assess the merits of commencing construction of the Elikhulu project. Elikhulu can potentially treat slimes at a processing capacity of up to 12 million tonnes per annum and at a headgrade of 0.28g/t from the Winkelhaak, Leslie and Kinross tailings storage facilities. The total mineral resource for Elikhulu is 165 million tonnes at 0.28g/t (1.5Moz) with a life of mine of 14 years. 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 facility and then approximately 38,000oz upon processing the Winkelhaak tailings storage facility.

Evander South

Significant work has been performed on evaluating the Evander South Project, and progressing it to a preliminary economic assessment level. The project team is assessing the capital costs associated with the various mine designs that would provide the most efficient and cost effective manner of accessing the ore-body. The Evander South Project is a potentially attractive mining opportunity, whereby the Kimberley reef could be exploited at shallow depths, commencing at 300 metres below surface. Evander South has an estimated mineral resource of 4.9Moz (20.1Mt @ 7.7g/t).

Acquisition of Uitkomst Colliery ('Colliery')

In executing our strategy of creating shareholder value by identifying and acquiring attractive, cash generative operating mining assets, the group entered into agreements to acquire the Colliery during June 2015. The Colliery, located close to the town of Utrecht in KwaZulu Natal, South Africa, is a high grade thermal export quality coal deposit with metallurgical applications. On the acquisition agreement becoming effective, the Colliery will be acquired from Oakleaf Investments Holding 109 Proprietary Limited ('Oakleaf') and Shanduka Resources Proprietary Limited ('Shanduka') for a cash consideration of approximately ZAR200 million. The Colliery is an existing operational mine and the acquisition is expected to be earnings and cash flow accretive to Pan African Resources. It contains a coal resource of 25.7 million tonnes, of which 22.1 million tonnes can be classed as measured or indicated, in accordance with the SAMREC code. The area also has additional exploration potential. Current operations at the Colliery demonstrate that it can readily produce yields of high grade coal suitable for export or local, thermal and metallurgical markets. The Colliery currently sells approximately 400,000 tonnes of coal per annum to local and international customers.

The acquisition will be funded from an existing revolving credit facility and internally generated cash flows. The group has also received credit committee approval by Nedbank Limited for a ZAR85 million general banking facility for the Colliery's working capital purposes. The acquisition still remains subject to approval by the Department of Mineral Resources ('DMR') in terms of section 11 of the Mineral and Petroleum Resources Development Act ('MPRDA'). The group's exposure to coal, through this acquisition, also provides a natural hedge against an anticipated increase in rising energy prices in South Africa. The Colliery acquisition is not a divergence from the group's strategy and precious metals focus, but rather an opportunity to add to the group's cash flow and earnings base.

The Colliery salient features are:

Average run-of-mine coal mined per month	: 50,000 tonnes
Average saleable coal produced per month	: 34,000 tonnes
Approximate sustaining capital per year	: ZAR7.5 million
Approximate profit and net cash flows	: ZAR30-35 million
Current cash available	: ZAR25 million
Coal price API4 USD per tonne	: USD52
Exchange rate ZAR/USD	: ZAR15.50
Coal API4 ZAR price per tonne	: ZAR806
Life of mine	: 28 years

Auroch Mineral NL ('Auroch')

In the prior year's corresponding reporting period, on 17 November 2014, the group announced the completion of the disposal of its interest in Auroch for a total amount of ZAR8.1 million (AUD0.85 million) in full and final settlement of all amounts owing.

Even though the total settlement was less than the AUD2 million settlement previously agreed upon, the transaction allowed for earlier payment and provided completion certainty for the group, enabling it to maintain its focus on the core asset portfolio.

During the prior year's corresponding reporting period, the group consolidated ZAR2.3 million of Auroch's exploration and corporate costs, which is disclosed in the statement of profit or loss and other comprehensive income under 'Loss in Associate'. In derecognising the 42% investment in Auroch, the group further recognised an impairment of ZAR1.0 million and a loss on disposal of investment of ZAR2.4 million in the statement of profit or loss and other comprehensive income.

