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EXPANDING HORIZONS

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2025 | CLIMATE CHANGE 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/

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**.

This climate change report forms part of our broader suite of sustainability disclosures, and accompanies Pan African's integrated annual report, including the annual financial statements for the year ended 30 June 2025.

For a comprehensive understanding of our environmental, social and governance (ESG) performance, we encourage readers to explore this report alongside our 2025 sustainable development report, Taskforce on Nature-related Financial Disclosures (TNFD) report, integrated annual report, Mineral Resources and Mineral Reserves report and corporate governance report.

The entire suite of documents is available on our website at https://www.panafricanresources.com/investors/fy2025-key-documents

OUR REPORTING SUITE

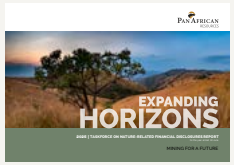
Our **integrated annual report** includes our annual financial statements

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 inaugural **Taskforce on Nature-related Financial Disclosures report** contains additional non-financial disclosures

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

Click here for our **FY25 webcast**

ABOUT THIS REPORT

We are pleased to present our third climate change report, which reflects Pan African Resources PLC's (Pan African or the Company or the Group) continued journey to build a more resilient, low-carbon future.

This report shares how we are identifying and responding to the climate-related challenges and opportunities that shape our business and the areas within which we operate.

Covering the financial year ended 30 June 2025, this report builds on our voluntary climate disclosures over the past two years, which were guided by the Task Force on Climate-related Financial Disclosures (TCFD). With the TNFD mandate now concluded and the introduction of IFRS® S1 and S2, we are transitioning our reporting to align with these new global standards.

While our disclosures are still evolving, we are working towards voluntary alignment of our reporting with the IFRS Sustainability Disclosure Standards, and they reflect our commitment to transparency, accountability and continuous improvement.

As such, our climate-related disclosures only partially reflect the requirements of IFRS S2.

To support this transition, Pan African has completed a detailed gap assessment against IFRS S1 and S2 and the JSE Limited (JSE) Sustainability and Climate Disclosure Guidelines.

We have also developed a roadmap to close these gaps over time and ensure our reporting continues to meet the expectations of our stakeholders and the realities of a changing climate.

BOUNDARY AND SCOPE

The report covers the financial year 1 July 2024 to 30 June 2025 and provides an overview of our response to managing the risks and opportunities associated with climate change. Our climate disclosures cover the activities of the Group, and our operating subsidiaries located in the Mpumalanga and Gauteng provinces, South Africa, and in the Northern Territory of Australia. This includes exploration projects, active mines and closure sites.

OUR SUSTAINABILITY REPORTING BOUNDARY

For completeness, the operational boundary of our greenhouse gas (GHG) inventory includes:

- **Operational gold mining and tailings retreatment operations:** Barberton Mines, Evander Mines, Mogale Tailings Retreatment (MTR) and Tennant Mines
- **Operational agricultural assets:** Barberton Green and Barberton Blue
- Pan African's **corporate office**.

However, for comparability with global peers, the intensity-related computations per ounce of gold sold only include operational gold mining and tailings retreatment operations. The exclusion of agricultural operations is due to their unique emissions profile and the fact that they are not directly comparable to other mining operations.

Our sustainability reporting boundary			
Integrated annual report	Mineral Resources and Mineral Reserves report	Corporate governance report	Notice of annual general meeting
Sustainable development report	Climate change report	Taskforce on Nature-related Financial Disclosures report	

Holding company – Pan African

Corporate		Gold mining and tailings retreatment operations	
100%	Pan African Resources SA Holdings Proprietary Limited		Barberton Mines Proprietary Limited (Barberton Mines)
	Pan African Resources Funding Company Limited		Evander Gold Mining Proprietary Limited (Evander Mines)
	Pan African Resources Management Services Company Proprietary Limited		Evander Gold Mines Proprietary Limited
	Pan African Resources Properties Proprietary Limited	100%	Mogale Tailings Retreatment Proprietary Limited
	Concrete Rose Proprietary Limited		Mogale Gold Proprietary Limited
	Pan African Resources Australia Proprietary Limited		Mintails SA Soweto Cluster Proprietary Limited
	Catalpa Management Proprietary Limited		Tennant Consolidated Mining Group Proprietary Limited
49.9%	PAR Gold Proprietary Limited		Yungatha Asset Holdings Proprietary Limited
70%	Mogale Clay Proprietary Limited		

Agricultural, solar and ESG projects		Exploration programmes	
100%	Evander Solar Solutions Proprietary Limited	100%	Pan African Resources Minerals Company Limited
	Barberton Green Proprietary Limited (Barberton Green)		
80%	Barberton Blue Proprietary Limited (Barberton Blue)	80%	Pan African Resources Minerals DMCC

FY25 PERFORMANCE AT A GLANCE

RESOURCE CONSUMPTION, ENERGY AND EMISSIONS

Fuels consumption

Diesel consumption was up 45.9% from 1.6ML to
2.4ML

Petrol consumption was 52.3kl, down 8.5% from
57.2kl

Explosives consumption increased by 129.7% to
1,220t
from 531.1t

Electricity consumption

Non-renewable electricity consumption was
406.8GWh
increasing 8.0% from 376.6GWh

Renewable electricity consumption was
39.3GWh
up 59.8% from 24.6GWh, making up 8.8% of the electricity mix

Energy consumption

Direct energy (diesel, petrol and waste wood) was up 66.9% from 59.5TJ to
99.3TJ

Indirect energy (non-renewable electricity) increased by 8.0% to
1,464.3TJ
from 1,355.6TJ

Indirect energy (renewable electricity) increased by 64.5% from 86TJ to
141.5TJ

Energy consumption (direct and indirect) was
1,705.1TJ
up by 13.4% from 1,503.8TJ

Energy mix

Renewable energy as a percentage of total electricity consumed
8.8%
up 44.3% from 6.1%

Water consumption

Water consumption was up 34.7% at
12,367.9ML
from 9,184.8ML

Water recycled from the water treatment plant was up 21.4% to
920.0ML
from 747.5ML, representing a 57.5% reduction in Rand Water consumption and 7.4% water recycled

GHG emissions

Scope 1 emissions (diesel, petrol, waste wood and explosives) increased by 61.3% from 5.0ktCO_2e to
8.1ktCO_2e

Scope 2 (non-renewable electricity) increased by 5.4% from 348.0ktCO_2e to
366.7ktCO_2e

GHG emissions (Scope 1 and 2 emissions) were up 6.2% from 353.0ktCO_2e to
374.7ktCO_2e

GHG emissions averted

GHG emissions averted (renewable electricity) were
35.4ktCO_2e
up 55.4% from 22.8ktCO_2e

GHG emissions averted (energy efficiency) were up 237.1% from 2.8ktCO_2e to
9.4ktCO_2e

GOLD PRODUCTION AND INTENSITIES

Gold production

Gold sold was
196,926.7oz
up 6.5% from 184,885oz

Intensities

Energy consumption per ounce of gold sold was
8.59GJ/oz
up 7.1% from 8.02GJ/oz

GHG emissions per ounce of gold sold were
1.89tCO_2e/oz
up 0.7% from 1.88tCO_2e/oz

Water consumption per ounce of gold sold was up 26.3% from 49.68m^3/oz to
62.75m^3/oz

CHAIRMAN'S STATEMENT

It is my privilege to present Pan African's climate change report for the year ended 30 June 2025. This report underscores our commitment to climate responsibility, operational resilience and transparent disclosure in the face of a changing climate.

Since publishing our last climate change report in September 2024, a significant milestone in our climate strategy, there have been several noteworthy climate-related developments globally.

PHYSICAL RISKS

According to the World Meteorological Organisation's State of the Climate in Africa 2024 report, the past decade has been the warmest on record, with average temperatures reaching approximately 0.8°C above 1991 to 2020 averages, making 2024 the warmest year on record, subject to the data set used. On average, since 1910, Australia has warmed by 1.5°C ± 0.23°C, culminating in increased frequency of extreme heat events over land and oceans, negatively impacting human health and ecosystems as per the State of the Climate 2024 report by the Australian Bureau of Meteorology and the Commonwealth Scientific and Industrial Research Organisation.

The climate-related physical risks identified in Southern Africa comprise prolonged droughts leading to water scarcity, impacting agricultural produce. Extreme weather events such as severe storms on South Africa's eastern coast caused flood-induced infrastructure damage, fatalities and the displacement of people in communities vulnerable to physical climate risk[1].

TRANSITION RISKS

Still, climate adaptation and resilience funding constitute a significant challenge for African countries. Despite a 27% increase in international adaptation finance to US$28 billion between 2021 and 2022, there is a considerable funding gap as funding requirements range between US$187 billion and US$359 billion annually.

These financial constraints underscore the importance of the role of policymakers, climate finance stakeholders and development agencies in addressing the challenges that are hampering the implementation of effective climate adaptation and resilience strategies, critical for addressing the escalating impacts of climate change across the continent[1].

We welcome the South African Climate Change Act, 22 of 2024, which was signed into law in July 2024 and became effective as of the end of February 2025. The Act aims to provide a coordinated and integrated response to climate change impacts in South Africa, focusing on adaptation and mitigation strategies. It introduces Sectoral Emissions Targets, which are specific emission reduction goals for each sector, and carbon budget and mitigation regulations prioritising energy-intensive operations such as mining.

Pan African has been actively monitoring, reporting and avoiding GHG emissions through our mitigation strategy. We have made significant strides with the commissioning of our first solar photovoltaic (PV) facility at Evander Mines and the addition of our Fairview solar PV facility, which was commissioned in the current reporting period. However, the associated climate change cost in African countries, which includes the economic impact of climate-related disasters and the cost of adaptation measures, can reach up to 5% of gross domestic product, creating significant funding challenges for climate adaptation and resilience efforts[1].

[1] *World Meteorological Organisation's State of the Climate in Africa 2024 report.*
https://library.wmo.int/idurl/4/69495

CHAIRMAN'S STATEMENT continued

THE IMPERATIVE FOR CLIMATE ACTION

Climate change presents a complex and evolving challenge for the mining sector and society at large. Its impacts – both physical and transitional – are increasingly material to our operations, our communities and our long-term strategic outlook. At Pan African, we recognise that addressing climate change is not only a moral obligation but a business imperative. Our approach is grounded in pragmatism, guided by science, and aligned with our broader sustainability objectives.

We are committed to integrating climate considerations into our decision-making processes, risk management frameworks and capital allocation strategies. This commitment is reflected in our transition towards the IFRS Sustainability Disclosure Standards and our continued alignment with global best practices.

STRATEGIC PROGRESS IN FY25

During the year under review, we made significant strides across our three strategic climate change pillars: climate adaptation and resilience strategy, just energy transition and climate mitigation strategy. These advancements are not just milestones, but a testament to our proactive approach and determination to build a resilient future.

