



**2025 | TASKFORCE ON NATURE-RELATED FINANCIAL DISCLOSURES REPORT**  
for the year ended 30 June


**MINING FOR A FUTURE**

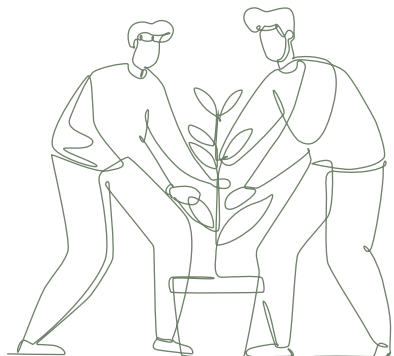
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The following tools will assist you throughout this report:

 Find more information on our website, [www.panafricanresources.com/](https://www.panafricanresources.com/)

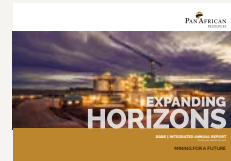
 Reported values containing the gold seal of approval indicate limited assurance granted by PricewaterhouseCoopers Inc. (PwC Inc.). The limited assurance report from PwC Inc. can be found on **pages 85 to 87** of the **sustainable development report**.



# AIM OF THIS REPORT

This Taskforce on Nature-related Financial Disclosures report (TNFD report) accompanies Pan African's integrated annual report, including the annual financial statements for the year ended 30 June 2025, and must be read in conjunction with the entire reporting suite of documents. The entire suite of documents is available on our website at <https://www.panafricanresources.com/investors/fy2025-key-documents>

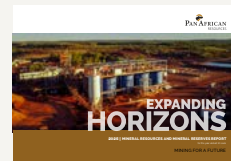
## OUR REPORTING SUITE



Our **integrated annual report** includes our annual financial statements



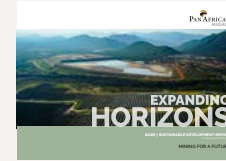
Our **summarised audited results**



Our **Mineral Resources and Mineral Reserves report** provides technical information in compliance with the SAMREC Code



Our **notice of annual general meeting** will be available on our website on 28 October 2025



Our **sustainable development report** contains additional non-financial disclosures




Our **climate change report**



Our **corporate governance report**, including a comprehensive King IV™ index

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# TASKFORCE ON NATURE-RELATED FINANCIAL DISCLOSURES REPORT 2025

We are pleased to present Pan African Resources PLC's (Pan African, the Group or the Company) inaugural TNFD report. In FY24, we committed to producing this report as a testament to the fact that preserving biodiversity is at the core of our environmental and social stewardship and our sustainable development strategy. Recognising the intrinsic value of ecosystems and the growing global urgency to halt biodiversity loss, the Group has taken decisive steps to integrate biodiversity conservation into its operations, governance and future planning.

Pan African aligns its biodiversity efforts with the Kunming-Montreal Global Biodiversity Framework, the United Nations Sustainable Development Goals (UN SDGs) and the Taskforce on Nature-related Financial Disclosures (TNFD). The Group acknowledges that mining, by its nature, can significantly impact ecosystems through habitat destruction, pollution and land degradation. In response, Pan African is committed to integrating underground mining and surface operations with conservation and regenerative imperatives, including the restoration and rehabilitation of disturbed land. We aim to concurrently achieve both our mining and biodiversity objectives to the benefit of all stakeholders.

This report demonstrates our commitment to embracing the long-term journey that outstanding biodiversity management requires. In future iterations, Pan African intends to use the International Council on Mining and Metals (ICMM) newly published benchmark for biodiversity reporting in the mining sector: the '*Good Practice Guide for Achieving No Net Loss or Net Gain of Biodiversity*'. This guide is now considered the gold standard for biodiversity protection and restoration in mining. In addition, the Company will define the financial impact of various biodiversity risks in line with IFRS® Sustainability Disclosure Standards S1 and S2 as it evolves in respect of biodiversity management, and make reference to the new biodiversity standards embodied in the Global Reporting Initiative (GRI) Standards.



OUR COMMITMENT TO BIODIVERSITY CONSERVATION HAS YIELDED REMARKABLE RESULTS IN FY25.

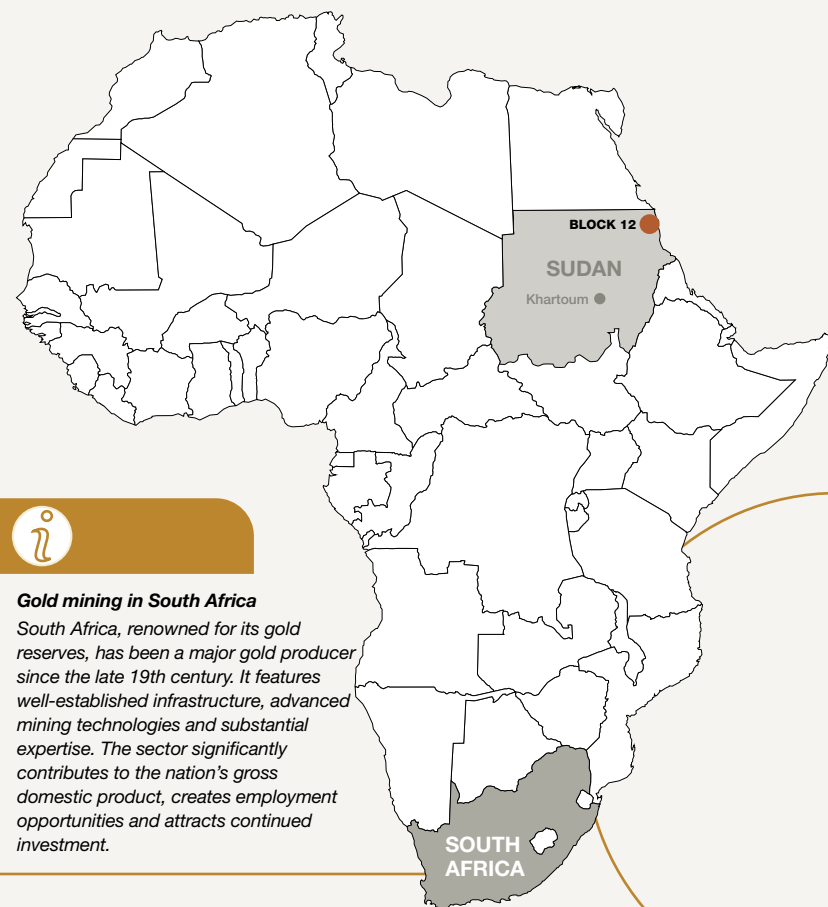
## OUR MINING OPERATIONS

A unique combination of underground and surface mining operations.

This report covers all our assets other than the exploration venture in Sudan, which is currently suspended. The four sites included in this report are:

- **Barberton Mines'** three underground mines, the Barberton Tailings Retreatment Plant (BTRP) and the Barberton Blueberries agriculture project in Mpumalanga

- **Evander Mines'** underground mine and the Eilikhulu Tailings Retreatment Plant (Eilikhulu) in Mpumalanga
- The **Mogale Tailings Retreatment (MTR)** operation located in Gauteng
- The **Tennant Mines** operations in the Northern Territory of Australia.



### Gold mining in South Africa

South Africa, renowned for its gold reserves, has been a major gold producer since the late 19th century. It features well-established infrastructure, advanced mining technologies and substantial expertise. The sector significantly contributes to the nation's gross domestic product, creates employment opportunities and attracts continued investment.

### Our operations

- Fairview Mine
- Sheba Mine
- Consort Mine
- Barberton Tailings Retreatment Plant
- Eilikhulu Tailings Retreatment
- Evander Mines' 8 Shaft
- Evander Mines' 7 Shaft
- Mogale Tailings Retreatment
- Tennant Mines
- Sudan exploration – Block 12



### Gold mining in Australia

Australia produced approximately 290t or 6% of the global total gold production of 4,794t during 2024.

Per the Minerals Council of Australia, it is the country with the largest known gold resources in the world with 12,000t out of a total of approximately 64,000t. It has a significant opportunity to supply the growing demand for gold.



# WHY BIODIVERSITY MATTERS

Biodiversity is not just a conservationist's concern. For industries like ours operating in water-stressed regions and dependent on community goodwill, biodiversity is a critical asset. Its preservation is a moral and ecological imperative and a strategic necessity.

According to the World Wide Fund for Nature's 2024 Living Planet Report, monitored wildlife populations have declined by an average of 73% between 1970 and 2020. On land, biodiversity loss is mainly driven by habitat conversion for agriculture, while overfishing is the leading threat in marine ecosystems. Although not yet the primary cause, climate change is projected to put up to 20% of wild species at risk of extinction this century.

These pressures are degrading nature at unsustainable rates, with humanity's ecological footprint exceeding the planet's capacity to regenerate. Biodiversity loss is not only an environmental issue – it affects development, health, security and the economy. Nature provides essential services, such as food, water, climate regulation and disease control, and its decline threatens both human well-being and global stability.

## 01.

### WATER SECURITY AND ECOSYSTEM SERVICES

Mining operations are heavily reliant on water for mining, ore processing, dust suppression and site rehabilitation. Healthy ecosystems – wetlands, forests and grasslands – play a vital role in maintaining water quality and availability. Biodiverse ecosystems regulate hydrological cycles, filter pollutants and reduce the risk of floods and droughts.

Loss of biodiversity can degrade these ecosystem services, leading to increased water treatment costs, operational disruptions such as flooding and wildfires, and heightened regulatory scrutiny. For example, the removal of vegetation and soil organisms can reduce the land's ability to retain water, increasing runoff and sedimentation in rivers, directly impacting water sources used by the mines and surrounding communities.

## 02.

### COMMUNITY RELATIONS AND SOCIAL LICENCE TO OPERATE

Communities living near mining operations often have deep cultural, spiritual and economic ties to local biodiversity. Medicinal plants, wild foods and traditional knowledge are all rooted in the natural environment. When biodiversity is threatened by mining activities, it can lead to community resistance, protests and legal action.

Conversely, companies that actively protect and restore biodiversity can build trust and goodwill. Biodiversity conservation projects, such as wetland and grassland restoration, and protection of wildlife, can create jobs, support local livelihoods and demonstrate a company's commitment to sustainable development.

## 03.

### REGULATORY AND FINANCIAL RISK MANAGEMENT

Governments and financial institutions are increasingly integrating biodiversity management into environmental and social regulations and investment criteria. The Kunming-Montreal Global Biodiversity Framework, adopted in 2022, sets ambitious targets for halting biodiversity loss and restoring ecosystems. Companies that fail to align with these goals may face stricter permitting processes, fines or exclusion from certain financing opportunities.

Investors are also now paying closer attention to sustainability risks and opportunities. Environmental, social and governance (ESG) metrics now include biodiversity indicators, and companies with poor biodiversity performance, which negatively affect the environment and communities, may see reduced investor interest or lower valuations.

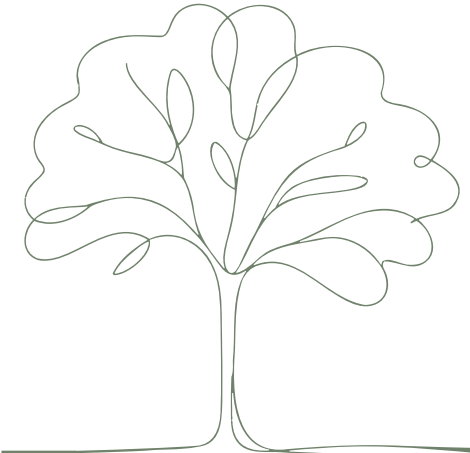
## 04.

### OPERATIONAL RESILIENCE AND LONG-TERM VIABILITY

Biodiversity contributes to ecosystem resilience – the ability of natural systems to recover from disturbances. In mining regions, this resilience is crucial for post-closure land rehabilitation and long-term environmental stability. Diverse plant and animal communities are more likely to adapt to changing conditions, resist invasive species and support soil regeneration.

A mine that leaves behind a degraded, biologically impoverished landscape risks long-term liability and reputational damage. In contrast, a site that is restored to a biodiverse, functioning ecosystem can become a legacy of responsible stewardship.






By valuing biodiversity as a strategic asset, mining companies can reduce risks, enhance resilience and contribute to a more sustainable and equitable future.



FOR A GOLD MINING COMPANY, BIODIVERSITY IS NOT AN ABSTRACT CONCEPT – IT IS DEEPLY INTERTWINED WITH OPERATIONAL VIABILITY, REGULATORY COMPLIANCE AND SOCIAL LICENCE TO OPERATE.

# FY25 HIGHLIGHTS

Our progress on biodiversity during FY25 includes the following key achievements:

 <b>PAN AFRICAN</b> RESOURCES	 <b>BARBERTON</b> MINES	 <b>EVANDER</b> MINES	 <b>MOGALE</b> TAILINGS RETREATMENT	 <b>TENNANT</b> MINES
<p>Stand-alone TNFD report</p>	<p>Rehabilitation efforts continue through the removal of legacy tailings dumps and alien invasive plant species within and surrounding our mining rights footprint</p>	<p>Grassland and wetland offset project</p> <p><b>100%</b> complete</p>	<p><b>101.08 hectares</b> rehabilitated during FY25</p>	<p>Pan African is in possession of reports of the current status of land disturbed by previous operators, for which the Company is not financially liable. Pan African will undertake concurrent rehabilitation of the site as we ramp up operations</p>
<p>Locate, Assess, Evaluate, Prepare (LEAP) assessments were conducted for assets in South Africa and Australia</p>	<p>Collaboration with a local conservation organisation to ensure a mutually beneficial co-existence within the protected conservation area</p>	<p>Grassland restoration of approximately</p> <p><b>126 hectares</b> complete</p>	<p><b>17.1%<sup>©</sup></b> land in the process of rehabilitation cumulative and during FY25 7.7%</p>	<p>A detailed weed management plan, which aligns with state and federal legislative controls for different weed species in the region, has been successfully implemented</p>
<p>The mandates for the social and ethics and safety, health, environment and quality (SHEQ) committees are being expanded to include biodiversity and nature-related financial impacts</p>				
<p>The board is overseeing the integration of biodiversity risks into the enterprise risk management framework</p>				

Refer to the **climate change report** for details on our renewable energy and water projects at [www.panafricanresources.com/investors/gri-and-sustainability/](http://www.panafricanresources.com/investors/gri-and-sustainability/)

# MESSAGE FROM THE CHAIRMAN OF THE SOCIAL AND ETHICS COMMITTEE



As we reflect on the achievements and progress made during FY25, it is with great pride that I introduce Pan African's first TNFD report. This year has been marked by significant strides in our biodiversity initiatives, aligning with global changes in reporting standards and stakeholder expectations. Our journey towards sustainability and responsible resource management continues to be guided by the principles of transparency, accountability and innovation.