Commitments reported in ZAR and GBP

The group had identified no contingent liabilities in the current or prior financial period.

The group had outstanding open orders contracted for the period end of ZAR48.3 million (2014: ZAR32.4 million) or GBP2.1 million (2014: GBP1.8 million).

Authorised commitments for the new financial period not yet contracted for totalled ZAR162.5 million (2014: ZAR133.2 million) or GBP7.1 million (2014: GBP7.4 million).

The group had guarantees in place of ZAR24.6 million (2014: ZAR24.6 million) or GBP1.1 million (2014: GBP1.4 million) in favour of Eskom and ZAR14.0 million (2014: ZAR14.0 million) or GBP0.6 million (2014: GBP0.8 million) in favour of the DMR.

Operating lease commitments, which fall due within the next year, amounted to ZAR2.3 million (2014: ZAR2.9 million) or GBP0.1 million (2014: GBP0.2 million).

The group has committed ZAR200 million (GBP8.7 million) in the financial year to Oakleaf and Shanduka, for the acquisition of the Colliery.

Fair value investments

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.

The group values its ZAR321.9 million (2014: ZAR292.1 million) or GBP14.0 million (2014:GBP16.2 million) rehabilitation trust funds which comprise of investments in guaranteed equity linked notes, government bonds and equities according to level 1 quoted prices in an active market.

During the prior financial year, the company purchased 1,750,850 shares for ZAR18.9 million (GBP1 million) in a listed available-for-sale investment. The investment is valued according to level 1 quoted prices in an active market.

During the financial period, the company entered into a cost collar derivative with a financial institution. At period end the financial instrument was not closed out and settled, therefore resulting in a financial exposure to be evaluated. The financial instrument was valued according to level 1 quoted prices in an active market resulting in a unrealised mark to market fair value adjustment of ZAR40.6 million (2014: realised gain of ZAR44.8 million).

Basis of preparation of the financial statements and accounting policies

The accounting policies applied in compiling the interim results are in terms of International Financial Reporting Standards ('IFRS') adopted by the European Union and South Africa, which are consistent with those applied in preparing the group's annual financial statements for the year ended 30 June 2015.

The financial information set out in this announcement does not constitute the company's statutory accounts for the half-year ended 31 December 2015.

The interim results have been prepared and presented in accordance with, and containing the information required by IFRS on Interim Financial Reporting, International Accounting Standards ('IAS') 34. The financial information included in the interim results has been prepared in accordance with the recognition and measurement criteria of IFRS. This announcement does not itself contain sufficient disclosure information to comply fully with IFRS.

The interim results have not been reviewed or reported on by the company's external auditors.

JSE Limited listing

The company has a dual primary listing on the main board of the JSE Limited ('JSE') and the Alternative Investment Market ('AIM') of the London Stock Exchange.

The preliminary announcement has been prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS, the AC 500 standards as issued by the Accounting Practices Board and the information as required by IAS 34: Interim Financial Reporting.

AIM listing

The financial information for the period ended 31 December 2015 does not constitute statutory accounts as defined in sections 435 (1) and (2) of the Companies Act 2006.

The group's announcement has been prepared in accordance with IFRS and International Financial Reporting Interpretation Committee interpretations adopted for use by the European Union, with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

Directorship changes

No changes took place during the period under review while the following changes took place during the prior year's corresponding period:

- Mr R Smith was appointed as an independent non-executive director, with effect from 8 September 2014.

- Mr RG Still resigned as a non-executive director, with effect from 1 July 2014.

Shares issued

No shares were issued during the current or prior period under review. In the latter half of the prior financial year, share options were exercised, resulting in an increase of 0.1% to 1,831.5 million shares (2014:1,830.0 million shares).

Directors' dealings

There were no director dealings in securities during the period under review.