Climate adaptation and resilience strategy: We commenced construction of an additional 3ML/day water treatment plant at Evander Mines, significantly reducing reliance on municipal water and enhancing operational sustainability. Further expansions have been approved, including a new 3ML/day water treatment facility at MTR.

Just energy transition: Our renewable energy portfolio, expanded with the operationalisation of solar plants at Evander Mines and Barberton Mines. These initiatives contributed to a renewable energy mix of 8.8%©, supported local employment and delivered measurable cost and emissions savings. A 10-year power purchase agreement (PPA) for 40MW, with others commencing in FY27, further strengthens our energy transition pathway.

Climate mitigation strategy: The board approved Evander Mines' phase 2 19.7MW solar PV facility and advanced feasibility studies for additional solar projects at MTR and Tennant Mines. We also introduced an internal carbon pricing mechanism and initiated a study to establish science-based emissions reduction targets.

In addition, we completed a comprehensive gap assessment against IFRS S1 and S2, and the JSE Sustainability and Climate Disclosure Guidelines. This forms the foundation of our roadmap to ensure alignment with international standards.

LOOKING FORWARD

Our focus in the coming year will be on deepening our climate governance, enhancing scenario analysis and formalising our emissions reduction targets. We will continue to invest in infrastructure, skills development and stakeholder engagement to ensure our operations remain resilient and future-ready.

We are confident that our strategic direction, coupled with our commitment to climate responsibility, positions Pan African to navigate the complexities of climate change while creating long-term value for our stakeholders. This confidence is not just a belief, but a result of our strategic planning and collective efforts.

On behalf of the board, I extend my appreciation to our employees, partners and communities for their continued support and commitment. Together, we remain focused on delivering sustainable growth and responsible mining.

Thabo Mosololi
Chairman of the social and ethics committee

10 September 2025

An aerial view of Barberton Mines' 8.75MWac solar plant

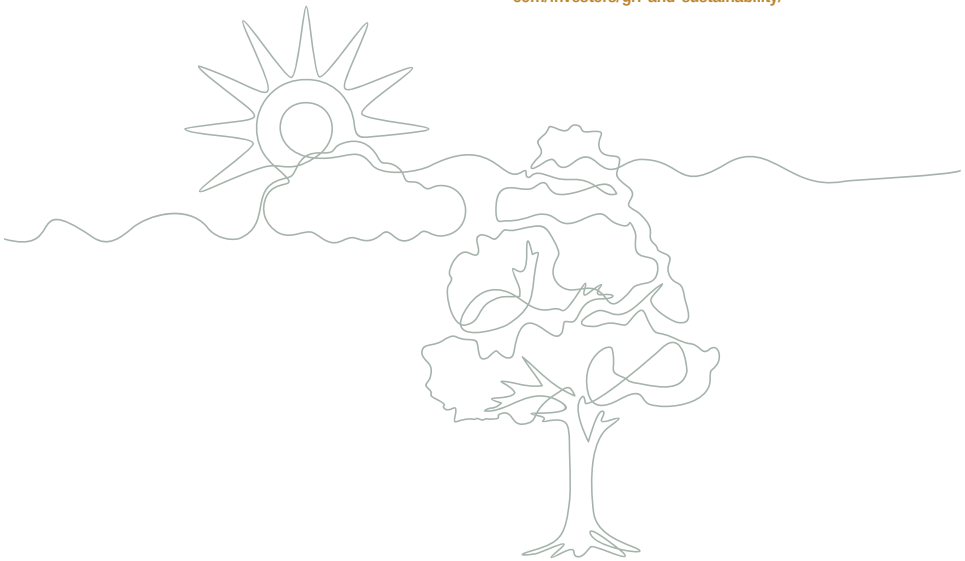
GOVERNANCE

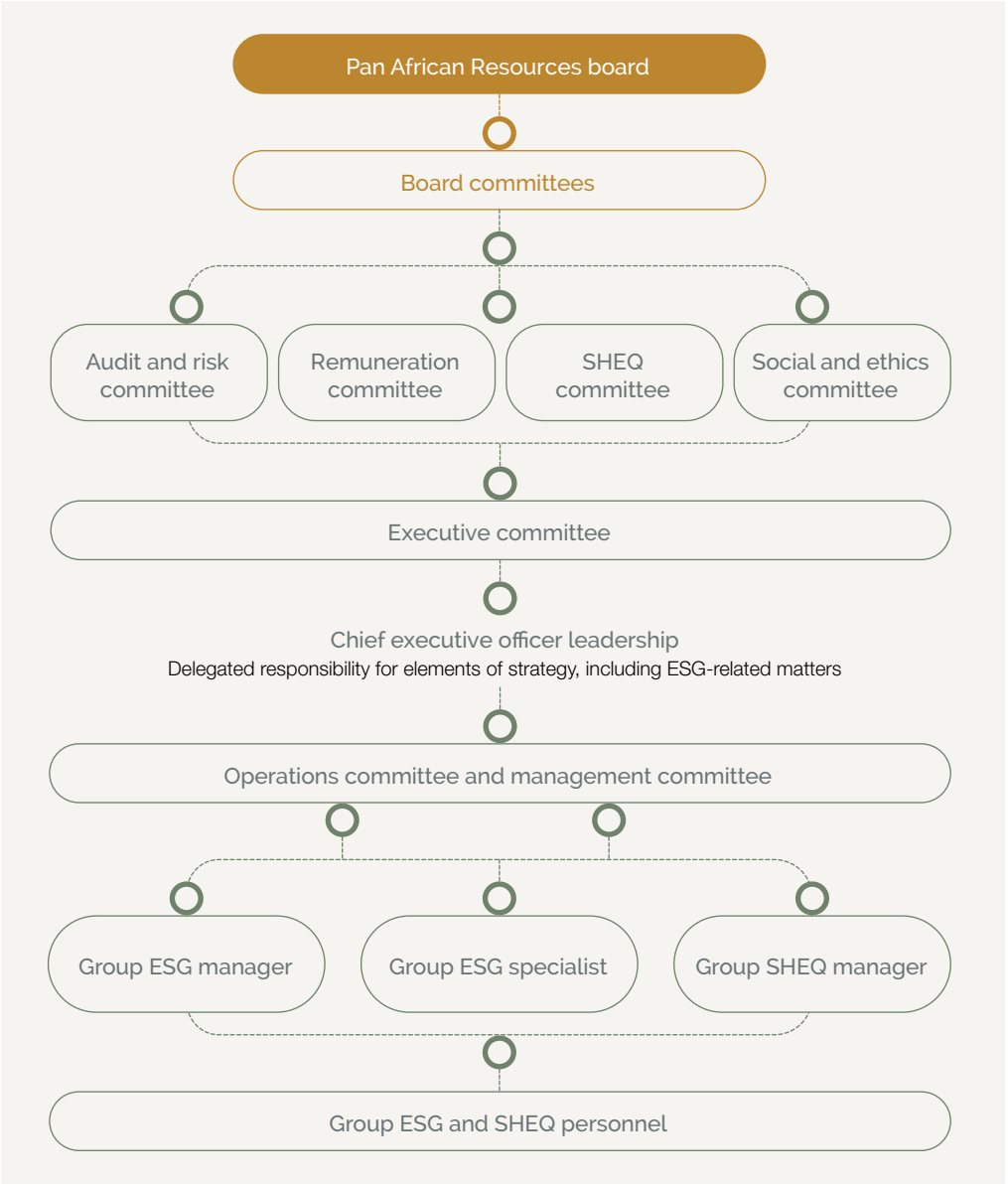
Pan African's board of directors has ultimate responsibility for setting and overseeing the Group's strategy, business plans and annual budgets, and the risk management approach. Climate-related risks and opportunities are considered by the board in relation to their impact on each of these responsibilities, and particularly our environmental stewardship and socio-economic upliftment initiatives.

Climate considerations are embedded in our board-level decision-making and cascaded through management structures to operational execution. The board delegates specific oversight of climate-related risks and opportunities to the social and ethics committee. The safety, health, environment and quality (SHEQ) committee and the audit and risk committee provide additional oversight on climate-related risks and opportunities.

The board committees prepare reports for the board on a regular basis on key climate-related issues, including specifics on climate-related risks and opportunities. The board discusses the reports as a recurring board meeting agenda item. Each board committee has its own terms of reference, which describe the scope of decision-making related to the climate-related matters under consideration.

For a detailed report on all aspects of Pan African's corporate governance, refer to the **corporate governance report** at www.panafricanresources.com/investors/gri-and-sustainability/





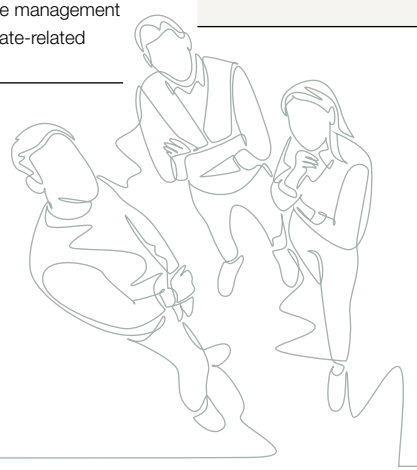
CLIMATE GOVERNANCE FRAMEWORK

Our climate governance framework below illustrates how we integrate leadership, strategic management and operational management across our business.