We have maintained our strong relationships and continue to collaborate with conservation stakeholders with whom we share protected areas at our Barberton Mines operation.

The global landscape of sustainability reporting has undergone a transformative shift with the adoption of the IFRS S1 and S2 standards. These standards emphasise the importance of comprehensive and consistent reporting on sustainability-related financial disclosures. At Pan African, we have embraced the journey towards these changes, recognising that they provide a robust framework for assessing and communicating our ESG performance and our risk, impact and opportunity universe to our stakeholders.

This TNFD report highlights several key achievements:

- **Site-specific initiatives:** We have implemented targeted biodiversity initiatives across our operational sites. These initiatives include habitat restoration, species protection programmes and community engagement efforts. Notable successes include the restoration of wetland ecosystems and the protection of endangered species such as the African rhinoceros. We have maintained our strong relationship and collaboration with conservation stakeholders who share protected areas on our Barberton Mines mining site
- **Sustainable finance:** The Group's recent green loans and sustainability-linked finance bonds are a testament to our responsible environmental stewardship that drives our climate change interventions and positive biodiversity impacts at our operations
- **Achieving rehabilitation targets:** Our sustainability-linked finance target was achieved on land in the process of rehabilitation at MTR. We achieved 17.1% 🎯 and will continue to rehabilitate 531ha or 41% of the total land in the process of rehabilitation by FY29
- **Governance frameworks:** Strengthening our governance frameworks is a priority. We are establishing dedicated biodiversity committees at both corporate and site levels. These committees will oversee the implementation of biodiversity strategies, monitor progress and ensure compliance with regulatory requirements. The Group will always strive for best practice, and we remain in good standing with respect to our permits and licences dealing with environmental management and water use compliance
- **Stakeholder engagement:** Engaging with legitimate stakeholders is central to our biodiversity efforts. We have conducted extensive consultations with representatives from local communities, conservation organisations and government agencies. These engagements have fostered collaboration, knowledge sharing and the development of mutually beneficial solutions
- **Scenario planning:** To enhance our resilience to environmental and social changes, we have integrated scenario planning into our biodiversity strategies. This approach allows us to anticipate potential risks, assess their impacts and develop adaptive measures. Scenario planning has proven invaluable in mitigating the effects of climate change on our biodiversity initiatives
- **Strategic journey:** Biodiversity conservation is a journey. At Pan African, we view this journey as an integral part of our broader sustainability strategy centred around investments in renewable energy, water security and land rehabilitation. Our commitment to biodiversity is driven by the recognition that healthy ecosystems are essential for the well-being of our planet and the communities where we operate. All our operations have dedicated provisional rehabilitation funds for post-mine closure to mitigate environmental liabilities to the Group. Biodiversity is essential for broader sustainability, socio-economic development and managing climate change, as it underpins ecosystem services that support food security, health, livelihoods and climate resilience.

## MESSAGE FROM THE CHAIRMAN OF THE SOCIAL AND ETHICS COMMITTEE continued

As we move forward, we will continue to align our biodiversity initiatives with global best practices and stakeholder expectations. This includes:

### 01. CONTINUOUS IMPROVEMENT

We are dedicated to continuously improving our biodiversity performance. This involves setting ambitious targets, monitoring progress and transparently reporting our achievements and challenges.



### 02. INNOVATION

Innovation is at the heart of our biodiversity strategy. We are investing in cutting-edge technologies and research to enhance our conservation efforts. This includes the use of remote sensing, artificial intelligence and data analytics to monitor biodiversity and track the effectiveness of our initiatives. The Group has approved an investment in a modern environmental information system to measure, record, monitor, manage and mitigate environmental matters.



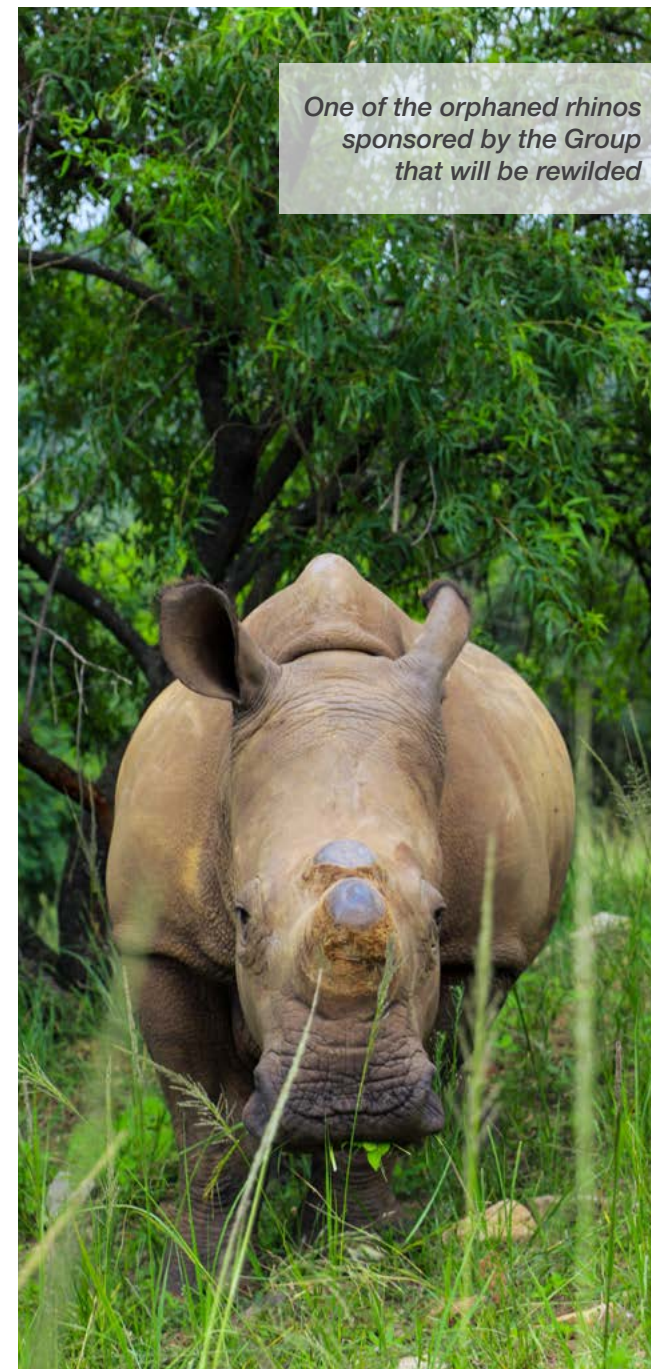
### 03. COLLABORATION

Collaboration with stakeholders is essential in achieving meaningful biodiversity outcomes and seizing opportunities for shared value creation. We will continue to foster partnerships with local communities, non-governmental organisations (NGOs), academic institutions and government bodies. These collaborations enable us to leverage diverse expertise and resources for the benefit of biodiversity and mining.



### 04. EDUCATION AND AWARENESS

Raising awareness about biodiversity is crucial for driving positive change. We are committed to educating our employees, stakeholders and the broader public about the importance of biodiversity conservation. Through workshops, campaigns and educational programmes, we aim to inspire collective action.



In conclusion, the achievements outlined in the TNFD report for FY25 reflect our unwavering commitment to sustainability and responsible resource management. As we continue our journey towards biodiversity conservation, we remain focused on innovation, collaboration and continuous improvement.

We extend our gratitude to all stakeholders who have supported our biodiversity initiatives. Together, we can create a sustainable future that preserves the natural heritage of our planet for generations to come.

Thank you.

**Thabo Mosololi**

*Chairman of the social and ethics committee*

10 September 2025

# GOVERNANCE

Pan African is committed to sustainable mining practices that prioritise biodiversity conservation. Our governance framework seeks to align with the TNFD to ensure transparency, accountability and effective management of biodiversity risks and opportunities.

Biodiversity is just one aspect of sustainable development as sustainability encompasses a broad range of interconnected goals – including social equity, economic growth and environmental protection – where biodiversity specifically supports the ecological foundation that enables these other dimensions to thrive. Refer to our **sustainable development report** for further information on Pan African's approach to sustainable development at [www.panafricanresources.com/investors/gri-and-sustainability/](http://www.panafricanresources.com/investors/gri-and-sustainability/)

## BIODIVERSITY GOVERNANCE FRAMEWORK

Pan African has established a comprehensive governance framework to oversee biodiversity-related dependencies, impacts, risks and opportunities, in alignment with the TNFD. This structure ensures that biodiversity considerations are embedded at all levels of decision-making and operational execution.

### Board oversight

The board of directors (board) plays a central role in overseeing the Company's biodiversity strategy and performance. Biodiversity-related matters have been integrated into the mandate and agenda of the social and ethics committee. This committee is responsible for reviewing biodiversity risks and opportunities, ensuring that nature-related issues are considered alongside financial and operational risks.

To strengthen oversight, Pan African is in the process of updating the committee charter to explicitly include nature-related responsibilities and biodiversity metrics. Training sessions will provide board members the opportunity to build capacity on TNFD-aligned governance and biodiversity stewardship. The general managers provide the board with quarterly updates on current biodiversity performance and emerging risks, ensuring continuous engagement and accountability.

### Executive and management accountability

At the executive level, biodiversity governance is coordinated by the Group ESG manager, who works closely with operational teams to implement biodiversity strategies. Cross-functional ESG committees are in the process of being established at each mine to facilitate integration across departments, including operations, legal, finance and community relations, while legal services are outsourced to specialist consultants.

Site management's role includes:

- assessing and managing biodiversity risks and opportunities
- ensuring compliance with biodiversity-related regulations and internal policies
- overseeing the development and implementation of biodiversity action plans (BAPs) at each site
- reporting on biodiversity performance to executive management and the board.

Performance contracts for corporate office and senior managers include biodiversity-related key performance indicators (KPIs), which reinforce accountability and incentivise proactive biodiversity management.

### Operational management and site-level implementation

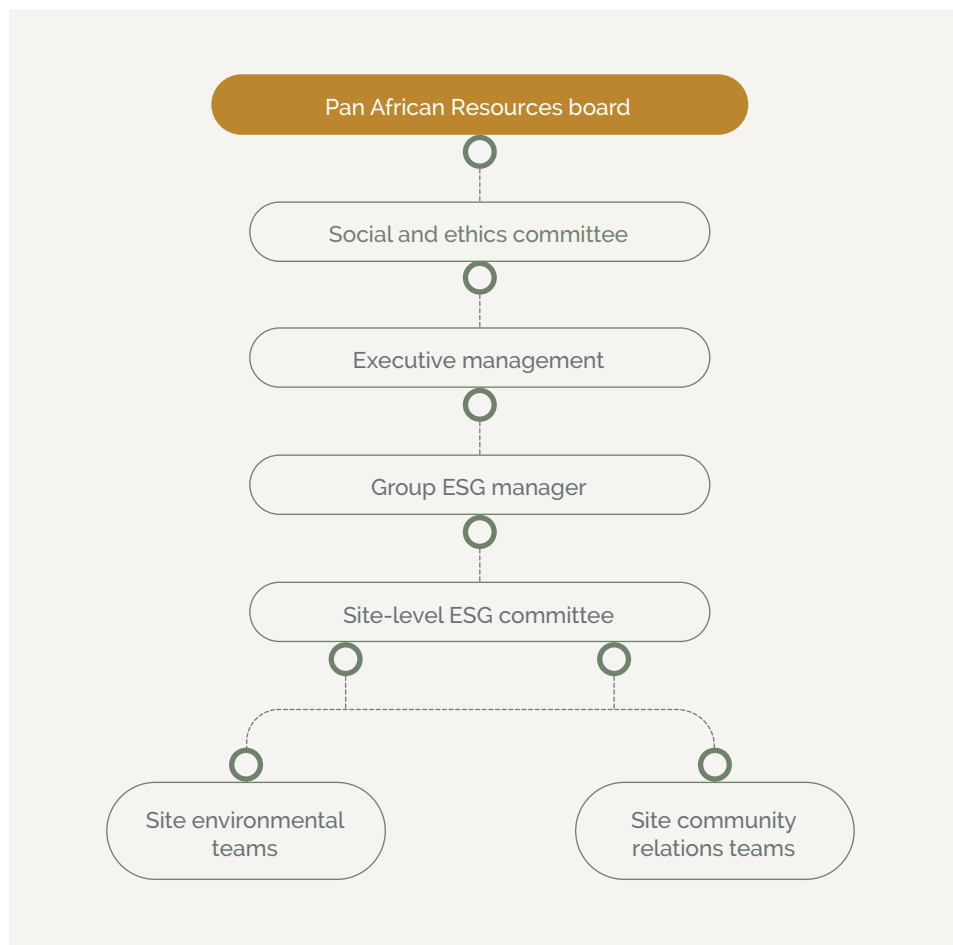
At an operational level, each site has dedicated environmental, social and governance resources responsible for executing environmental and social management plans, and site-specific biodiversity plans are being developed. These plans are informed by site-specific LEAP analyses and include actions such as habitat restoration, species monitoring and stakeholder engagement. LEAP analysis refers to a structured framework developed by the TNFD to help organisations identify, assess and respond to nature-related issues, including biodiversity risks and opportunities.