Dividend

The group paid a final dividend of ZAR210.0 million or GBP9.7 million (2014: ZAR258.0 million or GBP14.9 million) on 24 December 2015, relating to the 2015 financial year, equating to ZAR0.1147 or 0.53p per share (2014: ZAR0.1410 or 0.82p per share).

Going concern

The board confirms that the business is a going concern and that it has reviewed the business' 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 ZAR800 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 ZAR300 million facility), and access to general banking facilities of ZAR100 million. At 31 December 2015 the group had capacity on the revolving credit facility and general banking facilities of ZAR575.0 million and ZAR58.0 million, respectively, to assist in funding working capital requirements. 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 most exploration and capital expenditure activities to conserve cash.

Events after the reporting period

As previously noted, the acquisition of the Colliery, remains subject to approval by the DMR in terms of the MPRDA section 11 mining rights transfer to Pan African Resources.

Segment reporting

A segment is a distinguishable component of the group that is engaged in providing products or services in a particular business sector or segment, which is subject to risk and rewards that are different from those of other segments. The group's business activities were conducted through five business segments:

- Barberton Mines (including BTRP), located in Barberton South Africa;
- Evander Mines (including ETRP), located in Evander South Africa;
- Phoenix Platinum, located near Rustenburg South Africa;
- Corporate and growth projects; and
- Pan African Resources Funding Company Proprietary Limited ('Funding company').

The Executive committee reviews the operations in accordance with the disclosures presented above.

Pan African Resources' outlook

Pan African Resources' pleasing operational and financial performance over the last period was underpinned by improved gold production and the current ZAR gold price environment. The group is well positioned to produce approximately 200,000oz and 9,000oz of gold and PGE respectively, over the full year period.

The group remains committed to ensuring that a safe and productive environment is maintained and continuous improvement in safety performances remain critical. The group was able to settle all wage demands at operational level with agreements ranging between 2-3 years providing the group and stakeholders with a level of certainty in this regard over the medium term.

The ETRP is a success with the project commissioned on time and within budget during February 2015 and has provided organic growth of approximately 10,000oz of additional gold production per annum at Evander Mines.

The ZAR gold price has recently increased to ZAR600,000/kg, and the group is positioned to capitalise on the improved cash flow margins. These factors should enable the group to maintain an attractive dividend going forward.

The Colliery transaction remains subject to ministerial approval, following which the team will prioritise the integration of the mine into the group. The Colliery is profitable and cash generative and the opportunistic acquisition provides a coal asset with a 28 year life of mine.

Pan African Resources' strategy is to continue growing both organically and through acquisitions, which are value accretive to our shareholders, whilst maximising margins from current operations. With strong cash flows and improved funding capacity of up to ZAR1.1 billion, the group is well positioned to take advantage of such growth opportunities.

Our appreciation is extended to the staff of Pan African Resources, for their daily commitment and contributions that continue to drive our success.