Leadership	
Governance body/role	**Responsibilities and activities**
Board of directors	• Ultimate accountability for climate-related risks and opportunities • Delegates oversight to the social and ethics, SHEQ and audit and risk committees • Reviews climate-related performance quarterly • Approves audits, green loan compliance and tailings storage facility (TSF) risk reviews • The board receives quarterly update reports on all climate-related issues. This structured information flow ensures that the board is well informed about climate-related risks and opportunities to monitor and assess implications for Pan African's strategy and business model • Climate is a recurring agenda item discussed at each board meeting • To view detailed biographies of our board members, refer to our **corporate governance report** at www.panafricanresources.com/investors/gri-and-sustainability/
Social and ethics committee **SHEQ committee** **Audit and risk committee** **Remuneration committee**	• Oversee climate-related risks and opportunities • Approve and monitor climate-related policies and targets • Ensure compliance with the TCFD, IFRS S2 and other frameworks • Evaluate TSF compliance and stakeholder engagement • Remuneration committee sets climate-related remuneration KPIs
Chief executive officer	• Leads climate strategy and integration into Pan African's core values and long-term strategy • Oversees risk assessments, mitigation and adaptation • Promotes innovation and transparent disclosures • Guides the board on climate-related governance frameworks

Strategic management	
Governance body/role	**Responsibilities and activities**
Financial director	• Oversees financial governance of climate risks and opportunities • Integrates climate-related matters into financial strategy, and going forward, financial reporting and disclosure activities for alignment with IFRS S2 • Conducts financial scenario analysis • Oversees Pan African's sustainable financing and holds responsibility for overseeing capital allocation and decisions on major transactions
Executives: technical services, shared services, surface and underground operations	• Implement governance policies and internal controls • Manage environmental and social risks • Lead scenario analysis and adaptation planning • Align operations with global standards and best practices
Climate change and energy management committee	• Cross-functional team including engineering, ESG, SHEQ and environmental managers • Monitors energy use, emissions and efficiency • Reports monthly to executive management • Identifies and escalates climate-related risks and opportunities

Operational management	
Governance body/role	**Responsibilities and activities**
Group ESG manager and specialist **Group SHEQ manager and specialist** **Group engineer** **Group human resources manager** **Head: Corporate reporting** **Head: Investor relations**	• Develop and implement ESG/climate policies • Oversee training, reporting and stakeholder engagement • Ensure compliance with Global Reporting Initiative (GRI) Standards, working towards voluntary alignment with IFRS S2 • Provide data for decision-making and disclosures
Tailings governance: Independent tailings review board (ITRB), responsible tailings facilities engineer, accountable executive	• Assess TSFs against the Global Industry Standard on Tailings Management (GISTM) • Conduct ALARP (as low as reasonably practicable) studies • Oversee emergency preparedness and risk mitigation • Ensure public disclosure and stakeholder engagement
Stakeholder engagement teams	• Engage with communities, regulators and non-governmental organisations (NGOs) • Address climate-related concerns • Promote transparency and inclusive consultation



STRATEGY

As a mid-tier, internationally expanding gold producer, our business strategy is to safely and efficiently extract value from our mineral deposits while prioritising the long-term sustainability of our business and host communities.

Our climate strategy is anchored on increasing water and energy resilience, aligning capital allocation with a low-carbon future and reducing operational emissions while creating value for stakeholders.

We actively support and implement climate-related initiatives that make a real difference – not just for people and the planet, but for the way we operate every day to enhance both operational efficiency and environmental resilience. This is evidenced by our ongoing land rehabilitation, water and energy efficiency projects, as well as our adherence to applicable international and local climate-related policies and regulations. Climate-related capital expenditures are subject to rigorous review and approval by executive management and the board.

Our strategy is structured around three pillars:

01.

Climate adaptation and resilience strategy: Adapting to physical and transition climate-related risks and opportunities

02.

Just energy transition: Supporting and contributing towards the Just Energy Transition Framework (JET Framework) and skills transfer

03.

Climate mitigation strategy:

- Decarbonising operations by expanding renewable energy-efficient sources and adopting new energy vehicles and equipment
- Improving energy efficiency across all sites

Pan African considers the following three time horizons with respect to climate change impacts: short-term (one year), medium-term (two to three years) and long-term (three years or more). These timeframes are aligned with our strategic priorities, the anticipated progression of sustainability initiatives and with the long-term lifespan of assets and investments.

KEY STRATEGIC INITIATIVES

Increased investment in water treatment plants to improve water consumption. In June 2025, the board approved the MTR water treatment plant, which plans to treat **3ML/day**

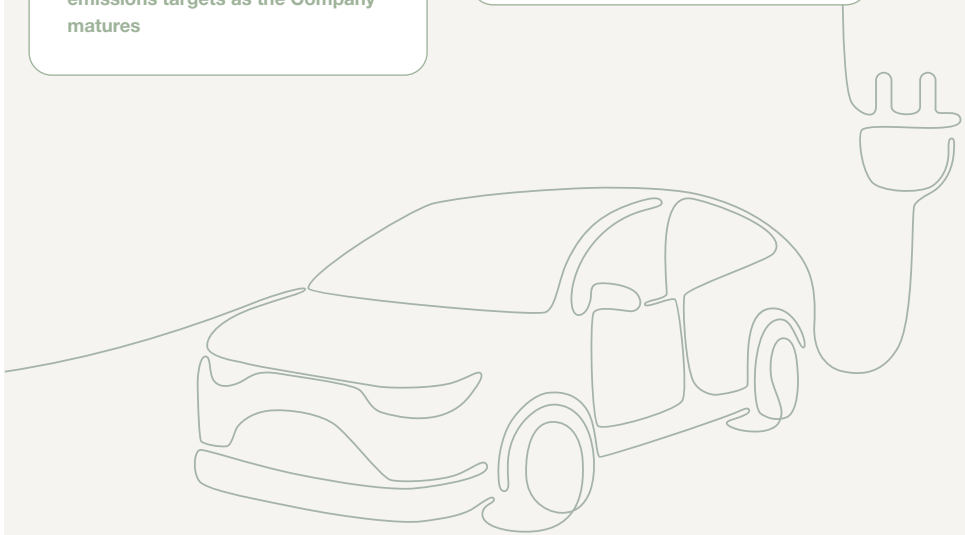
In July 2025, a 10-year PPA was signed with NOA Group for **40MW**, commencing 2027

During FY25, we initiated a study with the aim of establishing emissions targets as the Company matures

Evander Mines' phase 2 expansion 3ML/day water treatment plant commenced construction in June 2025, with first water expected by June 2026; total plant throughput designed for **6ML/day**

Construction of Evander Mines' phase 2 solar plant **19.7MWac** to commence in FY26

We plan to integrate climate risk metrics into executive scorecards and project approvals



SCENARIO ANALYSIS

In FY23, we conducted our first scenario analysis. Scenario analysis is a valuable tool for risk identification as it enables the Group to explore and assess the potential impact of a range of plausible future events, enhancing preparedness and strategic decision-making in uncertain environments. The analysis included four climate scenarios, with the assessment covering the next 10 years. Each scenario assessed physical and transition risks, financial impacts and operational implications.

1. **Under Pressure:** >2°C warming with high gold demand
2. **Beautiful Day:** <2°C warming with high gold demand
3. **Somewhere Over the Rainbow:** <2°C warming with low gold demand
4. **Here Comes the Rain Again:** >2°C warming with low gold demand.

BEAUTIFUL DAY

- Climate temperatures stabilise, with emissions declining
- Strong uptake of renewables and storage
- Economic growth and political stability
- Water and biodiversity risks are managed through collaboration
- High gold price, but illegal mining and corruption persist
- Ecosystem services are under pressure due to increased land use

UNDER PRESSURE

- >2°C warming, severe droughts and water scarcity
- High gold demand, but economic stagnation in South Africa
- Slow renewables uptake and high carbon intensity
- Civil unrest, illegal mining and biodiversity loss
- Ecosystem services like water and land are heavily strained

HERE COMES THE RAIN AGAIN

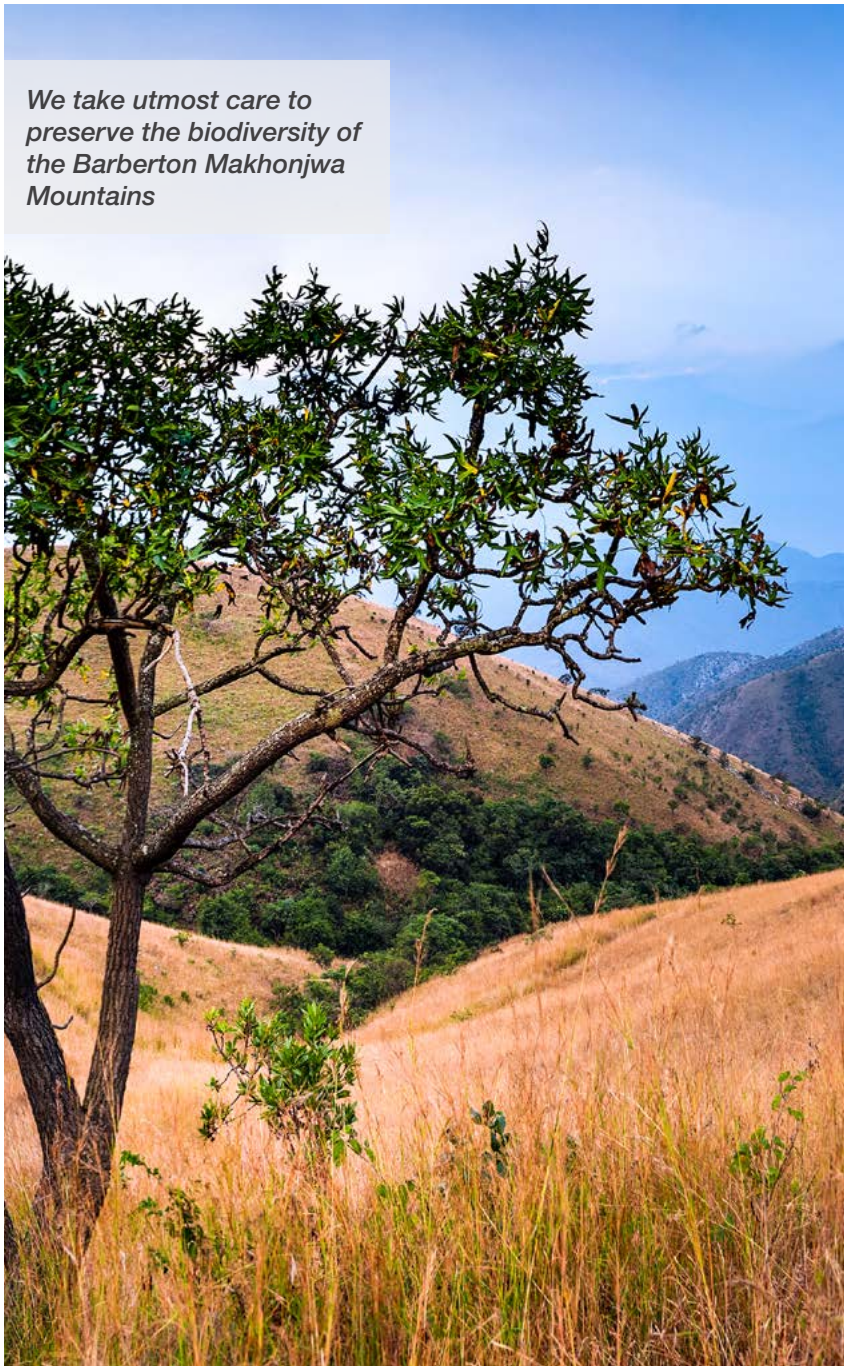
- Extreme weather devastates South Africa and Australia (droughts, wildfires)
- Biodiversity loss due to pollution and vegetation removal
- Low gold price environment and poor investor confidence
- Energy insecurity, corruption and brain drain
- No new mines and ecosystem services decline

SOMEWHERE OVER THE RAINBOW

- Climate stabilising, but economic growth is slow
- Decarbonisation progresses, but adaptation lags
- Water availability remains a challenge
- Low gold price, civil unrest and energy inefficiencies
- Land conservation is weak and ecosystem quality declines

Scenario analysis for biodiversity risks

The newly commissioned MTR plant at the crack of dawn



We take utmost care to preserve the biodiversity of the Barberton Makhonjwa Mountains

Climate-related risks and opportunities

Climate change, both in its physical impacts and in the global transition to a net zero emissions economy, powered by regulatory changes and known as transition risks, has the potential to affect various aspects of our core business, including our value chain. These effects can be direct, such as disruptions to operations, access to capital, increased input costs through supply chain disruptions or regulatory changes, or indirect, where climate change amplifies other strategic risks, linked to, for example, our host communities' health and safety challenges. We recognise that activities influence both climate and biodiversity. As such, we are committed to identifying innovative ways to reduce our environmental footprint. Whether we are managing climate-related risks or unlocking opportunities in the transition to a lower-carbon economy, our focus remains on delivering positive outcomes across our operations.