Site teams have initiated some of the actions identified in the LEAP assessments and will be undertaking the following:

- Conducting baseline biodiversity assessments and ongoing monitoring
- Implementing mitigation measures aligned with the mitigation hierarchy (avoid, minimise, restore, offset)
- Engaging with local communities and stakeholders to integrate traditional knowledge and address biodiversity concerns
- Reporting biodiversity data and incidents to the central ESG team for consolidation and analysis.



*Local labour employed by Barberton Mines to maintain the town's public spaces*



To support continuous improvement, site teams will participate in regular training and knowledge-sharing sessions. Lessons learnt from audits, stakeholder feedback and biodiversity performance reviews will be used to refine management practices and inform future planning.

**Integration with broader governance systems**

Biodiversity governance will be integrated into Pan African’s broader risk management and sustainability frameworks. The risk assessment methodology is being updated to include nature-related risks, ensuring that biodiversity is considered in enterprise risk management processes. This includes the identification, prioritisation and monitoring of biodiversity risks across the value chain.

Furthermore, Pan African is aligning its governance practices with international frameworks such as the Kunming-Montreal Global Biodiversity Framework and the GRI Standards, and the new ICMM Principles will be considered as we move forward. This alignment ensures that biodiversity governance is not only functioning efficiently but also meets the expectations of investors, regulators and civil society.

**Equator Principles**

Pan African recognises the importance of aligning its environmental and social governance practices with internationally accepted standards. As part of our financing arrangement with Rand Merchant Bank, we have been required to develop action plans for the remediation of the MTR site in line with the Equator Principles, a risk management framework adopted by financial institutions to assess and manage environmental and social risks in project finance.

While Pan African is not currently a signatory to the Equator Principles, our governance and risk management frameworks are increasingly aligned with their core tenets. These include:

- Robust environmental and social risk assessment: Through the implementation of the TNFD-aligned LEAP process, we systematically identify and manage biodiversity-related risks and impacts across our operations. This mirrors the Equator Principles’ emphasis on early-stage due diligence and risk categorisation

- Stakeholder engagement and free, prior and informed consultation: Our stakeholder engagement processes – particularly with indigenous communities in Australia and traditional authorities and stakeholder engagement forums in South Africa – reflect the Equator Principles’ requirement for meaningful consultation and culturally appropriate engagement
- Environmental and social management systems (ESMS): Pan African is in the process of enhancing its site-level environmental management information systems, which will serve as key components of a broader ESMS. These systems are designed to ensure compliance with national regulations and alignment with international best practices, including the Equator Principles, International Finance Corporation (IFC) Performance Standards and GRI and IFRS S1 and S2 reporting guidelines
- Transparency and reporting: We are committed to transparent disclosure of our biodiversity performance and risks. Our annual TNFD report, along with our sustainable development and climate change reports, support the Equator Principles’ requirement for public reporting and accountability.

As we continue to evolve our sustainability governance, Pan African will explore further alignment with the Equator Principles, particularly in relation to future project financing and stakeholder expectations. This alignment reinforces our broader objective of embedding nature-positive practices into our business strategy and risk management systems.

Our commitment to protecting and enhancing biodiversity and natural ecosystems across our operations is further governed by the nature and biodiversity policy, which can be viewed at <https://www.panafricanresources.com/corporate-governance/>

### MATERIALITY

Pan African recognises biodiversity as a material issue that intersects with the environmental, social and economic dimensions of its operations. The Company applies a double materiality approach to identify and prioritise nature-related dependencies, impacts, risks and opportunities, ensuring that biodiversity considerations are embedded in strategic decision-making and risk management processes.

#### Materiality framework

Pan African's materiality framework is grounded in its business model and informed by a comprehensive understanding of the sustainability risks and opportunities arising from its operating environment and stakeholder expectations. The process includes:

- **Internal and external context analysis:** Reviewing the business model, operational footprint and environmental and social context
- **Stakeholder engagement:** Engaging with communities, regulators, NGOs and internal and external stakeholders through workshops and consultation forums
- **Double materiality assessment:** Evaluating both the impact of the Company on nature and the dependency of the Company on ecosystem services. Ecosystem services are the essential benefits provided by natural ecosystems to people and organisations, including the supply of food, fresh water and raw materials (provisioning); regulation of climate, air quality and disease (regulating); opportunities for recreation, cultural identity and spiritual fulfilment (cultural); and underlying processes such as nutrient cycling and soil formation that support all other services (supporting)
- **Board-level validation:** Presenting material issues to the board for review and integration into the Group corporate strategy.

This process is conducted annually and is aligned with the TNFD's LEAP framework.

#### Key biodiversity dependencies and impacts

Through the LEAP process, Pan African identified several key biodiversity dependencies and impacts across its operations in South Africa and Australia. These include:

- **Dependencies:** Groundwater resources, terrestrial ecosystems, atmospheric systems and cultural ecosystem services
- **Impacts:** Habitat disturbance, water use and pollution, greenhouse gas (GHG) and non-GHG emissions, and soil degradation.

The most material issues identified were:

- water availability and quality (especially in semi-arid and degraded environments)
- land disturbance and ecosystem degradation near protected areas (e.g. Barberton Nature Reserve)
- air quality and climate-related impacts on biodiversity.

#### Prioritisation criteria

Material biodiversity issues were prioritised based on:

- the scale and severity of potential impacts
- the level of dependency on ecosystem services
- the presence of sensitive or protected areas
- the likelihood of regulatory, reputational or operational risks.

This prioritisation will inform the development of site-specific biodiversity management plans and the selection of performance indicators. To fulfil our biodiversity commitments, all operational sites will be required to develop and implement BAPs. These plans provide a detailed account of the flora, fauna and habitats present in and around each site, and define the strategy we will follow to achieve a net neutral biodiversity impact. BAPs identify areas that require protection, those that could benefit from targeted conservation efforts and existing conservation zones that may need additional support and resources.

As a minimum, biodiversity is already managed in line with the legal requirements and identified impacts in environmental and social impact assessments, and further actions will be addressed through the site environmental management programmes. This will form the basis of action for the BAPs. Activities will be prioritised in line with our mitigation hierarchies, and in future biodiversity assessments, the potential for cumulative and indirect impacts will also be considered.

Refer to Pan African's **2025 sustainable development report** for further details on all our material sustainability topics at [www.panafricanresources.com/investors/gri-and-sustainability/](https://www.panafricanresources.com/investors/gri-and-sustainability/)

#### Integration into risk and strategy

Biodiversity materiality is currently being integrated into Pan African's enterprise risk management system. As our LEAP assessments mature, nature-related risks will be assessed alongside financial and operational risks and will be reported to the board through the social and ethics committee. The Company will also be developing a roadmap to embed biodiversity considerations into the entire value chain, including procurement, capital allocation and project development processes.

#### Continuous improvement

Pan African acknowledges that biodiversity is dynamic and context-specific. Materiality and priorities may change as a result of climate-related events. As such, the Company is committed to:

- expanding the scope of biodiversity materiality assessments to include upstream and downstream value chains
- incorporating additional cumulative and indirect impacts in future assessments
- enhancing data quality and topic identification by embracing advancements that are offered through specialist partnerships and research
- aligning disclosures with the TNFD and other global frameworks.



## GOVERNANCE continued

### STAKEHOLDER ENGAGEMENT ON BIODIVERSITY ISSUES

At Pan African, we recognise that effective biodiversity management is not possible without meaningful engagement with the people and communities who live in, depend on and steward the landscapes where we operate. Our stakeholder engagement approach is grounded in transparency, inclusivity and respect for local knowledge and cultural values.

#### Community engagement in South Africa

In South Africa, our operations are embedded within a rich and diverse social fabric. We engage with a wide range of community groupings, including:

- Traditional authorities: We work closely with traditional leaders and councils, which play a central role in land stewardship and cultural heritage preservation
- Local municipalities: Engagement with municipal structures ensures alignment with local development plans and environmental priorities
- Community-based organisations: These include environmental forums and youth groups, women's associations and cooperatives that are active in conservation and sustainable development
- Landowners and farmers: Particularly in areas adjacent to our operations, we collaborate with private landowners and agricultural stakeholders to manage shared ecosystems and water resources
- Vulnerable and marginalised groups: We ensure that our engagement processes are inclusive of groups which may be disproportionately affected by biodiversity loss or environmental degradation.

Our South African stakeholder engagement, guided by the need to maintain our social licence to operate, is managed through stakeholder engagement forums at each mining site and is aligned with national legislation and the Mining Charter III requirements for community participation and benefit-sharing.

#### Community engagement in Australia

In Australia, our engagement is shaped by the unique cultural and ecological context of the Northern Territory. Key stakeholder groups include:


- Aboriginal land councils and traditional owners: We engage with indigenous custodians of the land to ensure that biodiversity management respects cultural heritage, sacred sites and traditional ecological knowledge
- Pastoralists and leaseholders: Given the shared use of land for mining and grazing, we maintain open dialogue with pastoralists to manage land use impacts and coordinate conservation efforts
- Local government and environmental agencies: We work with regional authorities to align our biodiversity initiatives with broader conservation strategies and land management frameworks
- Environmental and social NGOs and research institutions: These partnerships support biodiversity monitoring, species protection and the integration of scientific and indigenous knowledge systems.

Our Australian engagement approach is underpinned by the principles of cultural sensitivity, long-term relationship building and co-management of biodiversity values.

#### Engagement in practice

Across all jurisdictions, stakeholder engagement will be embedded in the development and implementation of our BAPs. Stakeholders are consulted during baseline biodiversity assessments, the identification of conservation priorities and the design of mitigation and offset strategies. Their input helps ensure that our biodiversity goals are locally relevant, culturally appropriate and socially inclusive.

We also provide regular updates on biodiversity performance through community meetings, newsletters and participatory monitoring initiatives. Feedback mechanisms are in place to ensure that concerns are addressed and that our biodiversity practices evolve in response to stakeholder input.



*Newly constructed school by Barberton Mines for the Sheba Siding community*

# BIODIVERSITY APPROACH

Pan African is committed to responsible mining that safeguards biodiversity and ecosystem integrity. Our approach to biodiversity outlines how we identify and respond to biodiversity-related risks and opportunities, integrate these into our business strategy, and plan for long-term resilience and positive biodiversity outcomes. This strategy is aligned with the TNFD framework and supports our broader sustainability objectives.

## BIODIVERSITY RISK AND OPPORTUNITY IDENTIFICATION

Biodiversity risks and opportunities are identified through our LEAP process, which is applied across all operational sites and will continue to be expanded. This process enables us to:

**01.**

Map sensitive ecosystems and biodiversity hotspots in and around our operations.

**02.**

Evaluate dependencies on ecosystem services such as water, soil stability and pollution.

**03.**

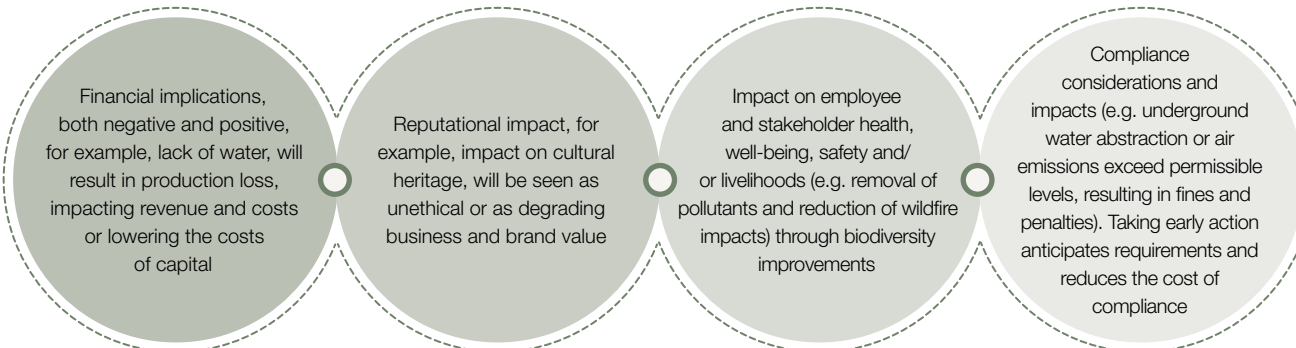
Assess potential negative impacts, including habitat disturbance, water pollution and species loss and consider appropriate mitigation measures.

**04.**

Identify opportunities for conservation partnerships, ecosystem restoration and nature-positive innovation.

Our assessments have highlighted water quality and availability, land degradation and air quality as key biodiversity-related risks. Conversely, opportunities include revegetation, tailings reprocessing and access to sustainability-linked financing to achieve our rehabilitation goals.

Pan African's risk identification methodology included the consideration of a set of criteria which measure impact, both positive and negative, as detailed below:



Refer to the tables on **pages 22 to 24** for a complete list of risks identified.

## INTEGRATION OF BIODIVERSITY RISKS INTO BUSINESS STRATEGY

Biodiversity considerations will be embedded into our operational planning, project development and risk management systems. Site-level BAPs will be developed based on baseline and materiality assessments and will be used to guide mitigation, restoration and offset strategies.

In the longer term, Pan African will also integrate biodiversity into its capital allocation and procurement processes by applying nature-based criteria to project approvals and supplier evaluations. This ensures that biodiversity risks are considered alongside financial and operational risks in strategic decision-making.