Cobus Loots	Deon Louw
Chief Executive Officer	Financial Director

23 February 2016

Financial Statements: Condensed financial information

Consolidated GBP and ZAR Statement of Financial Position as at 31 December 2015

	31 December 2015 (Unaudited) GBP	30 June 2015 (Audited) GBP	31 December 2014 (Unaudited) GBP	31 December 2015 (Unaudited) ZAR (note 1)	30 June 2015 (Unaudited) ZAR (note 1)	31 December 2014 (Unaudited) ZAR (note 1)
ASSETS						
Non-current assets						
Property, plant and equipment and mineral rights	153,180,433	181,532,780	192,380,120	3,521,618,148	3,503,582,652	3,468,613,567
Other intangible assets	197,598	202,488	211,682	4,542,773	3,908,021	3,816,624
Deferred taxation	118,419	327,748	274,873	2,722,464	6,325,533	4,955,969
Goodwill	21,000,714	21,000,714	21,000,714	303,491,812	303,491,812	303,491,812
Investments	678,909	904,818	674,268	15,608,118	17,462,996	12,157,054
Rehabilitation trust fund	14,002,928	16,181,925	16,199,996	321,927,319	312,311,153	292,085,919
	189,179,001	**220,150,473**	**230,741,653**	**4,169,910,634**	**4,147,082,167**	**4,085,120,945**
Current assets						
Inventories	4,062,142	3,502,569	5,041,034	93,388,634	67,599,584	90,889,845
Current tax asset	657,849	827,298	573,472	15,123,957	15,966,858	10,339,700
Trade and other receivables	7,085,421	9,559,010	12,738,850	162,893,843	184,488,890	229,681,450
Cash and cash equivalents	-	3,328,850	4,893,687	-	64,246,802	88,233,175
	11,805,412	17,217,727	23,247,043	**271,406,434**	**332,302,134**	**419,144,170**
TOTAL ASSETS	**200,984,413**	**237,368,200**	**253,988,696**	**4,441,317,068**	**4,479,384,301**	**4,504,265,115**
EQUITY AND LIABILITIES						
Capital and reserves						
Share capital	18,314,947	18,314,947	18,299,947	244,752,779	244,752,779	244,480,271
Share premium	94,846,046	94,846,046	94,792,516	1,323,632,626	1,323,632,626	1,322,660,134
Translation reserve	(77,093,671)	(56,402,515)	(47,553,353)	-	-	-
Share option reserve	1,035,888	1,035,888	1,223,380	13,957,178	13,957,178	17,189,849
Retained earnings	112,043,676	110,850,201	104,727,781	1,470,428,459	1,452,863,957	1,341,862,736
Realisation of equity reserve	(10,701,093)	(10,701,093)	(10,701,093)	(140,624,130)	(140,624,130)	(140,624,130)
Merger reserve	(10,705,308)	(10,705,308)	(10,705,308)	(154,707,759)	(154,707,759)	(154,707,759)
Other reserves	(140,016)	(70,679)	(375,464)	(3,218,975)	(1,364,097)	(6,769,609)
Equity attributable to owners of the parent	**127,600,469**	**147,167,487**	**149,708,406**	**2,754,220,178**	**2,738,510,554**	**2,624,091,492**
Total equity	**127,600,469**	**147,167,487**	**149,708,406**	**2,754,220,178**	**2,738,510,554**	**2,624,091,492**
Non-current liabilities						
Long term provisions	10,271,027	12,249,367	12,617,747	236,130,911	236,412,781	227,497,973
Long term liabilities	11,495,041	16,312,982	25,339,623	264,270,992	314,840,546	456,873,408
Deferred taxation	32,667,521	39,288,059	43,234,799	751,026,310	758,259,537	779,523,431
	54,433,589	**67,850,408**	**81,192,169**	**1,251,428,213**	**1,309,512,864**	**1,463,894,812**
Current liabilities						
Trade and other payables	13,014,779	16,799,043	15,941,132	299,209,765	324,221,523	287,418,606
Current portion of long term liabilities	4,247,021	5,047,478	6,309,900	97,639,018	97,416,327	113,767,493
Bank overdraft	443,171	-	-	10,188,509	-	-
Current tax liability	1,245,384	503,784	837,089	28,631,385	9,723,033	15,092,712
	18,950,355	**22,350,305**	**23,088,121**	**435,668,677**	**431,360,883**	**416,278,811**
TOTAL EQUITY AND LIABILITIES	**200,984,413**	**237,368,200**	**253,988,696**	**4,441,317,068**	**4,479,384,301**	**4,504,265,115**

Note 1: The ZAR figures have been included for illustrative purposes only.