In FY25, we expanded our scenario analysis to better understand nature-related risks, using LEAP (Locate, Assess, Evaluate, Prepare) assessments across all sites. This process helped us identify climate-related risks and opportunities that could reasonably be expected to affect our financial outlook, particularly in terms of cash flows, access to finance and cost of capital, over the short, medium or long term.

Direct risks and opportunities

Our direct physical climate-related risks primarily stem from increased severity and frequency of extreme weather events, such as storms, floods, droughts and heatwaves, which threaten operational continuity, water availability, infrastructure and worker safety. Chronic risks include prolonged droughts, rising mean temperatures and changing precipitation patterns, leading to further challenges in water quality and resource management. Direct transition risks arise from evolving policy and legislative shifts, like carbon tax.

Our supply chain is also exposed to direct physical risks from climate change, especially through potential disruptions due to extreme weather events, in the availability of key input materials. These disruptions may lead to higher procurement costs and budget over-expenditure due to volatile material prices. To mitigate these risks, we have implemented several measures:

- Monitoring costs closely
- Negotiating flexible or long-term contracts with suppliers
- Diversifying sourcing to reduce dependency
- Prioritising climate adaptation-focused investments in renewable energy and energy efficiency.

We also see direct opportunities in strengthening supplier engagement on climate issues. We believe that by sharing our knowledge in these matters, we can strengthen the resilience of our supply chains. By incorporating energy efficiency into procurement decisions, we can reduce costs, lower emissions and encourage greener practices across our value chain. These actions support our sustainability goals and drive continuous improvement.

Indirect risks and opportunities

Beyond our operations, we face indirect risks from climate change that affect both our business and the surrounding communities. For example, more frequent and severe weather events, such as storms and floods, pose safety risks at our sites and can displace households in host communities, straining essential services like healthcare, water and sanitation.

To address these challenges, we are exploring:

- collaborative research and development (R&D) to improve long-range weather forecasting
- early warning systems to protect employees and local communities.

We also see indirect opportunities arising through partnerships and knowledge sharing by increasing our organisational collaboration and participation in climate-focused networks; we can expand our knowledge base and improve preparedness for acute physical risks. We collaborate with NGOs and local municipalities to integrate comprehensive disaster management plans that include the provision of shelter, water, blankets and food during emergencies. These efforts strengthen our emergency response preparedness and build organisational capacity for climate innovation.

Time horizon

● Short-term focus (one to two years) ● Medium-term focus (two to three years) ● Long-term focus (three years or more)

The tables that follow disclose only direct climate-related risks and opportunities – those that have a clear and measurable impact on our financial performance, particularly cash flows, access to finance and cost of capital. While indirect effects are equally important, they are often broader in scope and more difficult to quantify with precision. By focusing on direct impacts, we aim to provide stakeholders with a transparent and actionable view of the most immediate and financially material climate-related exposures.

Physical				
Risk type	**Risk description**	**When**	**Expected impacts**	**Response**
Acute	Increase in the severity of extreme weather events, including storms and floods	●	• Flooding of mining works • Safety risks for workers during flood events	• Collaborative R&D into long-range weather forecasting and early warning systems • Flood and mudslide prevention measures, in addition to current measures to deal with increased intensity, at tailings facilities as part of the adaptation plan • Contingency plans, including the availability of input materials and transport considerations
			• Damage to infrastructure critical to operating the mine, including roads, bridges, power and water recovery infrastructure	• A well-coordinated disaster management plan with all the stakeholders (local government, provincial government, national government and NGOs). Invest in quality stormwater drainage infrastructure
Chronic	Changes in precipitation patterns adversely impacting water quality	●	• BIOX® and traditional processing in operations without water treatment plants • Health and safety of employees	• Increased investment in water treatment plants to improve water quality, consumption, withdrawal and discharge • Increase in corrosion control measures
	Increase in the intensity, frequency or duration of droughts	●	• Water scarcity with reduced access and availability to high-quality water for domestic and industrial use	• Development of a comprehensive Group adaptation plan, including adaptation measures for both physical and softer issues, such as information gathering and stakeholder engagement
			• Increase in competing water needs for agriculture, industry and domestic use, which may create conflict or lead to regulatory restrictions on water abstraction	• Consume alternative water sources through water treatment plants and invest in water storage tanks. This would enable the provision of potable water to host communities during droughts and other water shortages • Reduce reliance on municipal water consumption
	Increase in mean temperatures and heatwaves	●●	• Reduced operational efficiency and equipment performance, which could lead to more frequent maintenance and potential downtime	• Upgrades and additions to ventilation and cooling systems • Enclosure of processes currently open to the atmosphere
			• Increase in heat stress-related illnesses and deaths	• Educational awareness campaigns on protection from heatwaves, such as staying hydrated and out of the sun during spells of heatwaves
			• Reduced worker concentration and performance, slower workflows and a higher error rate	• Early warning systems integrated with communication protocols • Monitor workers for heat stress symptoms and maintain a heat response team or trained first aiders on-site

Time horizon

● Short-term focus (one to two years) ● Medium-term focus (two to three years) ● Long-term focus (three years or more)

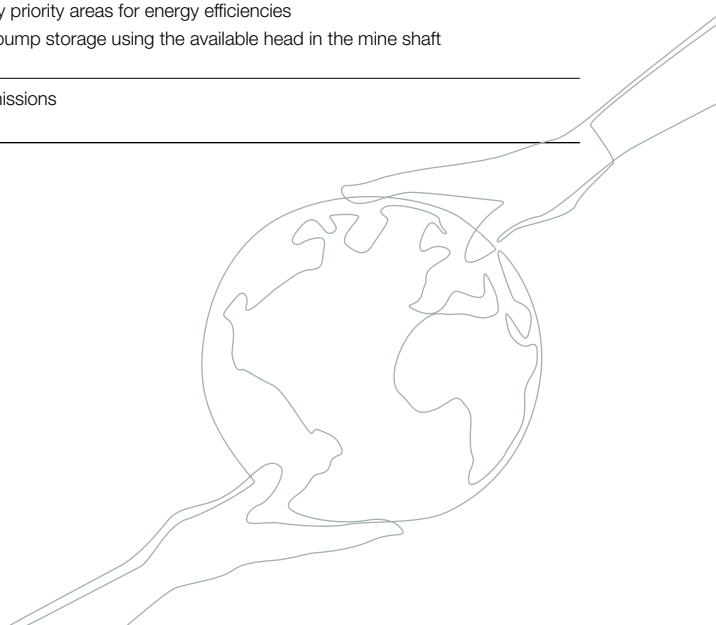
Transition				
Risk type	**Risk description**	**When**	**Expected impacts**	**Response**
Social	Civil unrest increases	●●	• Disruptions to production and access to the mines for suppliers and employees in assets prone to social hostility	• Increase in social inclusion projects and stakeholder engagement • Frequent stakeholder engagement and education that is focused on mitigating potential conflict before it erupts • Conduct stakeholder mapping, identifying all community actors, including youth, informal groups and traditional leaders, with the aim of maintaining open and regular communication and negotiations
	Increase in automation due to extreme weather, leading to job losses	●●	• Retrenchments	• Offering of portable skills • Invest in R&D to understand areas of potential job losses • Re- and upskilling of employees into new areas aligned with the JET Framework and low-carbon economy
Governance and reputation	Pan African is not perceived as responsive to climate change	●●	• Reputational damage linked to greenwashing allegations	• Increase engagement with material stakeholders, including shareholders, funders and communities • Specify climate-related criteria in procurement policies, processes and procedures
	Pan African has insufficient or incorrect skills to execute climate change strategies	●●	• Insufficient climate adaptation and resilience • Incomplete disclosures	• Invest in R&D to understand areas of potential job losses • Re- and upskilling of employees into new areas aligned with the JET Framework and low-carbon economy
	Pan African is unable to meet climate-related funding requirements	●●	• Reputational damage • Penalties associated with sustainability-linked funding instruments	• Increase communication and oversight on climate-related funding targets

Employees reporting for their shift at Evander Mines' 8 Shaft

Time horizon

● Short-term focus (one to two years) ● Medium-term focus (two to three years) ● Long-term focus (three years or more)

Transition continued				
Risk type	**Risk description**	**When**	**Expected impacts**	**Response**
Policy and legislation	Implementation of the Sector Adaptation Strategy and Plan and the Sectoral Emissions Targets related to South Africa's Climate Change Bill	●●	• Mandatory sector-specific emissions targets with stringent compliance and adaptation • Lack of readiness to implement targets across Scope 1, 2 and 3 emissions	• Build in-house renewable energy solutions (RES) and storage capabilities while purchasing certified third-party RES • Collaborate to buy or sell offset credits (dependent on emissions cap or budget) • Set an internal carbon price to use in investment and procurement decisions
	Increase in carbon taxes	●	• Higher energy prices and associated costs	• Build in-house RES and storage capabilities while purchasing certified third-party RES • Collaborate to buy or sell offset credits (dependent on emissions cap or budget)
	Increase in carbon border adjustment mechanisms, negatively impacting gold exports	●	• Higher export tariffs leading to reduced profit margins • Increased diplomatic tension coupled with widening trade deficits	• Build in-house RES and storage capabilities while purchasing certified third-party RES • Collaborate to buy or sell offset credits (dependent on emissions cap or budget) • Set an internal carbon price to use in investment and procurement decisions
Reporting compliance	Funders and investors requiring increased climate-related disclosures prematurely	●●	• Lack of resources to meet full disclosure requirements sought by funders	• Upskill or acquire resources to deal with compliance • Implement corporate governance processes/policies aligned with funder requirements
	Increase in insurance costs due to a lack of climate-related disclosures	●●	• High risk profile leading to climate-related exposure from non-coverage or reduced coverage • Higher operating costs • Perceived as a supply chain risk for customers	• Increase reporting aligned with international frameworks
Emissions reduction targets	Implementation of additional RES		• Not meeting sustainability performance targets associated with sustainability-linked financing instruments • Increasing GHG emissions known to contribute to climate change and degrading air quality	• Build in-house RES and storage capabilities while purchasing certified third-party RES
	Implementation of energy efficiency interventions		• Increasing energy costs and emissions associated with consumption of fossil fuel energy as underground mining deepens	• Energy audit to be undertaken to identify priority areas for energy efficiencies • Conduct a business case on high heat pump storage using the available head in the mine shaft
	Setting targets for emissions reductions		• Reputational damage linked to greenwashing allegations	• Identify opportunities for reduction in emissions