## LONG-TERM BIODIVERSITY TARGETS

Our long-term vision is to improve our biodiversity impact across all ecologically sensitive environments we affect. To support this, we will be developing measurable targets that include:

- Natural capital accounting
- Increased area under active conservation or restoration beyond a 3km radius
- Enhanced biodiversity monitoring and reporting systems
- Strengthened partnerships with conservation organisations and local communities
- We are considering including indirect and cumulative impacts in future iterations of LEAP processes, as well as a weighted assessment of the probability of change in the state of nature and ecosystem services
- Developing new and more in-depth data through partnerships, collaboration with specialists or direct research and development (R&D).

These targets are aligned with global frameworks such as the Kunming-Montreal Global Biodiversity Framework and the UN SDGs.

## BIODIVERSITY APPROACH continued

### SCENARIO ANALYSIS FOR BIODIVERSITY IMPACTS

We use scenario analysis to understand how different environmental, regulatory and socio-economic futures could affect biodiversity and our operations. This analysis builds on the Company's FY23 Task Force on Climate-related Financial Disclosures (TCFD) scenarios and integrates nature-related considerations using the TNFD framework.

To understand the climate- and nature-based risks – both positive and negative – that will impact Pan African's operations and those of its suppliers and customers, in South Africa and Australia, over the next 10 years, we considered the following key driving forces:

- Automation
- Civil unrest and activism
- Climate legislation globally
- Climate legislation (South Africa and Australia)
- Corruption and crime
- Cultural implications of operations
- Economic growth (South Africa and Australia)
- Ecosystem services provision
- Energy affordability
- Energy efficiency uptake
- Energy security
- Extreme weather events
- Financial implications for Pan African
- Fourth Industrial Revolution
- Global geopolitical change
- Gold price
- Illegal mining
- Investor ratings and bonds
- Job creation
- Non-GHG emissions
- Political stability
- Rand exchange rate
- Regulation and policy changes
- Renewables uptake

- Reputation
- Skills availability
- Social inclusion
- Storage
- Terrestrial environmental quality or ecosystems
- Water availability.

Pan African explores four distinct future scenarios – each named after a famous song – to illustrate how climate- and nature-related risks and opportunities might unfold over the next decade.

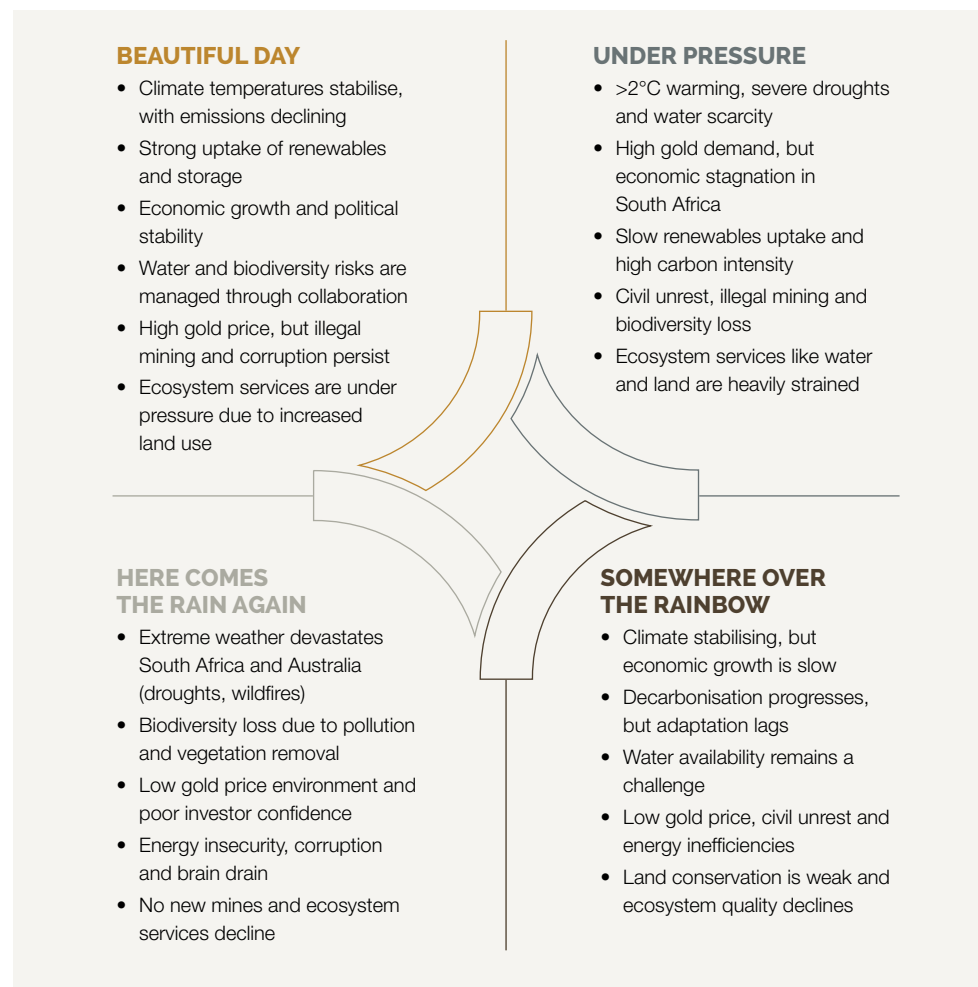
**'Beautiful Day' (U2):** A hopeful world where global temperatures stabilise, renewables thrive and economic growth is strong. Collaboration between government and business leads to effective adaptation, while automation and innovation drive prosperity despite persistent social challenges like crime and inequality.

**'Under Pressure' (Queen and David Bowie):** A tense and volatile future where climate impacts intensify, water scarcity worsens and political instability rises. While gold demand remains high, social unrest, weak policy environments and strained ecosystems put Pan African's operations and stakeholder relations under significant stress.

**'Here Comes the Rain Again' (Eurythmics):** A bleak scenario marked by extreme weather, biodiversity loss and economic stagnation. South Africa struggles with poor governance, low investor confidence and widespread civil unrest, leading to declining resilience and halted mine development.

**'Somewhere Over the Rainbow' (Judy Garland):** A mixed reality where climate impacts are moderate and decarbonisation progresses slowly. Economic growth is sluggish, but there is cautious optimism as renewables gain traction. However, energy insecurity, weak governance and limited social inclusion hinder broader progress.

The scenarios considered are summarised below.



Scenario analysis for biodiversity risks

## BIODIVERSITY APPROACH continued

These insights inform our planning and help us build resilience into our biodiversity management approach. The scenario analysis conducted reveals several cross-cutting themes and systemic risks and opportunities related to biodiversity. These insights are critical for informing strategic planning, risk management and sustainability reporting.

Water availability as a persistent high-risk factor	Increasing pressure on ecosystem services	Non-physical risks: reputation, stakeholder trust and compliance	Strategic opportunities for nature-positive action
<p>Across all four scenarios, water emerges as a consistently high-priority concern:</p> <ul style="list-style-type: none"> <li>• Droughts and extreme weather, including flooding (especially in 'Under Pressure' and 'Here Comes the Rain Again'), threaten water availability and quality</li> <li>• Competition for water between industrial use and community needs intensifies, particularly in water-scarce regions like South Africa and Australia</li> <li>• Operational disruptions and increased costs for water treatment and recycling are likely, especially under scenarios with weak governance or climate adaptation.</li> </ul>	<p>Ecosystem services – including water regulation, soil stability and biodiversity – are under growing strain:</p> <ul style="list-style-type: none"> <li>• Land degradation and habitat loss are exacerbated by mining expansion and weak conservation efforts</li> <li>• Biodiversity loss is accelerated by pollution, climate change and insufficient restoration, particularly in the 'Here Comes the Rain Again' scenario</li> <li>• Cultural and provisioning services are also at risk, especially where mining intersects with indigenous lands or protected areas.</li> </ul>	<p>Nature-related risks extend beyond the physical environment:</p> <ul style="list-style-type: none"> <li>• Reputational damage from environmental degradation or failure to meet stakeholder expectations can impact brand value and our social licence to operate</li> <li>• Stakeholder activism and civil unrest are more likely in scenarios with poor social inclusion or weak governance</li> <li>• Regulatory risks increase as global and national policies tighten, especially under scenarios with strong climate and nature legislation.</li> </ul>	<p>Despite the risks, the scenarios also highlight significant opportunities:</p> <ul style="list-style-type: none"> <li>• Access to green finance and sustainability-linked investment instruments is enhanced by strong biodiversity performance</li> <li>• Improved resilience through ecosystem restoration, water stewardship and climate adaptation can reduce long-term costs and disruptions</li> <li>• Enhanced reputation and market access are possible for companies that lead in nature-positive practices, especially in scenarios where ESG performance is a key differentiator.</li> </ul>



## BIODIVERSITY APPROACH continued

### AIR QUALITY MANAGEMENT AND BIODIVERSITY ALIGNMENT

Air quality plays a critical role in maintaining healthy ecosystems and supporting biodiversity. At Pan African, we recognise that emissions from mining operations, such as dust, diesel exhaust and other non-GHG pollutants, can negatively impact flora, fauna and ecosystem functions, particularly in sensitive or degraded environments.

Legacy mine tailings across South Africa continue to pose significant environmental and public health risks due to the presence of heavy metals and radioactive elements such as arsenic, lead, uranium and strontium. These substances are often dispersed through windblown dust and surface water runoff, contributing to soil degradation, water contamination and adverse health outcomes in nearby communities. Documented effects include increased incidence of respiratory illnesses, developmental disorders and congenital abnormalities.

Pan African's tailings management strategy prioritises the reprocessing and rehabilitation of such sites, with the dual objective of reducing environmental liabilities and contributing to local health and socio-economic development. This approach aligns with broader biodiversity and sustainability goals by mitigating pollution and corollary health risks, restoring impacted ecosystems, and creating employment opportunities through responsible resource recovery.








To align our air quality management with biodiversity objectives, we are implementing site-specific monitoring and mitigation strategies. These include dust suppression systems, low-emission equipment and vegetative buffers that reduce airborne particulates and enhance habitat quality. By minimising air pollution, we help protect pollinators, preserve native vegetation and reduce stress on already vulnerable species.

Our commitment to biodiversity means going beyond compliance. We are integrating air quality indicators into our biodiversity monitoring frameworks and using this data to inform adaptive management. This approach ensures that air quality is not only managed as a health and safety issue but also as a key factor in sustaining ecosystem resilience and achieving our broader biodiversity goals.

### ADAPTATION PLANS FOR BIODIVERSITY

To support our biodiversity goals, we are implementing a phased adaptation plan that includes the following key activities:





Action areas	Biodiversity and land stewardship
 <p><b>Ensure water security</b></p>	<ul style="list-style-type: none"> <li>Map and protect water-dependent ecosystems near operations</li> <li>Manage runoff to prevent contamination of surrounding habitats</li> <li>Monitor biodiversity indicators linked to water health</li> </ul>
 <p><b>Strengthen climate-related risk management</b></p>	<ul style="list-style-type: none"> <li>Map climate-vulnerable ecosystems around mining sites</li> <li>Monitor shifts in species or ecosystem functions due to climate change</li> <li>Implement adaptive land management practices to enhance ecosystem resilience</li> </ul>
 <p><b>Build long-term ecosystem resilience</b></p>	<ul style="list-style-type: none"> <li>Use native vegetation in rehabilitation and buffer zones to stabilise ecosystems and reduce heat island effects</li> <li>Design site decommissioning strategies with nature-based solutions (e.g. solar plants, wetland restoration, erosion control vegetation)</li> </ul>
 <p><b>Enhance community and stakeholder resilience</b></p>	<ul style="list-style-type: none"> <li>Engage in offset partnerships with conservation NGOs for degraded ecosystems in operational landscapes</li> <li>Engage communities and indigenous groups in biodiversity monitoring and land stewardship</li> <li>Support/initiate local conservation and ecosystem restoration initiatives</li> <li>Integrate community values and traditional ecological knowledge into environmental management</li> <li>Offer employment and training opportunities in conservation and land rehabilitation</li> </ul>
 <p><b>Align capital planning with climate resilience</b></p>	<ul style="list-style-type: none"> <li>Integrate biodiversity and ecosystem resilience investments into capital planning and budgeting processes to enhance overall resilience and sustainability</li> <li>Value ecosystem services in project cost-benefit analyses</li> <li>Direct capital to projects that minimise land disturbance and support habitat restoration including post-mine closure plans</li> <li>Incorporate natural capital accounting into long-term financial planning and management</li> </ul>

*Biodiversity adaptation plan*

## BIODIVERSITY APPROACH continued

These adaptation measures ensure that we are not only managing current biodiversity risks but also preparing for future challenges and opportunities in a changing environmental and social landscape.

The activities planned have been prioritised in terms of time periods.

Time period	Biodiversity and land stewardship plans
 <p><b>Already underway</b></p>	<p>Map and protect water-dependent ecosystems</p> <ul style="list-style-type: none"> <li>• Manage runoff to protect habitats</li> <li>• Monitor biodiversity linked to water health</li> <li>• Map climate-vulnerable ecosystems</li> <li>• Adaptive land management for resilience</li> <li>• Use native vegetation for stabilisation</li> <li>• Nature-based site decommissioning strategies</li> <li>• Offset partnerships with conservation NGOs</li> <li>• Engage indigenous communities in stewardship</li> <li>• Support local conservation projects</li> <li>• Integrate traditional ecological knowledge into management</li> </ul>
 <p><b>Short term</b> (12 to 24 months)</p>	<ul style="list-style-type: none"> <li>• Employment in conservation and rehabilitation</li> <li>• Integrate biodiversity into capital planning</li> <li>• Value ecosystem services</li> </ul>
 <p><b>Medium term</b> (24 to 36 months)</p>	<ul style="list-style-type: none"> <li>• Monitor species shifts due to climate</li> </ul>
 <p><b>Long term</b> (&gt;36 months)</p>	<ul style="list-style-type: none"> <li>• Natural capital accounting</li> </ul>

## CASE STUDY

### BIODIVERSITY RESTORATION AND REHABILITATION AT THE MTR OPERATION

#### Introduction

The MTR operation, a flagship tailings reprocessing plant constructed by Pan African, exemplifies the Group's commitment to environmental stewardship and biodiversity restoration. Located in the West Rand region of the Witwatersrand Basin in South Africa, the MTR site has a legacy of over a century of intensive underground mining, which left behind significant ecological degradation, including 240Mt of tailings and exposed open pits and shafts. These remnants posed severe environmental, safety and social risks, including illegal mining, air and water pollution, and biodiversity loss.