Consolidated GBP and ZAR Statement of Profit or Loss and Other Comprehensive Income for the period ended 31 December 2015

	31 December 2015 (Unaudited) GBP	31 December 2014 (Unaudited) GBP	31 December 2015 (Unaudited) ZAR (note 2)	31 December 2014 (Unaudited) ZAR (note 2)
Revenue				
Gold sales	73,752,127	65,538,251	1,536,256,799	1,171,168,538
Platinum sales	1,879,907	2,587,645	39,158,461	46,241,219
Realisation costs	(269,483)	(294,589)	(5,613,341)	(5,264,311)
On - mine revenue	**75,362,551**	**67,831,307**	**1,569,801,919**	**1,212,145,446**
Gold cost of production	(48,935,400)	(52,727,136)	(1,019,324,382)	(942,233,920)
Platinum cost of production	(1,650,617)	(1,797,188)	(34,382,330)	(32,115,757)
Mining depreciation	(5,276,624)	(4,676,292)	(109,912,069)	(83,565,346)
Mining profit	**19,499,910**	**8,630,691**	**406,183,138**	**154,230,423**
Other (expenses)/income	(3,486,324)	522,797	(72,620,137)	9,342,380
Loss in associate	-	(128,217)	-	(2,291,239)
Loss on disposal of associate	-	(139,970)	-	(2,429,880)
Impairments	-	(56,253)	-	(1,014,239)
Royalty costs	(1,194,397)	(794,882)	(24,879,297)	(14,204,537)
Net income before finance income and finance costs	**14,819,189**	**8,034,166**	**308,683,704**	**143,632,908**
Finance income	143,584	321,046	2,990,864	5,737,089
Finance costs	(557,976)	(498,013)	(11,622,650)	(8,899,485)
Profit before taxation	**14,404,797**	**7,857,199**	**300,051,918**	**140,470,512**
Taxation	(3,479,954)	(2,309,652)	(72,487,419)	(41,273,479)
Profit after taxation	**10,924,843**	**5,547,547**	**227,564,499**	**99,197,033**
Other comprehensive income:				
Fair value movement on available for sale investment	(69,337)	-	(1,854,878)	-
Other movements	-	(369,935)	-	(6,670,040)
Foreign currency translation differences	(20,691,156)	(8,033)	-	-
Total comprehensive income for the year	(9,835,650)	5,169,579	225,709,621	92,526,993
Profit attributable to:				
Owners of the parent	10,924,843	5,547,547	227,564,499	99,197,033
Total comprehensive income attributable to:				
Owners of the parent	(9,835,650)	5,169,579	225,709,621	92,526,993
Earnings per share	0.60	0.30	12.43	5.42
Diluted earnings per share	0.60	0.30	12.42	5.41
Weighted average number of shares in issue	1,831,494,763	1,829,994,763	1,831,494,763	1,829,994,763
Diluted number of shares in issue	1,831,712,087	1,834,126,382	1,831,712,087	1,834,126,382
Headline earnings per share is calculated :				
Basic earnings	10,924,843	5,547,547	227,564,499	99,197,033
Adjustments (note 1):				
Loss on disposal of associate	-	139,970	-	2,429,880
Impairments	-	56,253	-	1,014,239
Headline earnings	**10,924,843**	**5,743,770**	**227,564,499**	**102,641,152**
Headline earnings per share	0.60	0.31	12.43	5.61
Diluted headline earnings per share	0.60	0.31	12.42	5.60

Note 1: The adjustments accounted for, did not have any taxation impact to the group.
Note 2: The ZAR figures have been included for illustrative purposes only.

Condensed GBP and ZAR Consolidated Cash Flow Statement for the period ended 31 December 2015