Time horizon

● Short-term focus (one to two years) ● Medium-term focus (two to three years) ● Long-term focus (three years or more)

Physical				
Opportunity type	**Opportunity description**	**When**	**Expected impacts**	**Response**
Acute (extreme weather)	Increase in climate-related know-how through collaboration and networks for better preparedness	●●	• Improved preparedness through emergency response and evacuation plans, including sourcing of shelter, water, blankets and food	• Collaborating with NGOs and municipalities to understand and integrate disaster management plans
			• Enhanced organisational capacity and leadership in climate-related innovation	• Invest in R&D for effective future developments and training programmes to strengthen climate expertise
	Increase in climate resilience related to flooding	●●	• Quick and strong recovery from a climate-related flood event	• Improve the quality of infrastructure through regular infrastructure maintenance, robust stormwater drainage systems and emergency and evacuation response plans
			• Coordinated response during a climate-related flood event	• Effective stakeholder collaboration and coordination with various stakeholders, including municipalities, provincial government and NGOs
			• Improved community and operational stability, reducing long-term flooding risks	• Foster multiple stakeholder partnerships, including NGOs, funders, municipalities and host communities, with the objective of building resilient infrastructure inclusively
	Protect revenue from disruptions in the value chain, up and downstream	●●	• Operational stability and meeting production commitments • Avoiding costly delays and strengthening internal and external stakeholder confidence, leading to improved long-term financial performance	• Conduct thorough risk assessments, diversify suppliers, establish contingency and backup sourcing plans, strengthen supplier relationships, and implement real-time supply chain monitoring to safeguard revenue from value chain disruptions both upstream and downstream
Chronic (drought)	Increase in assets due to the adoption of water purification and efficiency technologies	●●	• Improved water security • Increased savings from reduced costs of purchased water	• Implement water treatment plants at operations with reliance on third-party water supply
Chronic (temperature increase)	Increase in climate-resilience assets	●●	• Enhanced water and energy security • Cost savings from using in-house energy and water resources	• Implement resilience assets such as water treatment plants and renewable energy resources
	Health sector collaboration to understand climate-related disease prevention, diagnosis and treatment	●●	• Reduced health and safety costs, and absenteeism from climate-related illnesses, leading to improved productivity	• Enhance relationships and collaboration with our stakeholders e.g. the Department of Social Development, the Department of Health, NGOs and municipalities
			• Enhance the chances of herd immunity against climate-related diseases in host communities	• Partner with the health sector through the Department of Health and relevant NGOs to keep abreast of climate-related health and wellness challenges
Chronic (changes in precipitation)	Increase in climate-resilience assets	●●	• Improved resilience	• Collaborate on early warning system investments • Continuously assess operations for flood risk especially TSFs
	Innovation in climate-related maintenance techniques	●	• Increase in flood-resilient infrastructure	• Invest in flood-resilient infrastructure

Time horizon

● Short-term focus (one to two years) ● Medium-term focus (two to three years) ● Long-term focus (three years or more)

Transition				
Opportunity type	**Opportunity description**	**When**	**Expected impacts**	**Response**
Social	Increase in social inclusion projects and stakeholder engagement	●●	• Better-informed stakeholders and reduced community unrest	• Incorporate climate change awareness, including dialogue on climate-related risks and opportunities, in formal stakeholder engagement forums
			• A decision-making process that includes the host communities	• Meaningful stakeholder engagements driven by well-structured plans and stakeholder engagement classification protocols
	Community well-being and licence to operate sustainably	●	• Social stability and social licence to operate	• Understanding the material needs in host communities and structuring impactful corporate social investment (CSI) programmes in response
			• Being perceived as a good corporate citizen with positive spillovers like mine protection during economic downturns	• Conduct community baseline assessments, prioritise preferential procurement from local businesses and strengthen social cohesion
	Sustainable communities and job opportunities	●●	• Quality infrastructure investment, reduced employment rate and youth development programmes	• Skills development and training of employees and host communities, aligned with the JET Framework
			• Less reliance on mining operations and the ability to attract and retain high-quality skills	• Implementation of sustainable CSI initiatives and impactful programmes, including Social and Labour Plans (SLPs), local economic development and enterprise and supplier development
			• Empowered and future-proofed communities beyond the mining operations	• Develop local workforce integration plans, implement sustainable livelihoods programmes and enhance stakeholder reporting
	Increase in productivity	●●	• A healthy society and skilled community members result in high productivity and improved expectancy	• Education through SLPs, stakeholder engagement and collaboration with other stakeholders
			• Increase in profits allowing for implementation of 'beyond compliance' CSI/SLP initiatives	• Collaboration with other industry players on extended youth and skills development programmes
			• Increase recovery rates and reduce downtimes	• Invest in innovation, improve skills and labour optimisation
Governance and reputation	Increase in accountability and transparency	●	• Improved reputation, credibility and trust from stakeholders • Perceived as a good corporate citizen	• Increase disclosures in consultation with material stakeholders
	Improved overall performance and valuation of the Company	●	• Increase in long-term sustainability reflected in profitability, share price appreciation, healthy stakeholder engagement, maintenance of natural capital and improved investor relations	• Engage investors on significant climate-related disclosures and concerns
	Green procurement strategies aligned with the circular economy and industrial symbiosis	●	• Reduced environmental impact, compliance with evolving regulations and enhanced brand reputation and stakeholder trust	• Collaborate with suppliers to identify opportunities for material reuse and recycling • Invest in training and tools to support sustainable procurement practices
	Alignment with the JET Framework	●	• Climate-resilient host communities	• Employing and procuring from host communities as we transition to low-carbon economies • Capacity building and upskilling of host communities' skills of the future

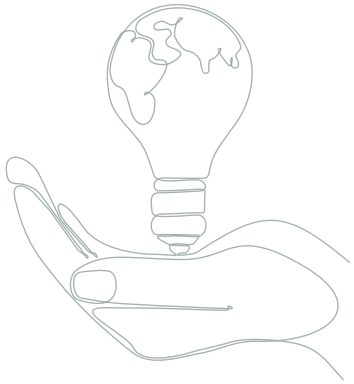
Time horizon

● Short-term focus (one to two years) ● Medium-term focus (two to three years) ● Long-term focus (three years or more)

Transition continued				
Opportunity type	**Opportunity description**	**When**	**Expected impacts**	**Response**
Policy and legislation	Increase in the renewable energy mix	●●	• Meeting sustainability performance targets related to the sustainability-linked finance framework • Contributing to global and local climate mitigation efforts • Increased cost savings associated with renewable energy sources	• Continue developing in-house RES projects and entering into PPAs for wheeling energy
	Increase participation in the carbon credits markets	●●	• Participating in environmentally friendly emerging markets and accelerating decarbonisation efforts	• Expand knowledge of global carbon markets
	New internal processes for investments and procurement	●	• Enhanced climate-related resilience when making investments and along the value chain	• Include climate-related criteria in the screening of investments and suppliers
Reporting compliance	Increase in climate-related resources and skills of the future	●●	• Easy transition to a low-carbon economy • Implementing innovative climate adaptation and resilience strategies	• Implement climate-related skills plans, including capacity building and upskilling roadmaps
	Increase in oversight and reporting compliance aligned with stakeholders' requirements	●	• Improved climate-related governance and oversight controls • Enhanced credibility and trust with stakeholders	• Engage stakeholders on climate-related reporting concerns and perceptions
Emissions reduction targets	Increase in energy security and cost savings	●	• Production-immune to energy disruptions • Operating cost reduction and improved profit margins	• Invest in renewable energy sources, optimised with battery energy storage systems (BESS)
	Optimal use of available energy resources	●	• Increased energy efficiency and avoided Scope 2 emissions	• Invest in energy efficiency projects and BESS
Value chain	Increase in climate-related supplier engagement and inclusive procurement while exploring green procurement strategies	●	• Enhanced supplier engagement and inclusive procurement with improved supply chain resilience	• Procurement should actively engage suppliers through collaboration and capacity-building initiatives • Prioritise diverse and local suppliers • Integrate clear sustainability criteria into procurement policies, and monitor supplier performance against climate and inclusion targets to drive continuous improvement
	Increase in value chain efficiencies including building energy efficiency as a criterion for procurement	●●	• Cost savings, reduced environmental harm and suppliers with greener and more efficient practices	• Prioritise energy-efficient products and suppliers during the selection process and include precise energy efficiency requirements in contracts • Regularly monitor supplier performance against sustainability criteria, thereby controlling costs and minimising environmental impact

HOW WE ARE RESPONDING

In FY25, approximately US$17.8 million was allocated to various mitigation strategies including solar energy (97.9%), battery electric vehicles (BEVs) (1.5%), water treatment plants (0.4%) and energy efficiency projects (0.2%), underscoring our commitment to climate action. Our response is structured around three strategic pillars:



ALL MAJOR PROJECTS UNDERGO CLIMATE RESILIENCE AND EMISSIONS IMPACT ASSESSMENTS PRIOR TO APPROVAL, ENSURING ALIGNMENT WITH OUR LONG-TERM DECARBONISATION GOALS.

Aerial view of the Barberton Blueberries project's packhouse construction, frost nets protecting the blueberries and water reservoirs against a mountainous backdrop

01.

Climate adaptation and resilience strategy

Our proactive approach to climate adaptation and resilience strategy is aimed at enhancing the Company's ability to adapt to climate change, specifically in South Africa and Australia. The core focus of the plan is on water scarcity and nature-related impacts, including biodiversity. It seeks to integrate identified climate-related risks and opportunities into risk management and operational efficiency by aligning with international best practices, including the TCFD, the International Council on Mining and Metals (ICMM), the GRI and IFRS S2.

The strategic objectives of the adaptation and resilience strategy are highlighted below:

- **Ensuring water security:** Implement measures to secure water availability and quality for operations and local communities
- **Strengthening climate-related risk management:** Enhance the ability to anticipate and manage climate-related risks
- **Build long-term ecosystem resilience:** Remediate, restore and protect ecosystems to ensure their sustainability and functionality
- **Enhance community and stakeholder resilience:** Collaborate with and educate communities and stakeholders to improve their capacity to adapt to climate challenges
- **Align capital planning with climate resilience:** Integrate climate resilience considerations into financial planning and investment decisions.