In FY22, Pan African acquired Mogale Gold Proprietary Limited, inheriting both the mineral reserves and the environmental liabilities of the site. Since Pan African's acquisition, MTR has become a model for concurrent rehabilitation and sustainable land use, aligning with Pan African's SHEQ policy and broader ESG strategy.

#### Rehabilitation strategy and biodiversity objectives

The MTR rehabilitation programme is underpinned by a dual approach: a financial provision guarantee and a sustainability bond. The financial guarantee (ZAR257.9 million) ensures compliance with the National Environmental Management Act, 107 of 1998, and covers post-closure rehabilitation and monitoring. The sustainability bond, however, goes beyond compliance, funding the restoration of historically disturbed areas, including those outside the current mining footprint.

The overarching biodiversity objectives include:

- 01.** Preventing further loss and fragmentation of ecosystems
- 02.** Restoring wetland and Highveld habitats
- 03.** Removing invasive alien plant species
- 04.** Rehabilitating degraded land for future sustainable use
- 05.** Enhancing ecosystem services such as water purification and carbon sequestration

## BIODIVERSITY APPROACH continued

### CASE STUDY continued

#### Key biodiversity projects

##### Wetland rehabilitation

One of the most ecologically significant interventions has been the restoration of a historically contaminated wetland. This area had suffered from tailings spills and infrastructure encroachment, leading to sedimentation and loss of native vegetation.

Activities included:

- Removal of 51.30ha of alien invasive plants
- Mechanical reshaping of pan zones and removal of rubble
- Hydro-seeding with biome-specific wetland and Highveld species
- Reintroduction of native sedges and aquatic plants
- Installation of sediment fences to prevent further contamination.

The project was completed in April 2024 and is now under continuous monitoring, with soil and water quality assessments conducted regularly.



Before wetland rehabilitation

After wetland rehabilitation

##### Alien vegetation removal

A total of 141.90ha of land infested with invasive alien species were cleared. This effort not only restored native biodiversity but also created employment and skills development opportunities for 65 local community members, who were trained and certified in environmental management practices, empowering them to become eligible for jobs or to start their own small-scale businesses.



Sixty-five local community members trained and certified for the MTR rehabilitation project



Before Lancaster north side rehabilitation

After Lancaster north side rehabilitation

##### Demolition and land reclamation

Fifty-two hectares of derelict infrastructure were demolished, followed by land ripping and reseeded. This has opened up new areas for ecological restoration and potential community use.



##### Monitoring and reporting

The MTR operation employs a robust, multi-tiered monitoring framework:

- **Internal:** Regular inspections, weekly project meetings and monthly executive reporting
- **External:** Monthly inspections by independent consultants, quarterly audits by EXM and regular drone surveys to track vegetation regrowth and landform stability.

Progress is measured against KPIs linked to the sustainability bond. As of FY25, 101.08ha are in the process of rehabilitation, representing 17.1% of the total 531ha targeted over the life of the mine.

The MTR case study demonstrates Pan African's proactive and innovative approach to biodiversity restoration in post-mining landscapes. By integrating financial assurance mechanisms with community engagement and ecological science, MTR is not only mitigating historical environmental damage but also setting a precedent for sustainable mining in South Africa.

This initiative reflects the Group's broader vision: to mine for a future where economic development and environmental integrity go hand in hand.

## BIODIVERSITY APPROACH continued

### RESPONSIBLE MINE CLOSURE AND REHABILITATION

At Pan African, mine closure is approached as a vital phase in the life cycle of a sustainable mining operation. Rather than viewing closure as the end of a project, we see it as an opportunity to restore ecological integrity, support community transition and leave a positive legacy. From the outset of mine development, closure planning is integrated into our operational and financial strategies to ensure that, through concurrent rehabilitation practices, environmental and social responsibilities are met long after mining activities cease.

Our closure approach is grounded in sustainability, resilience and long-term stewardship. We prioritise progressive rehabilitation during the life of mine, using native vegetation to stabilise landforms and designing post-mining landscapes that are ecologically functional and climate-resilient. These efforts are complemented by community engagement to ensure that closure outcomes align with local needs and aspirations, including the development of alternative land uses and economic opportunities.

Crucially, Pan African maintains a fully funded rehabilitation provision for Barberton Mines and Evander Mines. This dedicated fund ensures that the financial resources required for closure and post-closure activities are secured and protected. The fund is reviewed regularly and adjusted in line with updated closure plans, environmental assessments, social needs and regulatory requirements. This proactive financial planning reflects our commitment to transparency, accountability and responsible resource management as guided by the TNFD.



*Clearing historical tailings sites at Barberton Mines where tailings are reprocessed and the areas rehabilitated*

# RISK MANAGEMENT

Risk management is vital for Pan African as it ensures the long-term sustainability and resilience of its business model, operations and assets. By proactively identifying and addressing biodiversity-related risks, such as habitat degradation, water scarcity and regulatory changes, the Company safeguards its licence to operate, maintains compliance with environmental legislation and protects its reputation among stakeholders.

Effective risk management also enhances operational efficiency, reduces unforeseen costs and opens up opportunities for innovation and community engagement. Ultimately, it enables Pan African to align its growth strategy with environmental stewardship, ensuring that its mining activities contribute positively to both economic and ecological outcomes.

## LEAP ANALYSIS

To define a baseline of current activities and identify the gaps, challenges and opportunities, a LEAP analysis was carried out by an internal team from across the organisation on each of the asset sites in more detail. Pan African has adopted the LEAP framework developed by the TNFD to guide its biodiversity risk management strategy. This structured approach enables the Company to systematically understand and respond to its interactions with nature across its mining operations.



The **Locate** phase involves mapping all operational sites and identifying their proximity to critical biodiversity areas, such as protected ecosystems, wetlands and areas of high conservation value. This spatial understanding forms the foundation for evaluating ecological dependencies and impacts.



In the **Evaluate** phase, Pan African assesses how its operations depend on and impact ecosystem services, such as freshwater availability, soil stability and pollution. This includes identifying key biodiversity features that may be affected by mining activities.

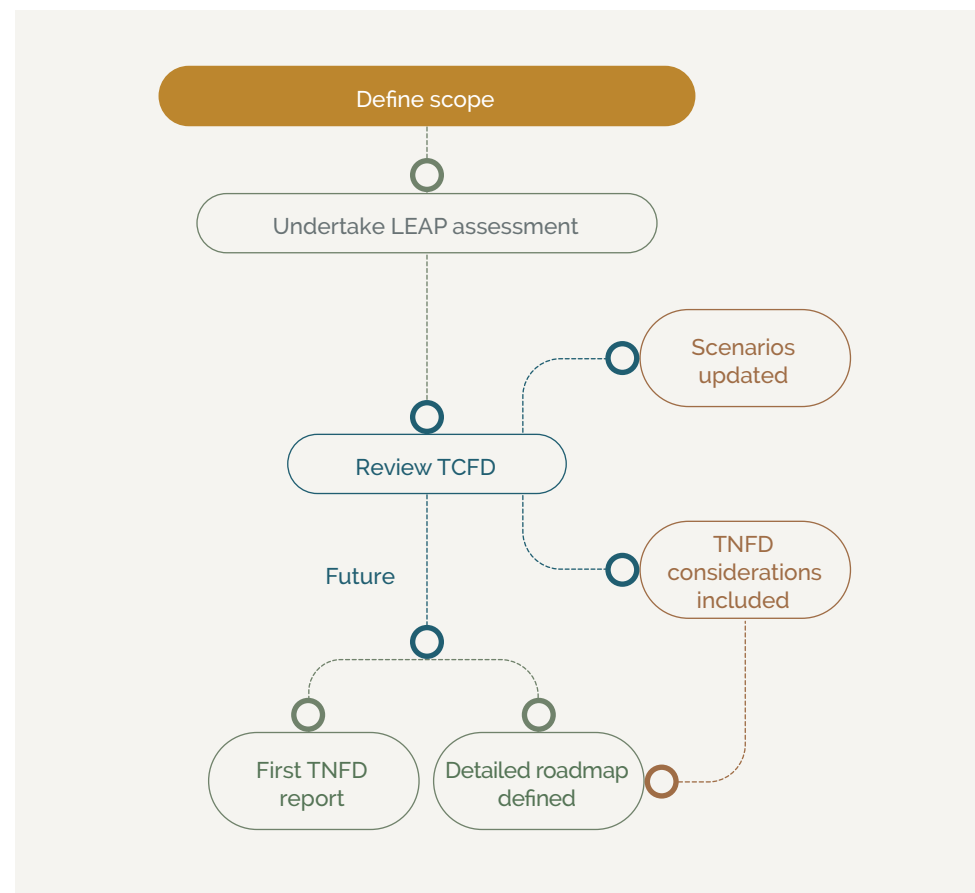


The **Assess** phase focuses on identifying and quantifying nature-related risks and opportunities. This includes both physical risks, such as habitat loss and water scarcity, and transition risks, such as regulatory changes and stakeholder expectations.



Finally, the **Prepare** phase ensures that the Company develops appropriate mitigation strategies, integrates biodiversity considerations into decision-making and aligns its disclosures with global frameworks like the TNFD and the Kunming-Montreal Global Biodiversity Framework.

Once the LEAP process was complete, the current activities undertaken for the Company's TCFD process were reviewed and TNFD gaps, challenges and opportunities included. This included updating the scenarios developed in the TCFD process and expanding them to now include TNFD key driving forces. Details of the outcomes are presented on **pages 13 to 19**.



Overall methodology for the compilation of Pan African's first TNFD report

## SCOPING

A quick, high-level preliminary scan of internal and external data and reference sources to generate a hypothesis about the organisation's potential nature-related dependencies, impacts, risks and opportunities to define the parameters for a LEAP assessment and to ensure managers and the assessment team are aligned on goals and timelines.

### Generate a working hypothesis

What are the organisation's activities where there are likely to be material nature-related dependencies, impacts, risks and opportunities?

### Aligning on goals and resourcing

Given the current level of capacity, skills and data within the organisation and identified organisational goals, what are the resource considerations and time allocations required and agreed for undertaking an assessment?

## L LOCATE

The interface with nature

- L1** **Span of the business model and value chain**  
**What** are our organisation's activities by sector and value chain?  
**Where** are our direct operations?
- L2** **Dependency and impact screening**  
**Which** of these sectors, value chains and direct operations are associated with potentially moderate and high dependencies and impact on nature?
- L3** **Interface with nature**  
**Where** are the sectors, value chains and direct operations with potentially moderate and high dependencies and impact located?  
**Which** biomes and specific ecosystems do our operations interface with and where are the moderate and high dependencies and impacts?
- L4** **Interface with sensitive locations**  
**Which** of our organisation's activities in moderate and high dependency and impact value chains and sectors are located in ecologically sensitive locations?  
And **which** of our direct operations are in these sensitive locations?

## E EVALUATE

Dependencies and impacts

- E1** **Identification of environmental assets, ecosystem services and impact drivers**  
**What** are the sectors, business processes or activities to be analysed?  
**What** environmental assets, ecosystem services and impact drivers are associated with these sectors, business process activities and assessment location?
- E2** **Identification of dependencies and impacts**  
**What** are our dependencies and impacts on nature?
- E3** **Dependency and impact measurement**  
**What** is the scale and scope of our dependencies on nature?  
**What** is the severity of our negative impacts on nature? What is the scale and scope of our positive impacts on nature?
- E4** **Impact materiality assessment**  
**Which** of our impacts are material?

## A ASSESS

Risks and opportunities

- A1** **Risk and opportunity identification**  
**What** are the corresponding risks and opportunities for our organisation?
- A2** **Adjustment of existing risk mitigation and risk and opportunity management**  
**What** existing risk mitigation and risk and opportunity management processes and elements are we already applying?  
**How** can risk and opportunity management processes and associated elements (e.g. risk taxonomy, risk inventory, risk tolerance criteria) be adapted?
- A3** **Risk and opportunity measurement and prioritisation**  
**Which** risks and opportunities should be prioritised?
- A4** **Risk and opportunity materiality assessment**  
**Which** risks and opportunities are material and therefore should be disclosed in line with the TNFD recommended disclosures?

## P PREPARE

To respond and report

- P1** **Strategy and resource allocation plans**  
**What** risk management strategy and resource allocation decisions should be made as a result of this analysis?
- P2** **Target setting performance management**  
**How** will we set targets and define and measure progress?
- P3** **Reporting**  
**What** will we disclose in line with the TNFD recommended disclosures?
- P4** **Presentation**  
**Where** and how do we present our nature-related disclosures?

Review and repeat

Review and repeat

Engagement with indigenous peoples, local communities and affected stakeholders

Scenario analysis

## RISK MANAGEMENT continued

### IDENTIFICATION OF PHYSICAL AND TRANSITION BIODIVERSITY RISKS

The table below provides a comprehensive outline of the additional risks identified for Pan African following the LEAP assessment. The majority of the physical impacts are already being dealt with by Pan African.