	Six months ended 31 December 2015 (Unaudited) GBP	**Six months ended 31 December 2014 (Unaudited) GBP**	**Six months ended 31 December 2015 (Unaudited) ZAR (note 1)**	**Six months ended 31 December 2014 (Unaudited) ZAR (note 1)**
Profits before tax	14,404,797	7,857,199	300,051,918	140,470,512
Summary of adjustments				
Royalties	1,194,397	794,882	24,879,297	14,204,537
Depreciation	5,294,975	4,676,292	110,294,337	84,027,336
Impairment	-	56,253	-	1,014,239
Gold loan deliveries	(1,404,589)	(1,795,514)	(29,257,585)	(32,085,839)
Fair value adjustments and other	(434,881)	(725,197)	(9,058,577)	(15,242,762)
Net finance costs	414,392	176,967	8,631,786	3,162,396
Operating profit before working capital changes	19,469,091	11,040,882	405,541,176	195,550,419
Decrease / (increase) in trade and other receivables	1,036,728	(1,064,893)	21,595,047	(19,029,641)
(Increase)/ decrease in net inventory	(1,238,072)	296,803	(25,789,050)	5,303,877
Decrease in accounts payable	(864,687)	(1,270,792)	(18,011,434)	(22,709,057)
Cash Generated by operations	18,403,060	9,002,000	383,335,739	159,115,598
Taxation paid	(2,794,359)	(1,870,216)	(64,242,313)	(33,719,995)
Royalty paid	(1,040,133)	(1,276,984)	(23,912,650)	(23,024,013)
Dividends paid	(9,349,072)	(14,283,924)	(210,000,000)	(258,029,262)
Net finance expense	(511,354)	(241,484)	(10,651,502)	(4,315,311)
Cash inflow/(outflow) from operating activities	4,708,142	(8,670,608)	74,529,274	(159,972,983)
Cash outflow from investing activities	(6,191,291)	(12,757,686)	(128,964,585)	(227,979,846)
Cash (outflow)/ inflow from financing activities	(960,154)	20,984,891	(20,000,000)	375,000,000
Net decrease in cash equivalents	(2,443,303)	(443,403)	(74,435,311)	(12,952,829)
Cash at the beginning of period	3,328,850	5,618,323	64,246,802	101,186,004
Effect of foreign currency rate changes	(1,328,718)	(281,233)	-	-
Cash at end of year	(443,171)	4,893,687	(10,188,509)	88,233,175

Note 1: The ZAR figures have been included for illustrative purposes only.

Condensed GBP and ZAR Consolidated Statement of Changes in Equity for the period ended 31 December 2015

	Six months ended 31 December 2015 (Unaudited) GBP	**Six months ended 31 December 2014 (Unaudited) GBP**	**Six months ended 31 December 2015 (Unaudited) ZAR (note 1)**	**Six months ended 31 December 2014 (Unaudited) ZAR (note 1)**
Shareholder's equity as start period	147,167,487	159,396,109	2,738,510,557	2,788,369,869
Share option reserve	-	68,489	-	1,223,892
Other comprehensive income	(20,760,493)	(377,968)	(1,854,878)	(6,670,040)
Profit for the year	10,924,843	5,547,547	227,564,499	99,197,033
Dividends	(9,731,368)	(14,925,771)	(210,000,000)	(258,029,262)
Total Equity	**127,600,469**	**149,708,406**	**2,754,220,178**	**2,624,091,492**

Note 1: The ZAR figures have been included for illustrative purposes only.