02.

Just energy transition

We are actively supporting South Africa's JET Framework by investing in renewable energy infrastructure and enabling skills transfer. We have a target to achieve a 15% renewable energy mix by FY27, with ambitions for 39% by FY30 and 50% by FY50. Both Evander Mines' and Fairview's solar plants were operational during FY25, contributing to local energy resilience and job creation. The energy projects below are a testimony to our commitment to the JET Framework.

Strategic investments and the JET Framework			
Planned solar PV investments	**Social impact**	**Environmental impact[1]**	**Financial impact[2]**
The board has approved Evander Mines' phase 2 19.7MWac solar PV facility, which will supplement the existing phase 1 facility with a nameplate capacity of 9.975MWac, bringing total Evander Mines solar PV capacity to 29.45MWac. A bankable feasibility study was completed in FY25	During the construction phase, the project will **employ** a total of **633 workers**. This will include **429 unskilled workers** and **204 skilled workers**. We plan to **retain 12** workers post the construction	**295ktCO$_2$e** is expected to be avoided in GHG emissions in the next 10 years	An average of **US$7.35 million** for a period of **10 years** is anticipated in annual gross savings
Pan African signed a new PPA with NOA Group, an independent power producer, to secure 40MW over 10 years, extendable at the election of Pan African. The first power from the Khauta South and Khauta West PV facilities located in the Free State province is expected in March 2027	During the construction phase, the project will **employ** a total of **1,285 workers**. This will include **871 unskilled workers** and **415 skilled workers**. We plan to **retain 25** workers post the construction	**599ktCO$_2$e** is expected to be avoided in GHG emissions in the next 10 years	An average of **US$105.68 million** for a period of **10 years** is anticipated in annual gross savings
A successful bankable feasibility study was undertaken on the 19MWac MTR solar PV project, and site selection has been completed. Work on the environmental authorisation has commenced, and specialist studies will be conducted from July 2025 onwards	During the construction phase, the project will **employ** a total of **611 workers**. This will include **414 unskilled workers** and **197 skilled workers**. We plan to **retain 12** workers post the construction	**285ktCO$_2$e** is expected to be avoided in GHG emissions in the next 10 years	An average of **US$7.09 million** for a period of **10 years** is anticipated in annual gross savings
A feasibility study is in progress for a 4.0MWac solar PV facility at Tennant Mines	During the construction phase, the project will **employ** a total of **129 workers**. This will include **87 unskilled workers** and **41 skilled workers**. We plan to **retain three** workers post the construction	**47ktCO$_2$e** is expected to be avoided in GHG emissions in the next 10 years	An average of **US$14.49 million** for a period of **10 years** is anticipated in annual gross savings

Assumptions:

[1] *A 10-year constant grid emissions factor of 0.9tCO$_2$e/MWh and 0.8tCO$_2$e/MWh for South Africa and Australia, respectively.*
P90 yield estimated electricity exported to the grid.

[2] *A 10-year conservative utility tariff increase of 10% and 5% for South Africa and Australia, respectively.*
A long-term exchange rate of US$/ZAR:18.50.
A long-term exchange rate of US$/A$:1.5.

03.

Climate mitigation strategies

We are decarbonising our operations by expanding renewable energy capacity and conducting rigorous climate impact assessments for all major projects. Taking into consideration our existing solar PV facilities and all board-approved projects, we are set to achieve solar PV facilities with a nameplate capacity totalling 78.425MW, estimated to avoid at least 894ktCO$_2$e in GHG emissions in the next 10 years.

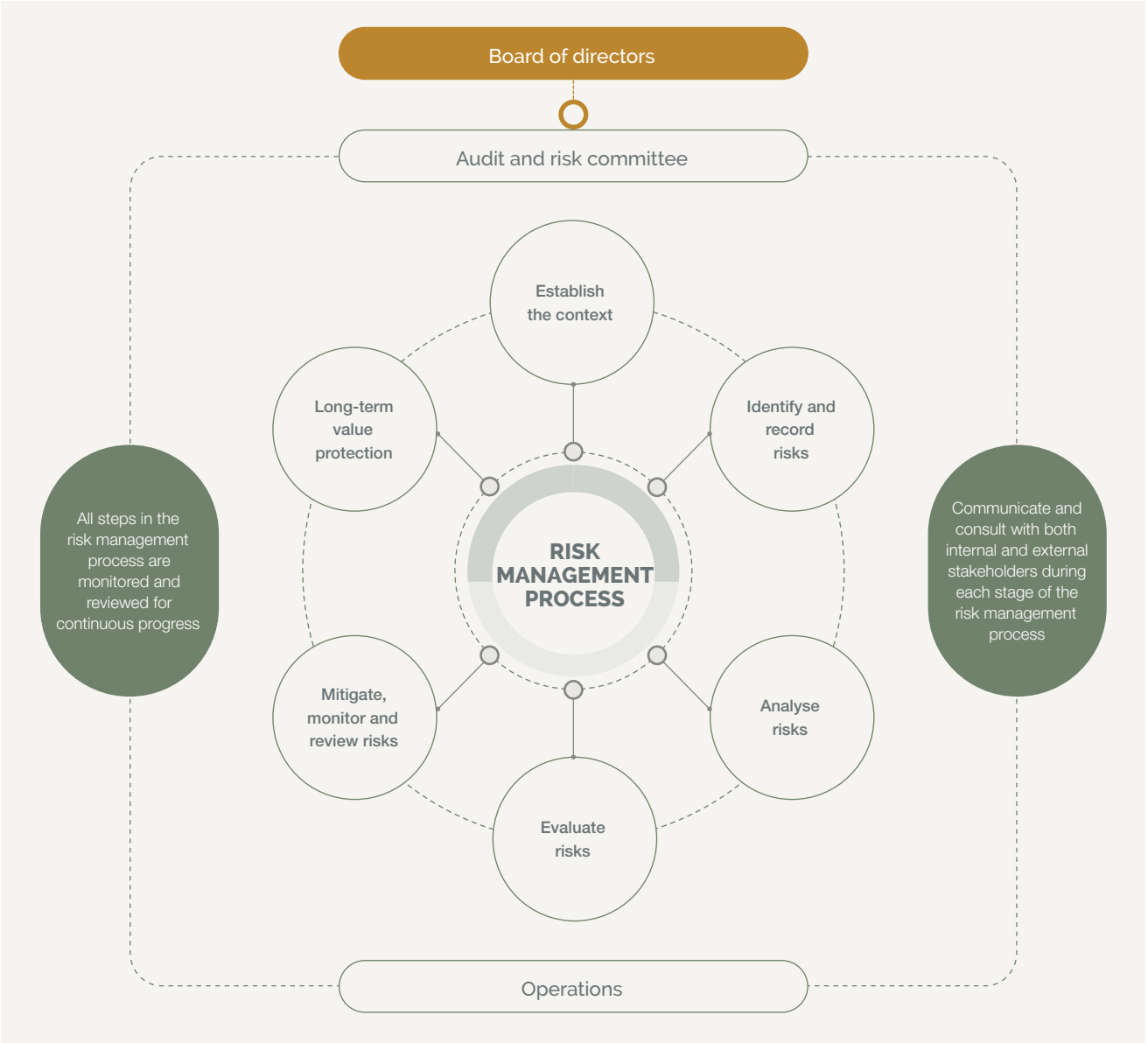
RISK MANAGEMENT

Pan African has a comprehensive risk management framework in place. As with our broader ESG priorities, climate risks are increasingly being integrated into our risk management programme. The risk management process also includes a clear disclosure strategy.

Our risk management approach follows a well-structured and systematic process encompassing internal operational risks and external factors beyond our control. Risk management remains the responsibility of the board. Through our risk management process, we have identified risks that potentially threaten the execution of our business strategy. Aligned with our broader sustainable development priorities, we are progressively integrating climate risks into our risk management programme. This involves developing a clear disclosure strategy as part of our risk management process. Our approach to identifying and managing climate-related risks is undergoing significant enhancements as we grapple with addressing the nuances associated with climate change risk management, financial impact analysis and associated resource mobilisation. We intend to disclose these additional considerations as we implement IFRS S2 requirements in the future.

Pan African recognises the material risks and opportunities posed by climate change and will integrate these into our enterprise risk management framework. Climate-related risks will be assessed and reviewed annually as part of the Group's formal risk processes.

In the future, we plan to capture climate risks in the Group's risk register and categorise them in accordance with IFRS S2 issued by the International Sustainability Standards Board. These risks will be subject to the same governance structures and risk assessment methodologies as other enterprise risks. Pan African's approach to risk identification involves operational teams and senior management in assessing the likelihood, impact and response strategies related to climate risks.



METRICS AND TARGETS

GHG EMISSIONS: FY25 RESULTS

Planned target-setting process

We have begun the process of formalising our target setting. During FY25, we initiated a study with the aim of establishing emissions targets as the Company evolves. Referencing the Science Based Targets initiative, the study proposes a roadmap for setting validated GHG emissions reduction targets. Supporting our target-setting process are our ambitious plans for the implementation of new solar PV facilities with a total capacity of 42.7MWac and the secured 40MW PPA, demonstrating our commitment to mitigation strategies. Together, the planned and existing projects will bring our solar PV capacity to 101.2MW.

Energy capital expenditure

Mitigation capital expenditure

The capital expenditure related to the Fairview solar PV facility amounted to US$17.4 million (FY24: US$10.3 million), representing an annual increase of 69.1%.

As part of our pilot on BEVs, we purchased BEVs in the amount of US$0.27 million to test for underground and surface operations. We are currently reviewing the projects as part of our decarbonisation strategy for Scope 1 emissions.

In FY25, the capital expenditure for energy efficiency projects decreased by 95.1% to US$0.03 million (FY24: US$0.54 million) due to Evander Mines' energy efficiency projects coming to an end with a total capital expenditure of US$2.45 million since FY23. Barberton Mines' energy efficiency projects did not require capital expenditure.

Operational GHG emissions

GHG emissions are measured in accordance with the World Resources Institute and the World Business Council for Sustainable Development's GHG Protocol. However, country-specific net calorific values and emission factors are incorporated for South African operations using the Methodological Guidelines for Quantification of GHG Emissions (2022) and the Technical Guidelines for Monitoring, Reporting and Verification of GHG Emissions by Industry (2017) published by the Department of Forestry, Fisheries and the Environment (DFFE). For Australian operations, we rely on the National Greenhouse Account Factors 2024 issued by the Department of Climate Change, Energy, the Environment and Water (DCCEEW).