Environmental factor/value	What could occur	Caused by	Leading to	Magnitude
<b>Land</b> Terrestrial environmental quality or ecosystems	Soil and associated ecosystems are impacted by land disturbances, contamination of soil, bushfires, increasing numbers of pests and noise. These impacts harm ecosystem services from land resources	<ul style="list-style-type: none"> <li>• Clearing of vegetation, exposing soil</li> <li>• Leaks and spills of waste and chemicals</li> <li>• Introduction of pests by machinery</li> <li>• Noise from operations</li> <li>• Physical impacts on fauna, including those from transport vehicles</li> <li>• Fires sparked because of human negligence and operations</li> <li>• Failure of dry stack landforms of tailings</li> </ul>	<ul style="list-style-type: none"> <li>• Soil erosion due to increased runoff</li> <li>• Reduction of vegetation type</li> <li>• Alien vegetation growth</li> <li>• Reduction of habitat availability and quality</li> <li>• Native fauna destruction or injury</li> <li>• Contamination of soil/water and spread of that contamination</li> <li>• Change of vegetation community</li> <li>• Local community protests or legal action</li> </ul>	<ul style="list-style-type: none"> <li>• Reduction in revenue due to interruption of operations</li> <li>• Increased operational costs due to interruption of operations/supply chain, including reduced productivity, potential fines from governments and increasing finance costs</li> <li>• Increased closure and rehabilitation costs (degradation in soil quality, insufficient material balance)</li> <li>• Increased capital/operational expenditure associated with nature mitigation</li> <li>• Increased insurance costs</li> </ul>
<b>Water</b> Hydrological processes, inland water environmental quality and aquatic ecosystems	Water resource availability and quality are negatively impacted and may be unavailable for use as an ecosystem service	<ul style="list-style-type: none"> <li>• Extraction of groundwater</li> <li>• Contamination from leaks, spills of chemicals, waste and leaching of stockpiles</li> <li>• Soil erosion due to disturbance and exposure of the ground surface</li> <li>• Leaks from the septic system/wastewater treatment system into groundwater or surface water</li> <li>• Acid mine drainage (AMD)/neutral mine drainage (NMD) from run-of-mine/ore stockpiles</li> <li>• AMD/NMD from waste rock dump</li> <li>• Failure of dry stack landforms of tailings</li> </ul>	<ul style="list-style-type: none"> <li>• Increased turbidity and sediment loads</li> <li>• Changes to hydrological balances</li> <li>• Increased nutrients in surface water and groundwater from sedimentation discharge from site</li> <li>• Decreased quantity of surface water and groundwater in aquifer systems</li> <li>• Bacterial contamination of groundwater or surface water affects environmental values and/or other users</li> <li>• Decrease in downstream aquatic ecosystem health</li> </ul>	<ul style="list-style-type: none"> <li>• Reduction in revenue due to interruption of operations/supply chain (due to loss or increased difficulty in accessing the ecosystem service or specific natural asset)</li> <li>• Increased operational costs due to interruption of operations/supply chain, including reduced productivity, increasing finance costs and potential fines from governments</li> <li>• Increased costs of natural inputs/reduced supply</li> <li>• Increased closure and rehabilitation costs</li> <li>• Increased capital/operational expenditure associated with water treatment/mitigation considerations</li> <li>• Decline in the value of business assets due to the availability of natural resources that may sustain continuity</li> <li>• Increased insurance costs</li> </ul>

## RISK MANAGEMENT continued

Environmental factor/value	What could occur	Caused by	Leading to	Magnitude
<b>Air</b> Air quality and atmospheric processes	Air quality and atmospheric processes are negatively impacted	<ul style="list-style-type: none"> <li>Dust emissions from cleared/disturbed ground, historical tailings dumps and movement of vehicles and material</li> <li>GHG emissions from the use of diesel-powered vehicles and generators</li> <li>Smoke from bushfires sparked because of human negligence and operations</li> </ul>	<ul style="list-style-type: none"> <li>Increase in air particulates exceeding guideline values for environmental values</li> <li>Increase in air particulates exceeding guideline values, potentially suffocating sensitive flora, and an increased fire risk</li> <li>Contribution to GHG and climate change</li> </ul>	<ul style="list-style-type: none"> <li>Revenue loss due to interruption of operations/supply chain</li> <li>Increased operational costs due to interruption of operations/supply chain, including reduced productivity, increasing finance costs and potential fines from governments</li> <li>Increased capital/operational expenditure associated with emissions reduction/avoidance considerations</li> <li>Increased insurance costs</li> </ul>
<b>Air</b> Climate change and adaptation	Climate change accelerates faster than is anticipated	<ul style="list-style-type: none"> <li>Countries do not meet their aims outlined in their Nationally Determined Contributions, and carbon dioxide in the atmosphere increases</li> <li>Technology uptake for lower-carbon technologies is slower than expected</li> <li>Hotspots increase local temperatures above average</li> </ul>	<ul style="list-style-type: none"> <li>Low water availability – increased droughts</li> <li>Risk to employees working outdoors</li> <li>Loss of biodiversity impacting rehabilitation efforts and increasing alien vegetation</li> </ul>	<ul style="list-style-type: none"> <li>Increasing government legislation on mitigation measures</li> <li>Increased costs (capital/operational expenditure) for adaptation and mitigation measures</li> <li>Revenue loss should production halt due to lack of water/increased temperatures</li> </ul>
<b>People</b> Communities and the economy, culture and heritage	Local communities are negatively impacted by the Company's operations	<ul style="list-style-type: none"> <li>Long-term exposure to dust from historical tailings material and dust emissions from cleared/disturbed ground and vehicle and material movement</li> <li>GHG emissions from the use of diesel-powered vehicles and generators</li> <li>Smoke from bushfires sparked because of human negligence and operations</li> <li>Land disturbances/clearing</li> </ul>	<ul style="list-style-type: none"> <li>Noise and dust/smoke nuisance to surrounding land users</li> <li>Damage, desecration or destruction of Aboriginal sacred sites</li> </ul>	<ul style="list-style-type: none"> <li>Revenue loss due to interruption of operations/supply chain</li> <li>Increased operational costs due to interruption of operations/supply chain, including reduced productivity, increasing finance costs and potential fines from governments</li> <li>Increased capital/operational expenditure associated with emissions reduction/avoidance considerations</li> <li>Increased insurance costs</li> </ul>
<b>Reputation and stakeholders</b>	Changes in sentiment towards the organisation's brand  Pan African being held liable for negligence by previous operators leading to unrealistic expectations and unreasonable timelines for remediation	<ul style="list-style-type: none"> <li>Competition for natural resources (e.g. water and land)</li> <li>Impacts on nature and/or failure to meet expected stakeholder community regulatory expectations</li> <li>Government sanctions/fines</li> </ul>	<ul style="list-style-type: none"> <li>Inability to gain new land access to support business growth</li> <li>Operational interruptions due to civil unrest/demonstrations</li> </ul>	<ul style="list-style-type: none"> <li>Reduction in brand value</li> <li>Failure to attract and retain required skills</li> <li>Increased costs due to increased employee turnover/strikes</li> <li>Increased costs due to increased capital expenditure for mitigation measures</li> <li>Increased cost of capital</li> <li>Increased insurance costs</li> <li>Lower rating by rating agencies</li> </ul>

## RISK MANAGEMENT continued

Environmental factor/value	What could occur	Caused by	Leading to	Magnitude
<b>Policy and legal</b> (including land access agreements with indigenous peoples and local communities)	Changes in policy/regulation/contractual issues	<ul style="list-style-type: none"> <li>Government policy changes are incrementally implemented to protect nature-based resources and ecosystem services</li> <li>Finance organisations require more extensive and stringent reporting and transparency</li> <li>Value chain participants require reporting and performance data</li> <li>Communities want to renegotiate contractual agreements to include more nature-based issues</li> </ul>	<ul style="list-style-type: none"> <li>Increased timeframes for new projects, permits and land access</li> <li>Potential loss or dilution of rights if legislative changes are not addressed</li> </ul>	<ul style="list-style-type: none"> <li>Increased operational costs and inputs</li> <li>Increased costs of monitoring, reporting and compliance</li> <li>Increased cost of fines, penalties and compensation</li> <li>Increased litigation and legal fees, drawn out legal processes and negative investor sentiment</li> <li>Increased capital and operating costs, including for offset projects if required</li> <li>Inability to access future mineral resources/early closure and associated costs</li> <li>Reduced revenue due to a reduction in production capacity/licence to operate</li> <li>Costs due to loss of operating areas</li> </ul>
<b>Market and finance</b>	Shifting investor or customer requirements	<ul style="list-style-type: none"> <li>Investors include nature-positive considerations in decision-making due to changes in risk appetite</li> <li>Customer values and buying decisions are increasingly influenced by nature-based considerations</li> <li>Increasing requirements for nature-based reporting</li> </ul>	<ul style="list-style-type: none"> <li>Customers and investors lose confidence in the Company</li> </ul>	<ul style="list-style-type: none"> <li>Increased cost of capital</li> <li>Reduction in competitiveness</li> <li>Loss of market share and investor goodwill</li> <li>Reduction in business asset value/value of stranded business assets</li> <li>Loss of market access</li> <li>Costs related to substituting existing products/services</li> </ul>

### RISK MITIGATION STRATEGIES

Pan African recognises biodiversity as a critical component of sustainable development and is committed to mitigating risks to ecosystems and species across its operations.

The Group has adopted a comprehensive approach to managing biodiversity risks, recognising the intrinsic value of nature and its critical role in sustaining the Company's long-term operations. Biodiversity risks are incorporated into Pan African's broader risk management framework through the SHEQ system. The Company applies the LEAP methodology to identify and prioritise nature-related risks across its operations. This process has highlighted key areas of concern, including terrestrial ecosystem degradation, water resource depletion and pollution, and the impacts of climate change on habitat resilience. These risks are further compounded by reputational and regulatory pressures, particularly in sensitive areas such as the Barberton Nature Reserve.

Each operational site is developing tailored mitigation measures to address its specific biodiversity challenges. At Barberton Mines, where a significant portion of the operation is located within a protected area nature reserve, the Company has implemented invasive species removal programmes and concurrent land rehabilitation to minimise ecological disruption. The MTR operation has committed to rehabilitating 41% of disturbed land by FY29, with 223.38ha already rehabilitated as of June 2025.

At Evander Mines and Tennant Mines, the focus has been on water conservation, erosion control and air quality management to mitigate the impacts of mining activities on surrounding ecosystems.

Pan African is also investing in nature-based solutions to enhance ecosystem resilience. These include erosion control measures, revegetation efforts, wetland restoration projects and solar and water treatment plants. The Company has established partnerships with conservation organisations such as Care for Wild and the Barberton Tourism and Biodiversity Corridor to support habitat restoration and the protection of threatened species. These initiatives are designed to deliver measurable biodiversity gains while strengthening community relations and regulatory compliance.

To ensure that biodiversity risks are addressed throughout the value chain, Pan African is expanding its risk assessments to include upstream and downstream suppliers. Procurement policies are being revised to incorporate biodiversity criteria, and supplier engagement processes are being enhanced to promote sustainable practices across the supply chain.

Scenario planning plays a critical role in testing the resilience of our biodiversity strategy. Nature-related risks and opportunities are incorporated into climate and environmental scenario analyses, enabling the Company to evaluate the potential impacts of different environmental futures on its operations and value chain.

# OPERATIONAL REPORT

Pan African operates in some of South Africa's and Australia's most ecologically sensitive and historically impacted mining regions. This section outlines the biodiversity-related initiatives, challenges and progress at our major operations – Barberton Mines, Evander Mines, the MTR operation and Tennant Mines – highlighting the Company's commitment to sustainable land stewardship, ecological restoration and community engagement.

## BARBERTON MINES

Barberton Mines is located within the Barberton Mountainlands Nature Reserve. Approximately 94% of the surface mining rights area falls within this protected reserve, placing a significant responsibility on Pan African to operate in harmony with conservation objectives. Importantly, it must be borne in mind that at Barberton Mines, approximately 50% of the operations are underground, 50% are on the surface and 70% of the infrastructure is underground. Underground operations, including those at Evander Mines, have a smaller environmental impact than those on the surface.

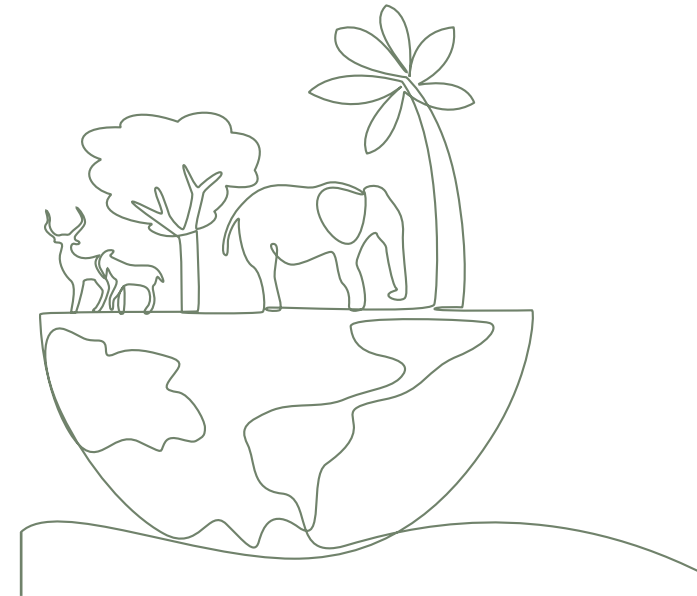
## Key initiatives and achievements

- Pan African has partnered with Care for Wild, a rhino conservation organisation, and has adopted three rhinos as part of its long-term commitment to biodiversity protection. This partnership also supports anti-poaching efforts and contributes to broader ecosystem conservation
- The Company is actively involved in the Barberton Tourism and Biodiversity Corridor, working closely with the Mpumalanga Tourism and Parks Agency board to align mining activities with conservation and tourism development goals
- Rehabilitation efforts focus on restoring legacy tailings storage facilities (TSFs) located near watercourses. These areas are being cleared of tailings material and revegetated with indigenous savanna biome species

- Alien invasive plant removal is conducted in collaboration with the Department of Forestry, Fisheries and the Environment and the Department of Water and Sanitation, particularly during winter months to reduce seed dispersal
- Prior to any land disturbance, biodiversity specialists are engaged to identify and protect sensitive flora and fauna. Protected species such as aloes are carefully relocated and replanted to ensure their survival and integration into restored ecosystems
- Barberton Mines' mining rights' unique positioning within the Barberton Mountainlands Nature Reserve has led to a model of coexistence between mining and conservation. Were it not for the responsible operations of Barberton Mines and its security services, the area would be overrun by illegal miners with a catastrophic impact on the nature reserve, local economy and communities
- Community engagement is deeply embedded in Barberton Mines' biodiversity strategy. Local stakeholders are involved in planning and monitoring, and partnerships with conservation bodies have created awareness and employment opportunities in environmental stewardship.