Consolidated GBP Segment Report for the period ended 31 December 2015

	31 December 2015						31 December 2014					
	Barberton Mines	Evander Mines	Phoenix Platinum	Corporate and Growth Projects	Funding company	Group	Barberton Mines	Evander Mines	Phoenix Platinum	Corporate and Growth Projects	Funding company	Group
	GBP	GBP	GBP	GBP	GBP	GBP	GBP	GBP	GBP	GBP	GBP	GBP
Revenue												
Gold sales (note 1)	41,011,076	32,741,051	-	-	-	73,752,127	39,974,054	25,564,197	-	-	-	65,538,251
Platinum Sales	-	-	1,879,907	-	-	1,879,907	-	-	2,587,645	-	-	2,587,645
Realisation costs	(156,470)	(113,013)	-	-	-	(269,483)	(224,787)	(69,802)	-	-	-	(294,589)
On - mine revenue	40,854,606	32,628,038	1,879,907	-	-	75,362,551	39,749,267	25,494,395	2,587,645	-	-	67,831,307
Gold cost of production	(22,321,903)	(26,613,497)	-	-	-	(48,935,400)	(25,498,210)	(27,228,926)	-	-	-	(52,727,136)
Platinum cost of production	-	-	(1,650,617)	-	-	(1,650,617)	-	-	(1,797,188)	-	-	(1,797,188)
Depreciation	(1,805,175)	(3,312,213)	(159,236)	-	-	(5,276,624)	(1,974,383)	(2,518,367)	(183,542)	-	-	(4,676,292)
Mining Profit	16,727,528	2,702,328	70,054	-	-	19,499,910	12,276,674	(4,252,898)	606,915	-	-	8,630,691
Other(expenses)/income(note 2)	(2,614,480)	115,024	(92,565)	(907,176)	12,873	(3,486,324)	(388,757)	2,194,174	(32,298)	(1,250,322)	-	522,797
Loss from associate	-	-	-	-	-	-	-	-	-	(128,217)	-	(128,217)
Loss on disposal of associate	-	-	-	-	-	-	-	-	-	(139,970)	-	(139,970)
Impairment costs	-	-	-	-	-	-	-	-	-	(56,253)	-	(56,253)
Royalty costs	(1,030,528)	(163,869)	-	-	-	(1,194,397)	(685,073)	(109,809)	-	-	-	(794,882)
Net income / (loss) before finance income and finance costs	13,082,520	2,653,483	(22,511)	(907,176)	12,873	14,819,189	11,202,844	(2,168,533)	574,617	(1,574,762)	-	8,034,166
Finance income	59,038	11,964	370	46,287	25,925	143,584	169,894	111,577	562	32,743	6,270	321,046
Finance costs	14,621	(14,314)	8,570	(5)	(566,848)	(557,976)	(6,448)	(18,407)	-	(11,167)	(461,991)	(498,013)
Profit /(loss) before taxation	13,156,179	2,651,133	(13,571)	(860,894)	(528,050)	14,404,797	11,366,290	(2,075,363)	575,179	(1,553,186)	(455,721)	7,857,199
Taxation	(3,294,804)	(7,836)	14,408	(191,722)	-	(3,479,954)	(2,819,986)	769,390	(166,951)	(92,105)	-	(2,309,652)
Profit /(loss) after taxation before inter-company charges	9,861,375	2,643,297	837	(1,052,616)	(528,050)	10,924,843	8,546,304	(1,305,973)	408,228	(1,645,291)	(455,721)	5,547,547
Inter-company transactions												
Management fees	(685,079)	(447,904)	(64,809)	1,197,792	-	-	(833,800)	(643,537)	(61,555)	-	1,538,892	-
Inter-company finance costs	-	(522,381)	-	-	522,381	-	(50,364)	(402,910)	(5,596)	(11,192)	470,062	-
Profit /(loss) after taxation after inter-company charges	9,176,296	1,673,012	(63,972)	145,176	(5,669)	10,924,843	7,662,140	(2,352,420)	341,077	(1,656,483)	1,553,233	5,547,547
Segmental Assets (Total assets excluding goodwill)	47,452,876	122,245,331	8,497,626	1,576,239	211,627	179,983,699	62,151,080	156,520,573	12,000,194	2,276,381	39,754	232,987,982
Segmental Liabilities	19,134,430	41,981,878	570,515	62,806	11,634,315	73,383,944	21,973,563	59,351,154	843,668	1,151,504	20,960,401	104,280,290
Goodwill	21,000,714	-	-	-	-	21,000,714	21,000,714	-	-	-	-	21,000,714
Net Assets (excluding goodwill)	28,318,446	80,263,453	7,927,111	1,513,433	(11,422,688)	106,599,755	40,177,517	97,169,419	11,156,526	1,124,877	(20,920,647)	128,707,692
Capital Expenditure	2,683,629	3,451,752	38,406	14,402	-	6,188,189	3,128,148	8,819,532	5,596	55,960	-	12,009,236

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 expense and income exclude inter-management fees and dividend received.