For all its GHG emissions, the Group applies an operational control approach to define its organisational boundary for the purposes of calculating its GHG emissions.

68% of the Group's Scope 1 GHG emissions are in South Africa and are measured in accordance with the DFFE regulations. 32% of the Group's Scope 1 emissions, which relate to emissions from Tennant Mines in Australia, are calculated in accordance with the DCCEEW regulations.

Operational GHG emissions increased by 6.2% in FY25, attributed to an increase in non-renewable electricity as well as petrol and diesel consumption. This was directly correlated to MTR connecting to the national grid and Tennant Mines' reliance on stationary diesel for generating electricity.

GHG emissions ($ktCO_2e$)

	FY25	FY24
Scope 1	8.1	5.0
Scope 2	366.7	348.0
Scope 3	501.3	Not calculated
Total	876.0	353.0

Scope 1: GHG emissions refer to the direct GHG emissions that occur from sources owned or controlled by Pan African. Scope 1 emissions primarily stem from diesel and petrol used on-site for mine-related transportation activities and underground locomotives within the operational areas.

In FY25, the Group's total absolute gross GHG emissions were 374.7$ktCO_2e$, comprising 8.1$ktCO_2e$ Scope 1 and 366.7$ktCO_2e$ Scope 2 emissions. Scope 1 emissions increased significantly due to the inclusion of Tennant Mines in the GHG boundary. The asset has been operating for six months and is reliant on diesel-generated electricity because of its remote location. The use of explosives in underground operations also increased by 129.7%. Moreover, burning of wood waste to alleviate crop damage from frost and freeze at the Barberton Blueberries project has contributed to the 61.4% increase in Scope 1 emissions.

Scope 2: GHG emissions refer to indirect GHG emissions from the generation of electricity acquired and consumed by Pan African.

Scope 2 emissions increased by 5.4% owing to the inclusion of MTR and Tennant Mines in the GHG boundary. Both Evander Mines and Barberton Mines experienced decreases of 1.2% and 12.3% in non-renewable energy consumption, respectively. However, Evander Mines' solar PV facility generated 2.7% less renewable energy compared to the previous financial year due to less solar irradiation.

The Group consumes energy generated from:

Location	Utility	Emission factor tCO_2e/MWh
South Africa	Eskom grid	0.90
Australia	Northern Territory grid	0.81

As part of our commitment to increasing the percentage of renewable energy in our overall energy mix, we have committed to achieving a 15% renewable energy mix by FY27 in accordance with our sustainability-linked bond finance framework. However, our ambitious target is 39% by FY30 and 50% by FY50 and is conditional on a material expansion of our renewable energy initiatives and decarbonisation strategy. The PPA signed with NOA Group for the provision of 40MW of renewable energy significantly contributes to the achievement of our target.

Key performance indicator		FY25	FY24
Renewable energy[1]	Target	12%	7%
	Performance	8.8%	6.1%

[1] *Solar PV (MWh)/(total electricity consumption (MWh).*

Scope 2 GHG emissions are measured using the location-based method, which reflects the average emissions factors of the electricity grids on which the Group consumes electricity.

For the reporting period, we achieved a renewable energy mix of 8.8%, up 43.4% from 6.1% in FY24. Our efforts in this regard are slightly behind our FY25 target of 12% as a result of the delay in securing sign-off for the expansion of our solar facilities from state and regulatory bodies. Despite not meeting our renewable energy target, Pan African has incurred no penalty in terms of its sustainability-linked finance framework.

METRICS AND TARGETS continued

Value chain GHG emissions

In FY25, we conducted our first Scope 3 GHG emissions screening process. The Group's Scope 3 emissions for FY25 were 501.4ktCO_2e. A breakdown by category is provided in the table below. The Group's Scope 3 GHG emissions inventory considers 15 categories established by the GHG Protocol. However, according to our Scope 3 emissions screening process, it was confirmed by an independent expert that in the current reporting period the Group does not have Scope 3 emissions associated with upstream leased assets (category 8), end-of-life treatment of sold products (category 12), downstream leased assets (category 13) or franchises (category 14).

In the upstream categories, the emissions associated with suppliers of raw materials, products and services are calculated, as well as their transportation, with the conclusion that they accounted for 99.7% of the Scope 3 emissions. The downstream categories account for around 0.3% of the Group's Scope 3 emissions, relating principally to the processing and transportation of the products traded by the Company. The Group continues to engage with partners within the value chain to focus on the reduction of Scope 3 emissions, noting a decrease in these emissions.

Category 2: Capital Goods were not assessed due to a lack of data during our initial screening. Pan African will review Category 2: Capital Goods in future Scope 3 screening processes to determine if it is a material category for inclusion in future reporting cycles.

GHG emissions

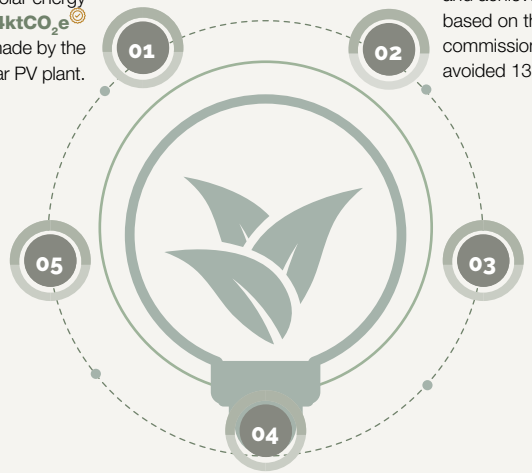
Category	Measurement method	GHG emissions ktCO$_2$e
Category 1: Purchased Goods and Services	Average-data	392.8
Category 3: Fuel- and Energy-related Activities	Average-data	82.7
Category 4: Upstream Transportation and Distribution	Distance-based	11.0
Category 5: Waste Generated in Operations	Average-data	0.04
Category 6: Business Travel	Distance-based	0.22
Category 7: Employee Commuting	Distance-based	13.1
Category 9: Downstream Transportation and Distribution	Distance-based	1.38
Category 10: Processing of Sold Products	Site-specific	0.06
Total		**501.3**

PAN AFRICAN BELIEVES THAT THE USE OF THE OPERATIONAL CONTROL APPROACH IS THE MOST APPROPRIATE METHOD TO MEASURE THE GROUP'S GHG EMISSIONS.

Savings related to mitigation strategies

Total savings from **renewable electricity** for FY25 were US$4.2 million, representing an **88.8% increase** (FY24: US$2.2 million). GHG emissions avoided due to solar energy **increased** by **55.7%** to **35.4ktCO_2e** (22.8ktCO_2e) from the contribution made by the newly commissioned Fairview solar PV plant.

Barberton Mines' 8.75MWac Fairview solar PV plant, commissioned in August 2024, realised **cost savings** of **US$1.7 million**, and achieved a **9.9%** return on investment based on the FY25 performance. The newly commissioned Fairview solar PV facility avoided 13.8ktCO_2e in GHG emissions.



Energy efficiency savings reached **US$0.8 million,** a **162.4% increase** (FY24: US$0.3 million). **10.5GWh** was **saved** in **electricity** consumption, **improving** by **245.4%** (FY24: 3.0GWh). Scope 2 emissions avoided from energy efficiency projects amounted to 9.4ktCO_2e (FY24: 2.8ktCO_2e), **improving by 236.9%**.

Evander Mines' 9.975MWac solar PV plant, commissioned in May 2023, achieved savings of **US$2.5 million**, up by **12.1%** (FY24: US$2.2 million), and achieved a **26.7%** return on investment based on the FY25 performance. The emissions avoided decreased by 5% to 21.6ktCO_2e (FY24: 22.8ktCO_2e) due to less solar irradiation.

Since the inception of our first solar PV plant in FY23, the Group has **saved US$8.5 million** in **electricity tariffs** and avoided 79.8ktCO_2e in emissions.

METRICS AND TARGETS continued

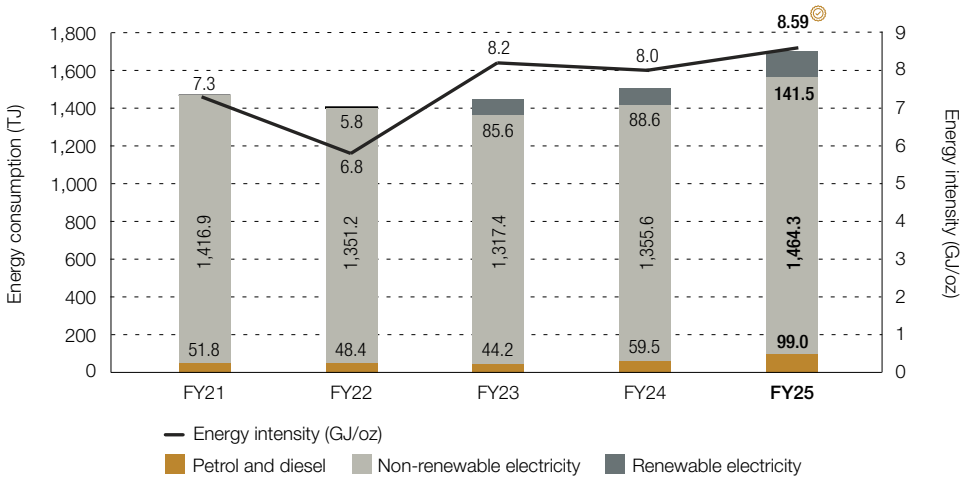
INDUSTRY-BASED METRICS

As per the IFRS Sustainability Disclosure Standards, Pan African is required to disclose industry-based metrics that are associated with our mining activities. The industry-based metrics outlined below are guided by IFRS S2 Industry-based Guidance Volume 10 – Mining and Metals.

We have several focus areas for our energy performance that we monitor, measure and disclose publicly, as detailed below.

Energy management

The Group's total energy consumption increased by approximately 13.4% due to an increase in our consumption of both renewable and non-renewable electricity, as well as petrol and diesel consumption. Our energy intensity per ounce of gold sold has increased over the year by 7.1% due to a 13.4% increase in energy consumption, counteracting a 6.1% increase in ounces sold.



WATER USE: FY25 RESULTS

Planned target-setting process

Water management, savings and targets

To address our water challenges, we have implemented a multi-pronged climate adaptation and resilience strategy with a focus on water security. It integrates risk management, operational efficiency and long-term value creation, aligning with international best practices such as the TCFD, the ICMM and the GRI.

In response to the intensifying water-related risks, particularly in water-scarce regions like South Africa and Australia, we are proactively implementing a suite of interventions to enhance water security, reduce operational vulnerability and support long-term sustainability. These efforts focus on three key areas: water treatment, efficiency and collaboration.