## Challenges

- Ongoing mining operations occasionally conflict with rehabilitation efforts, particularly where access to production areas disrupts restored zones
- Legacy mining impacts, including erosion and sedimentation from historical TSFs, require long-term remediation and monitoring
- Illegal miners mining gold by accessing working areas via historical workings, disrupting production and threatening the workforce, communities and the environment.



AT PAN AFRICAN, WE BELIEVE THAT CARING FOR BIODIVERSITY IS NOT JUST ABOUT PROTECTING NATURE – IT IS ABOUT NURTURING THE FUTURE. WE ARE WEAVING NATURE INTO THE FABRIC OF OUR BUSINESS, ENSURING THAT EVERY DECISION WE MAKE HONOURS THE ECOSYSTEMS AND COMMUNITIES WE ARE PART OF. THIS REPORT REFLECTS OUR DEEP COMMITMENT TO CREATING A MINING LEGACY THAT IS AS RESTORATIVE AS IT IS RESPONSIBLE.

## OPERATIONAL REPORT continued

Operation	Key issues	Mitigation and opportunities
Barberton Mines	<ul style="list-style-type: none"> <li>• <b>Air quality:</b> Dust, GHGs, non-GHG pollutants and bushfire smoke</li> <li>• <b>Water stress:</b> High water scarcity and pollution risks</li> <li>• <b>Soil pollution:</b> Tailings, hazardous waste and erosion</li> <li>• <b>Habitat degradation:</b> Proximity to sensitive reserves and invasive species</li> <li>• <b>Noise and visual disturbance:</b> Impacting fauna and cultural sites</li> <li>• <b>Invasive species:</b> Alien flora/fauna present</li> </ul>	<ul style="list-style-type: none"> <li>• Solar energy, dust suppression and biodiversity restoration</li> <li>• Water quality monitoring and compliance</li> <li>• Recycling and circular economy initiatives</li> </ul>

Barberton Mines' LEAP summary

### Strategic outlook

Barberton Mines exemplifies a model of coexistence between mining and conservation. The site's biodiversity strategy is underpinned by strategic partnerships, regulatory compliance and a commitment to ecological restoration within a globally significant landscape. Illegal mining activities are, however, a constant challenge. Mine management works closely with law enforcement and judicial services to minimise illegal activity. The conscious and committed employees and contractors providing these services do an enormous amount to protect the sanctity of the surrounding nature reserve.

### EVANDER MINES AND ELIKHULU

Evander Mines is situated in the Highveld grassland biome, a critically endangered ecosystem characterised by seasonal rainfall, high fire risk and significant biodiversity value. The site has implemented a comprehensive biodiversity offset programme to mitigate the impacts of mining on local ecosystems.

### Key initiatives and achievements

- A five-year biodiversity offset project is underway, targeting the rehabilitation of 120ha of wetland and grassland. As of FY25, 120ha have been successfully restored
- Restoration efforts include the removal of alien invasive species and the reintroduction of diverse native grass species to enhance ecological resilience
- Fire management protocols have been implemented to address the high risk of veld fires in the grassland biome. These are developed in collaboration with local communities and stakeholders
- The site has taken proactive steps to address aquatic ecosystem degradation caused by the Govan Mbeki Municipality sewage discharge
- Community engagement is a cornerstone of Evander Mines' rehabilitation programme. Over the past five years, local residents have been trained and employed through Pan African's incubation programme, focusing on alien invasive plant removal and ecological restoration
- Ongoing community engagement includes education on fire prevention, waste management and the importance of biodiversity in sustaining local livelihoods.

Repurposing disturbed mining land for solar energy facilities offers a powerful dual benefit: it not only generates clean, renewable energy but also upgrades the ecological and economic value of the land. By installing solar panels on previously degraded areas, Pan African can stabilise soils, reduce erosion and create a platform for future land uses. In some cases, the land beneath and around solar arrays can even support low-impact agricultural activities, such as grazing or pollinator-friendly planting, enhancing biodiversity and contributing to local livelihoods. This approach exemplifies how post-mining landscapes can be transformed into productive, climate-positive assets.



## OPERATIONAL REPORT continued

### Challenges

- Persistent issues with untreated sewage and general waste dumping from surrounding communities continue to threaten aquatic biodiversity
- The grassland ecosystem's sensitivity to fire and invasive species requires continuous monitoring and adaptive management.

Operation	Key issues	Mitigation and opportunities
Evander Mines	<ul style="list-style-type: none"> <li>• <b>Air quality:</b> Fugitive dust, emissions from tailings and transport</li> <li>• <b>Water sensitivity:</b> Pipeline or conduit crosses irreplaceable ecological corridor and aquatic integrity decline</li> <li>• <b>Soil and tailings pollution:</b> AMD/NMD risks and legacy contamination</li> <li>• <b>Habitat fragmentation:</b> Vulnerable grassland biome</li> <li>• <b>Invasive species:</b> Alien flora and fauna</li> <li>• <b>Noise and cultural heritage:</b> Risk to sacred sites and community relations</li> </ul>	<ul style="list-style-type: none"> <li>• Wetland offsets, revegetation and solar energy</li> <li>• Water treatment and biomonitoring</li> <li>• Community engagement and heritage protection</li> </ul>

Evander Mines' LEAP summary

### Strategic outlook

Evander Mines is a leading example of how mining operations can contribute to grassland restoration and wetland conservation. The integration of community-based restoration, fire management and water stewardship positions the site as a key contributor to regional biodiversity resilience.

### ELIKHULU: CONSOLIDATING LEGACY; UNLOCKING FUTURE LAND USE

Elikhulu, situated at Evander Mines, represents a forward-thinking model of sustainable mining and land rehabilitation. By consolidating numerous historical TSFs into a single, modern facility that aspires to conform to the Global Industry Standard on Tailings Management, Pan African is not only improving operational efficiency and safety but also unlocking significant environmental and socio-economic value.

This consolidation has enabled the progressive rehabilitation of multiple legacy TSF footprints, many of which were located in environmentally sensitive or community-adjacent areas. These previously degraded sites are now being restored and stabilised, creating opportunities for alternative land uses such as agriculture, renewable energy installations or community development projects. In doing so, Pan African is transforming post-mining landscapes into productive assets that can support biodiversity, enhance ecosystem services and contribute to local economic resilience.

Elikhulu's approach demonstrates how responsible tailings management can go beyond compliance to deliver long-term value for both nature and people. It is a tangible example of how mining infrastructure, when planned with closure and post-use in mind, can become a catalyst for regeneration and sustainable development.

### Wetlands are essential ecosystem services

Wetlands – marshes, swamps, bogs and similar environments – are nature's multitaskers. They act as natural water filters, trapping pollutants and sediments, which helps purify water before it reaches rivers, lakes and oceans. This function is crucial for maintaining clean water supplies for both people and wildlife.

They also serve as buffers against extreme weather. By absorbing excess rainfall and reducing the speed and volume of floodwaters, wetlands help mitigate the impacts of floods and storms. In coastal areas, they protect shorelines from erosion and storm surges.

Biodiversity thrives in wetlands. These habitats support a rich variety of plant and animal species, many of which are rare or endangered. Wetlands are vital breeding grounds for fish, birds, amphibians and insects, making them critical to global biodiversity.

Additionally, wetlands play a significant role in climate regulation. They store large amounts of carbon in their soils and vegetation, helping to reduce GHGs in the atmosphere.

In short, wetlands are indispensable. They clean our water, protect our communities, support wildlife and help stabilise the climate, making their conservation a global priority.

### MOGALE TAILINGS RETREATMENT OPERATION

The MTR operation is located in a heavily degraded former mining area in Gauteng, South Africa, where historical mining activities and failed attempts at reprocessing their TSFs (by Mintails, the previous operators) left behind extensive environmental damage, including alien plant infestations, derelict infrastructure and contaminated land. Pan African’s acquisition of the Mintails mining rights has enabled a large-scale rehabilitation programme.

#### Key initiatives and achievements

- The MTR operation is transforming a heavily degraded legacy mining site into a model of ecological restoration. A sustainability-linked bond supports the rehabilitation of 41% or 531ha of land by FY29. Pan African has exceeded the target of 16% by rehabilitating 17.1% of the land, equal to 101.08ha
- A 37ha wetland has been successfully rehabilitated and reseeded, resulting in the return of aquatic life such as frogs and birds – clear indicators of ecological recovery
- Approximately 44,175ha of derelict infrastructure, including rubble and concrete structures, have already been demolished to enable natural regeneration and future land use
- The alien invasive plant removal programme has trained and employed 65 local community members, creating a sustainable model for community-based ecological restoration
- Collaboration with conservation advocate Marietta Loefflerink of the Federation for Sustainable Development (FSD), a local NGO, has elevated MTR’s visibility. The site is now used as a case study for university students and international observers, including representatives from the UN, and has received favourable feedback from the Church of England’s Pensions Board
- The FSD has also facilitated local training in safety, biodiversity awareness and TSF management, contributing to long-term environmental literacy and stewardship in the region.

#### Challenges

- The site continues to face the long-term challenge of restoring ecological function in a landscape that was severely altered by previous mining operations, which spanned a period of some 100 years of underground mining
- Sustaining momentum and funding for large-scale rehabilitation requires ongoing stakeholder engagement and transparent reporting.

Operation	Key issues	Mitigation and opportunities
<b>Mogale Tailings Retreatment</b>	<ul style="list-style-type: none"> <li>• <b>Air quality:</b> High dust emissions, smelting emissions and bushfire smoke</li> <li>• <b>Water pollution and use:</b> Seepage from unlined TSFs and abstraction pressure</li> <li>• <b>Soil contamination:</b> Leachate, spills and legacy impacts</li> <li>• <b>Biodiversity loss:</b> Modified grasslands, wetlands and invasive species</li> <li>• <b>Land use change:</b> Habitat loss due to infrastructure</li> <li>• <b>Cultural sensitivity:</b> Proximity to communities and heritage sites</li> </ul>	<ul style="list-style-type: none"> <li>• Wetland remediation and tailings reclamation</li> <li>• Water reuse and underground abstraction</li> <li>• Solar energy and waste recycling</li> </ul>

MTR’s LEAP summary

#### Strategic outlook

MTR is a flagship example of how legacy mining landscapes can be transformed into ecologically functional and socially beneficial areas. The integration of biodiversity restoration with community development and academic collaboration underscores the operation’s role in advancing sustainable mining practices.



## OPERATIONAL REPORT continued

### TENNANT MINES

Tennant Mines currently operates Nobles Gold Mine on Mineral Lease (ML) 33779, with additional satellite sites progressing through various approval stages. These sites are located within the Davenport Murchison Ranges bioregion, specifically in the Ashburton subregion, and are characterised by Spinifex grassland and Acacia shrubland vegetation communities.

Although no matters of national environmental significance have been identified at the Nobles Gold site, Tennant Mines is committed to protecting regionally significant habitats and species. This commitment is reflected in Tennant Mines' targeted environmental management practices.

### Key initiatives and achievements

- Environmental commitment: Although no matters of national environmental significance have been identified, Tennant Mines prioritises the protection of regionally significant species and habitats
- Weed management: A comprehensive weed management plan is in place, aligned with state and federal legislation. Regular weed surveillance, reporting and treatment are conducted by the environmental team
- Land disturbance control: An internal land disturbance permit process ensures that any vegetation clearing or earthworks is preapproved by the environment and approvals manager. This process supports progressive rehabilitation and prioritisation of high-risk areas
- Baseline biodiversity assessments: Planned for satellite sites to gather accurate ecological data and inform risk mitigation strategies.

### Challenges

- Legacy impacts: Historical mining and livestock grazing have degraded the natural landscape, reducing ecosystem integrity
- Vegetation degradation: Soil erosion, compaction and contamination have led to habitat fragmentation
- Invasive species: Proliferation of weed species, including Buffel Grass (*Cenchrus ciliaris*) and Rubber Bush (*Calotropis procera*), both on-site and in the broader Tennant Creek area.

Operation	Key issues	Mitigation and opportunities
Tennant Mines	<ul style="list-style-type: none"> <li>• <b>Water scarcity:</b> Semi-arid climate and aquifer dependency</li> <li>• <b>Air quality:</b> Dust, GHG emissions and bushfire smoke</li> <li>• <b>Soil pollution:</b> Legacy mining impacts and erosion</li> <li>• <b>Habitat disturbance:</b> Spinifex grasslands and Acacia shrublands</li> <li>• <b>Cultural heritage:</b> Indigenous sacred sites and land use</li> <li>• <b>Legacy infrastructure:</b> Unrehabilitated historical sites</li> </ul>	<ul style="list-style-type: none"> <li>• Dry stack tailings (recycling &gt;80% water)</li> <li>• Solar energy and battery storage</li> <li>• Rehabilitation of legacy sites</li> <li>• Cultural heritage management and indigenous partnerships</li> </ul>

*Tennant Mines' LEAP summary*

### Strategic outlook

Looking ahead, Tennant Mines remains focused on conserving regional biodiversity through sustainable land use and adaptive management. Tennant Mines will continue to enforce strict controls on land disturbance and expand its weed management efforts. Planned biodiversity assessments and expanded LEAP analysis will inform future environmental planning and ensure that ecological values are preserved as operations grow.