Consolidated ZAR Segment Report for the period ended 31 December 2015 (note 3)

	31 December 2015						31 December 2014					
	Barberton Mines ZAR million	Evander Mines ZAR million	Phoenix Platinum ZAR million	Corporate and Growth Projects ZAR million	Funding company ZAR million	Group ZAR million	Barberton Mines ZAR million	Evander Mines ZAR million	Phoenix Platinum ZAR million	Corporate and Growth Projects ZAR million	Funding company ZAR million	Group ZAR million
Revenue												
Gold sales (note 1)	854.3	682.0	-	-	-	1,536.3	714.3	456.8	-	-	-	1,171.1
Platinum Sales	-	-	39.2	-	-	39.2	-	-	46.2	-	-	46.2
Realisation costs	(3.3)	(2.4)	-	-	-	(5.7)	(4.0)	(1.2)	-	-	-	(5.2)
On - mine revenue	851.0	679.6	39.2	-	-	1,569.8	710.3	455.6	46.2	-	-	1,212.1
Gold cost of production	(464.9)	(554.4)	-	-	-	(1,019.3)	(455.7)	(486.6)	-	-	-	(942.3)
Platinum cost of production	-	-	(34.4)	-	-	(34.4)	-	-	(32.1)	-	-	(32.1)
Depreciation	(37.6)	(69.0)	(3.3)	-	-	(109.9)	(35.3)	(45.0)	(3.2)	-	-	(83.5)
Mining Profit	348.5	56.2	1.5	-	-	406.2	219.3	(76.0)	10.9	-	-	154.2
Other(expenses)/income(note 2)	(54.5)	2.4	(1.9)	(18.8)	0.3	(72.5)	(6.9)	39.2	(0.6)	(22.3)	-	9.4
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	(21.5)	(3.4)	-	-	-	(24.9)	(12.2)	(2.0)	-	-	-	(14.2)
Net income / (loss) before finance income and finance costs	272.5	55.2	(0.4)	(18.8)	0.3	308.8	200.2	(38.8)	10.3	(28.0)	-	143.7
Finance income	1.2	0.2	-	1.0	0.5	2.9	3.0	2.0	-	0.6	0.1	5.7
Finance costs	0.3	(0.3)	0.2	-	(11.8)	(11.6)	(0.1)	(0.3)	-	(0.2)	(8.3)	(8.9)
Profit /(loss) before taxation	274.0	55.1	(0.2)	(17.8)	(11.0)	300.1	203.1	(37.1)	10.3	(27.6)	(8.2)	140.5
Taxation	(68.6)	(0.2)	0.3	(4.0)	-	(72.5)	(50.4)	13.7	(3.0)	(1.6)	-	(41.3)
Profit /(loss) after taxation	205.4	54.9	0.1	(21.8)	(11.0)	227.6	152.7	(23.4)	7.3	(29.2)	(8.2)	99.2
Inter-company transactions												
Management fees	(14.3)	(9.3)	(1.4)	25.0	-	-	(14.9)	(11.5)	(1.1)	-	27.5	-
Inter-company finance costs	-	(10.9)	-	-	10.9	-	(0.9)	(7.2)	(0.1)	(0.2)	8.4	-
Profit /(loss) after taxation after inter-company charges	191.1	34.7	(1.3)	3.2	(0.1)	227.6	136.9	(42.1)	6.1	(29.4)	27.7	99.2
Segmental Assets (Total assets excluding goodwill)	1,090.9	2,810.4	195.4	36.2	4.9	4,137.8	1,120.6	2,822.1	216.4	41.0	0.7	4,200.8
Segmental Liabilities	439.9	965.2	13.1	1.4	267.5	1,687.1	396.2	1,070.1	15.2	20.8	377.9	1,880.2
Goodwill	303.5	-	-	-	-	303.5	303.5	-	-	-	-	303.5
Net Assets (excluding goodwill)	651.0	1,845.2	182.3	34.8	(262.6)	2,450.7	724.4	1,752.0	201.2	20.2	(377.2)	2,320.6
Capital Expenditure	55.9	71.9	0.8	0.3	-	128.9	55.9	157.6	0.1	1.0	-	214.6

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 and income exclude inter-management fees and dividend received.
Note 3: The ZAR figures have been included for illustrative purposes only.

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