By integrating environmental responsibility into its core operations, Tennant Mines aims to restore and protect the natural landscape while supporting the long-term viability of its mining activities.

Across its operations, Pan African is demonstrating leadership in biodiversity management through a combination of ecological restoration, strategic partnerships and community engagement. The Company's efforts are not only rehabilitating scarred landscapes but also creating shared value for local communities and contributing to South Africa's and Australia's broader environmental and socio-economic goals.

## CROSS-CUTTING THEMES AND ADDITIONAL CONSIDERATIONS

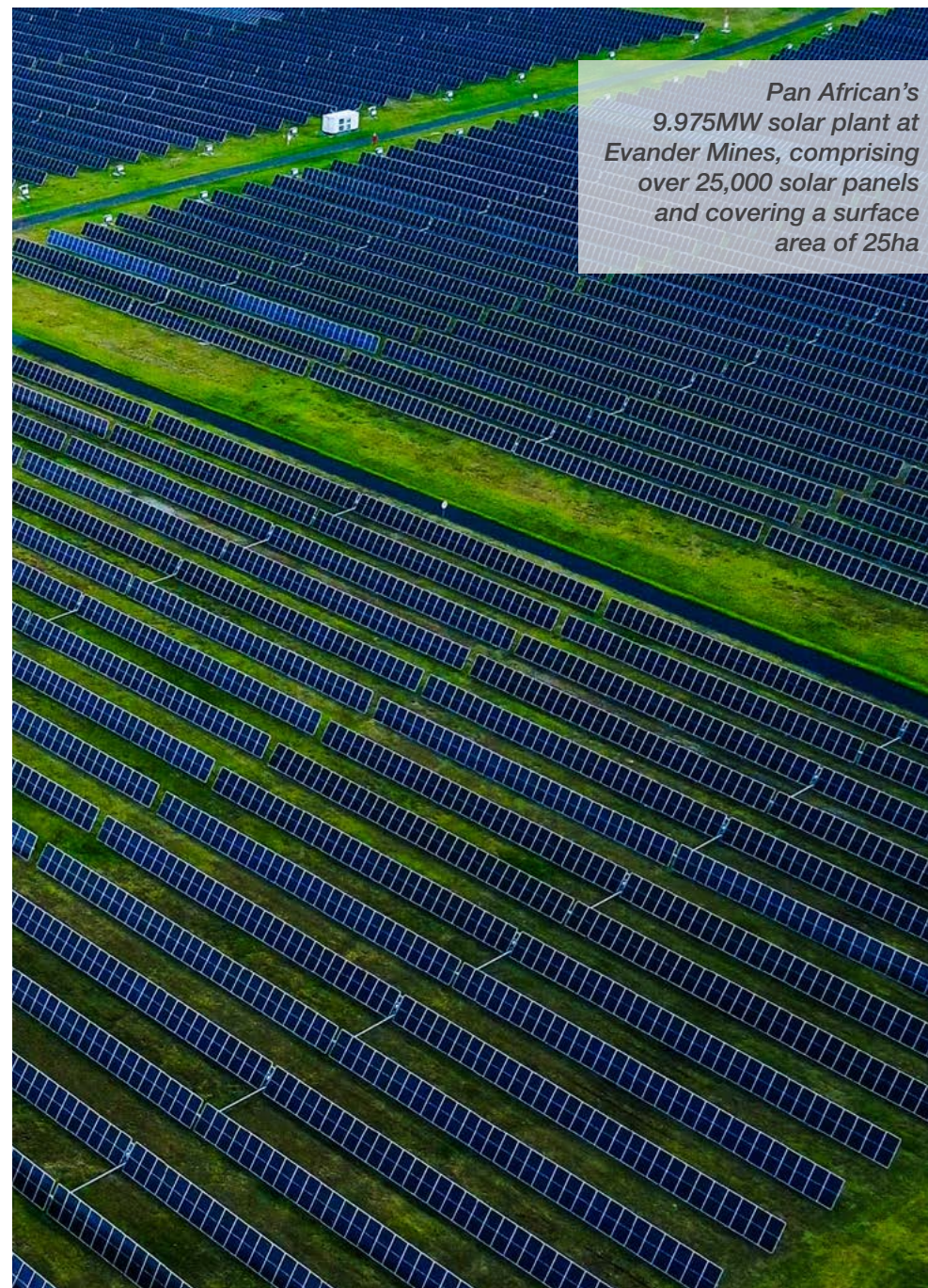
Other key environmental pressures identified	Positive impacts across sites
<ul style="list-style-type: none"> <li>• <b>Noise pollution:</b> Present at all sites, affecting fauna and communities</li> <li>• <b>Visual disturbance:</b> Especially relevant for heritage and aesthetic values</li> <li>• <b>Climate change adaptation:</b> GHG emissions, extreme weather and droughts</li> <li>• <b>Regulatory compliance:</b> Increasing scrutiny and evolving frameworks</li> <li>• <b>Reputational and financial risks:</b> Linked to biodiversity and stakeholder expectations</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Water reuse:</b> Frees up water for ecosystems and communities</li> <li>• <b>Rehabilitation:</b> Enhances biodiversity, soil health and landscape aesthetics</li> <li>• <b>Renewable energy:</b> Reduces emissions and supports climate goals</li> <li>• <b>Circular economy:</b> Waste reduction and resource efficiency</li> <li>• <b>Community engagement:</b> Strengthens social licence and cultural stewardship</li> </ul>

## MONITORING AND REPORTING OF BIODIVERSITY RISKS

Monitoring and reporting of biodiversity risks are central to Pan African's sustainability governance. The Company is progressively developing and aligning its performance metrics with the TNFD framework. Key indicators include the total area disturbed and rehabilitated, water withdrawal and discharge volumes, and emissions of GHGs. Site-specific indicators, such as invasive species coverage and soil contamination levels, are also tracked to provide a more granular understanding of biodiversity impacts.

Biodiversity performance will be reported annually in the TNFD report. Selected metrics are subject to third-party assurance to ensure transparency and data integrity. Oversight of biodiversity risk management is provided by the SHEQ and social and ethics committees of the board, with implementation led by a cross-functional ESG team under the direction of the Group ESG manager.

The Company has developed a TNFD-aligned roadmap to guide the phased implementation of biodiversity disclosures and performance targets. This roadmap includes ongoing training, stakeholder engagement and the enhancement of data systems to support continuous improvement in biodiversity governance and reporting.



*Pan African's 9.975MW solar plant at Evander Mines, comprising over 25,000 solar panels and covering a surface area of 25ha*

# METRICS

Metrics and targets are essential tools for managing biodiversity risk because they provide a structured, measurable and transparent way to assess performance, guide decision-making and drive continuous improvement. Pan African is well on its way to confirming the metrics that have been identified during the LEAP process and setting targets aligned with our business strategy and capital allocation priorities.

They will assist Pan African to:

- 01. Focus efforts:** Metrics help identify key biodiversity issues; targets turn them into clear goals
- 02. Track progress:** They enable monitoring and show whether actions are working
- 03. Manage risk:** Metrics highlight early signs of biodiversity-related risks
- 04. Guide strategy:** Targets help integrate biodiversity into planning and investment
- 05. Ensure compliance:** They support reporting and alignment with global standards
- 06. Build trust:** Transparent metrics and targets strengthen stakeholder confidence.

## BIODIVERSITY IMPACT METRICS

Pan African is committed to responsible mining that safeguards biodiversity and ecosystem integrity. Our biodiversity strategy outlines how we identify and respond to biodiversity-related risks and opportunities, integrate these into our business strategy and plan for long-term resilience and positive biodiversity outcomes. This strategy is aligned with the TNFD framework and supports our broader sustainability objectives.

### Existing biodiversity targets

- Achieve net neutral biodiversity impact in ecologically sensitive environments where practicable
- Develop and implement site-specific BAPs
- Align biodiversity management with IFC Performance Standard 6 and the mitigation hierarchy
- Monitor and report on:
  - Total disturbed area (ha)
  - Rehabilitation area (ha)
  - Soil contamination metrics
  - Water withdrawal, discharge and treatment (m<sup>3</sup>)
  - Pollutant concentrations in water
  - GHG emissions (Scopes 1 and 2)
  - Energy intensity and low-carbon electricity use
  - Hazardous and non-hazardous weight (tonnes).



*Regular water sampling at the base of the TSFs*



## METRICS continued

Key performance indicator	Unit	FY25	FY24
Non-renewable energy consumption	GWh	406.8 <sup>Ⓢ</sup>	376.6
Renewable electricity consumption	GWh	39.3 <sup>Ⓢ</sup>	24.6
Diesel consumption	ML	2.4 <sup>Ⓢ</sup>	1.62
Energy consumption	TJ	1,705.1 <sup>Ⓢ</sup>	1,503.77
Energy intensity (energy consumed per ounce of gold sold)	GJ/oz	8.59 <sup>Ⓢ</sup>	8.02
GHG emissions Scope 1	ktCO <sub>2</sub> e	8.1 <sup>Ⓢ</sup>	5
GHG emissions Scope 2	ktCO <sub>2</sub> e	366.7 <sup>Ⓢ</sup>	348
GHG emissions per ounce of gold sold	tCO <sub>2</sub> e/oz	1.89 <sup>Ⓢ</sup>	1.88
GHG emissions averted	ktCO <sub>2</sub> e	35.4 <sup>Ⓢ</sup>	22.8
Renewable energy as a percentage of total energy consumed	%	8.8 <sup>Ⓢ</sup>	6.10
Land rehabilitation (project level – MTR operation)	%	17.1 <sup>Ⓢ</sup>	9.4

### New biodiversity targets to be considered

High priority/high materiality	Other considerations
<ul style="list-style-type: none"> <li>Minimise biodiversity loss by FY30 (strategic alignment with global frameworks)</li> <li>Expand BAPs to include upstream and downstream value chains</li> <li>Integrate biodiversity metrics into enterprise risk management</li> <li>Enhance biodiversity data quality through partnerships and R&amp;D</li> <li>Include cumulative and indirect impacts in materiality assessments</li> <li>Set site-specific biodiversity performance indicators and thresholds</li> </ul>	<ul style="list-style-type: none"> <li>Increase the area of land under conservation or restoration</li> <li>Pilot and implement new TNFD-aligned biodiversity metrics</li> <li>Develop scenario-based biodiversity resilience planning</li> <li>Establish nature-positive procurement criteria</li> <li>Improve stakeholder engagement on biodiversity outcomes</li> <li>Monitor the extent of freshwater ecosystems sustainably managed</li> </ul>



*Environmental officers reseeded rehabilitated tailings sites at Barberton Mines*

# GLOSSARY

%	Parts per hundred/percentage
°C	Degrees Celsius
AMD	Acid mine drainage
BAP	Biodiversity action plan
Barberton Mines	Barberton Mines Proprietary Limited
the board	The board of directors of Pan African Resources
BTRP	Barberton Tailings Retreatment Plant
Eilikhulu	Eilikhulu Tailings Retreatment Plant
ESG	Environmental, social and governance
ESMS	Environmental and social management systems
Evander Mines	Evander Gold Mines Limited and Evander Gold Mining Proprietary Limited
FSD	Federation for Sustainable Development
FY22	Financial year ended 30 June 2022
FY23	Financial year ended 30 June 2023
FY24	Financial year ended 30 June 2024
FY25	Financial year ended 30 June 2025
FY29	Financial year ended 30 June 2029
FY30	Financial year ended 30 June 2030
GHG	Greenhouse gas
GJ	Gigajoule
GRI	Global Reporting Initiative
GWh	Gigawatt hour
ha	Hectare
ICMM	International Council on Mining and Metals
IFC	International Finance Corporation
IFRS	IFRS® Accounting Standards
IFRS S1	IFRS S1: <i>General Requirements for Disclosure of Sustainability-related Financial Information</i>
IFRS S2	IFRS S2: <i>Climate-related Disclosures</i>
JSE	JSE Limited, the main board in South Africa
King IV™	King IV™ Report on Corporate Governance for South Africa, 2016™
km	Kilometre
KPI	Key performance indicator

ktCO <sub>2</sub> e	Kilotonne carbon dioxide equivalent
ℓ	Litre
LEAP	Locate, Assess, Evaluate, Prepare
m <sup>3</sup>	Cubic metre
Mining Charter III	Charter to facilitate the sustainable transformation and development of the South African mining industry
ML	Megalitre
Mt	Megatonne
MTR operation or plant	The Mogale Tailings Retreatment operation is located in the Mogale district. A plant has been constructed to process gold tailings deposited onto the Mogale Cluster and Soweto Cluster
MW	Megawatt
NGO	Non-governmental organisation
NMD	Neutral mine drainage
oz	Ounce
Pan African	Holding company – Pan African Resources PLC
PWC Inc.	PricewaterhouseCoopers Inc.
R&D	Research and development
SAMREC Code	South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves, 2016 edition
SHEQ	Safety, health, environment and quality
t	Tonne
TCFD	Task Force on Climate-related Financial Disclosures
tCO <sub>2</sub> e	Tonnes (t) of carbon dioxide (CO <sub>2</sub> ) equivalent
TJ	Terajoule
TNFD	Taskforce on Nature-related Financial Disclosures report
TNFD report	Pan African's Taskforce on Nature-related Financial Disclosures
TSF	Tailings storage facility
UN	United Nations
UN SDGs	United Nations Sustainable Development Goals
ZAR	South African rand

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