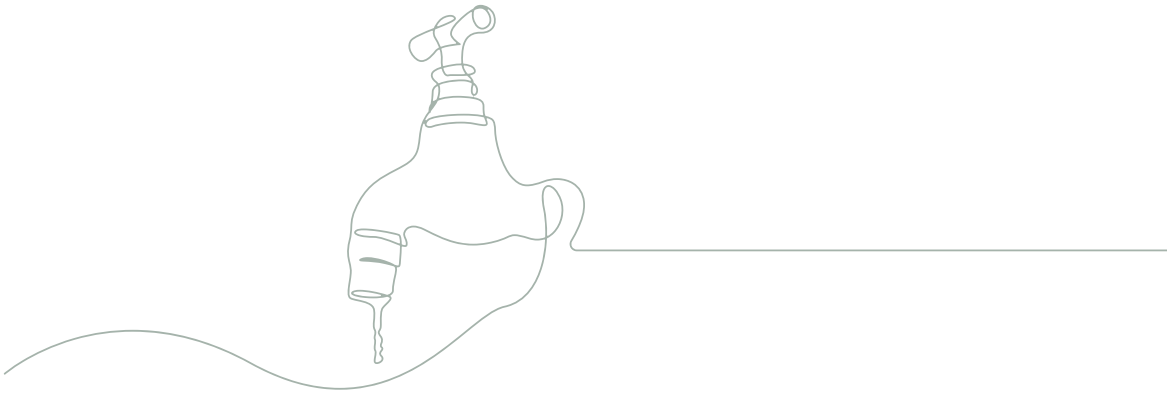
Water capital expenditure

Adaptation and resilience capital expenditure

The capital expenditure for FY25 was US$0.08 million, a 21.9% decline (FY24: US$0.1 million). This brings the total capital expenditure related to our 3ML/day water treatment plant to US$2.14 million since FY22. Our investment in water treatment infrastructure is central to our climate adaptation strategy. These facilities enable us to discharge water that meets regulatory quality standards, in line with our water use licences and the Department of Water and Sanitation's resource quality objectives. By improving the quality of discharged water, we reduce environmental pollution, mitigate reputational risks and enhance our resilience to extreme weather events.

Treated water is also reused in our processing plants, significantly reducing our reliance on freshwater sources such as rivers and municipal supplies. This closed-loop approach not only conserves water but also positions us to respond more effectively to climate-induced water scarcity.

Our strategic investments in infrastructure, aimed at enhancing operational resilience, are yielding significant cost savings. In FY24, we installed a 3ML/day water treatment plant at Evander Mines, engineered to treat underground fissure water to potable standards. This plant now caters for up to 79% of Evander Mines' water needs, a substantial reduction in our reliance on Rand Water. This shift has led to a remarkable decrease in our water bill by US$0.4 million (FY24: US$0.5 million) and a return on investment of 18.7% for FY25.



METRIC AND TARGETS continued

Water treatment plant initiatives

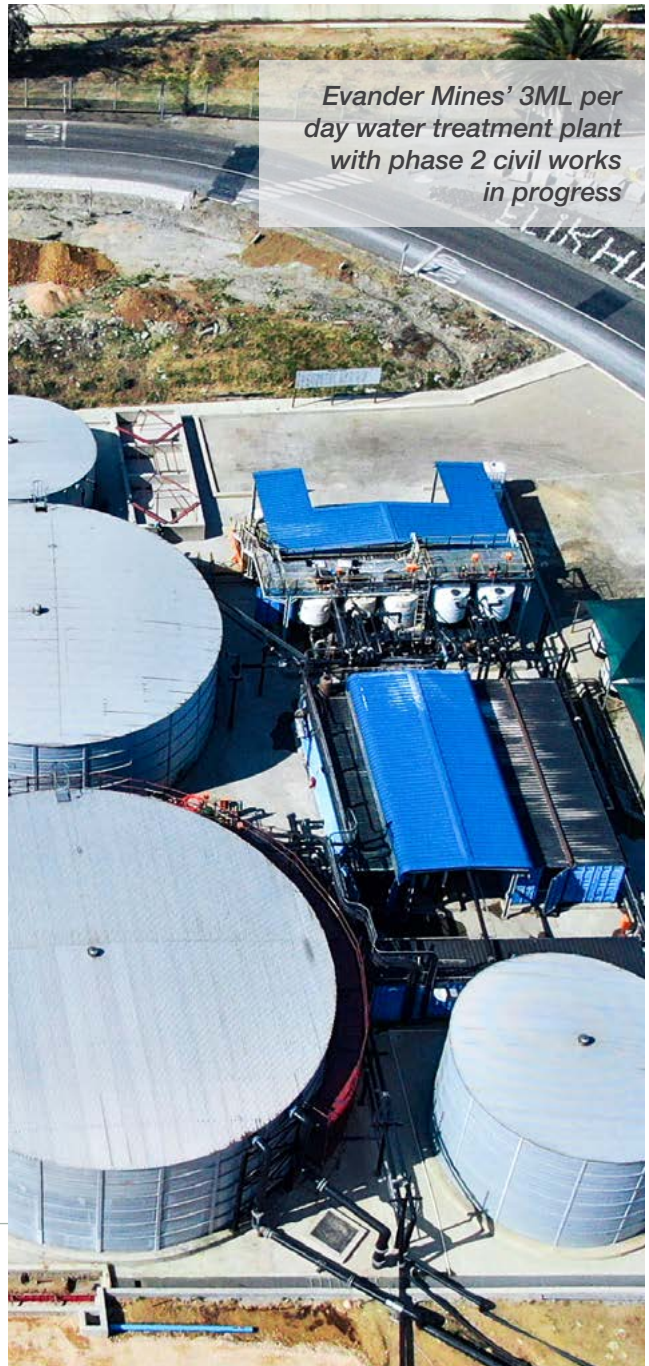
The 3ML/day plant at Evander Mines is now operating at capacity above 85%. This has increased the water recycled by 23.6% to 920.0ML/year, representing 22.9% of Evander Mines' total water consumption and 7.4% of the Group's total water consumption. Tennant Mines also commissioned a 1ML/day water treatment plant for its consumption needs.

Strategic investments and the JET Framework			
Water treatment plant investments	**Social impact**	**Environmental impact[1]**	**Financial impact[2]**
The board approved an expansion of Evander Mines' phase 2 3ML/day water treatment plant. This brings Evander Mines' total capacity to 6ML/day	During the construction phase, both projects will **employ** a total of **42 workers** each. This will include **30 unskilled workers** and **12 skilled workers**, that is, a total of **84 workers**. We plan to retain at most three workers post construction	The water treatment plants will produce **1,861.5ML/year**, which is approximately **45%** of Evander Mines' annual water consumption. Evander Mines would cease to consume water from Rand Water, freeing up water for other users	An average of **US$0.9 million** for a period of **10 years** is expected in annual savings from each water treatment plant
The board approved a 3ML/day water treatment plant for MTR		The water treatment plant will produce **930.8ML/year**, which is approximately **15%** of MTR's Rand Water consumption, fostering water security and less reliance on third-party water consumption	
Tennant Mines commissioned a 0.05ML/day water treatment plant	No external workforce was employed for the project	The water treatment plant is expected to produce **5.7%** of Tennant Mines' annual water consumption	An average of **US$0.06 million** for a period of **10 years** is expected in annual savings

Assumptions

[1] *At least 85% operating capacity.*

[2] *A 12% and 15% increase in water tariffs in South Africa and Australia, respectively, as climate-related water scarcity increases in water-scarcity hotspots.*
A 10-year exchange rate of US$/ZAR:18.50.
A 10-year exchange rate of US$/A$:1.5.



Evander Mines' 3ML per day water treatment plant with phase 2 civil works in progress

Water efficiency projects

Water-saving strategies

To further reduce our water footprint, we are prioritising infrastructure upgrades and behavioural change. Our water balance assessments have identified unaccounted-for losses, likely due to leaks. Addressing these inefficiencies requires both technical interventions, such as repairing or replacing ageing infrastructure, and cultural shifts within the organisation.

In FY24, we installed an advanced automated water management system across the operations to monitor consumption and identify efficiency opportunities. We are fostering a culture of water stewardship through targeted training and awareness campaigns. Leadership plays a critical role in driving this transformation, ensuring that water conservation becomes embedded in daily operations and decision-making.

Operational performance

Water use

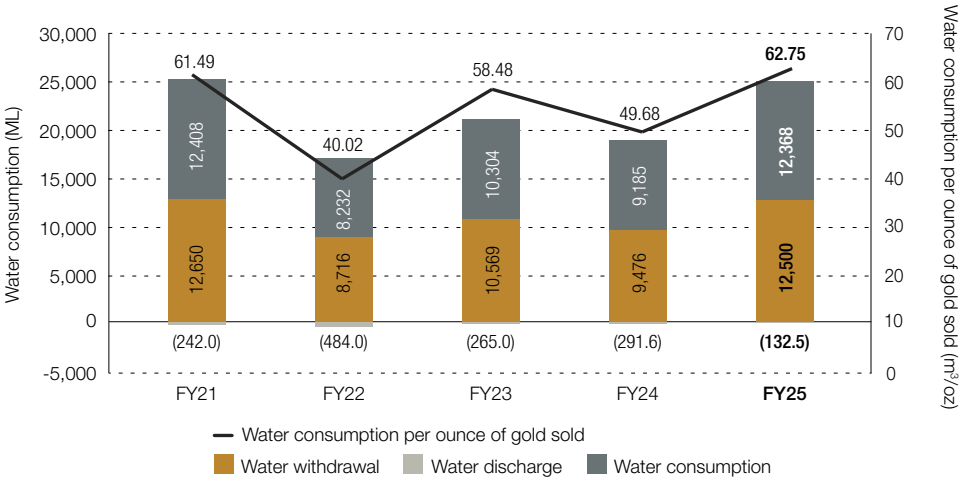
Water is a critical resource for Pan African's operations and a central pillar of our climate adaptation strategy. As a mining company operating in water-stressed regions of South Africa and Australia, we recognise that climate change is intensifying water-related risks through increased droughts, extreme rainfall events and declining water quality. Our approach to water management is therefore designed to ensure operational continuity, reduce environmental impact and enhance resilience to climate variability.

The Group's operations draw water from various sources, such as underground and surface water resources, including third-party or municipal water. Water is withdrawn during dewatering and mining processes for our underground operations. Dewatering is necessary for the continuation of safe mining practices. However, because it is water-intensive, poor management could lead to withdrawal associated with a drop in the water table of the withdrawn aquifer. Water from rivers, treatment plants or third-party water is used in processing plants since underground water has high total dissolved solids concentration. Water from rivers is also used for secondary activities within the operation, such as drinking water and general office use.

Water withdrawal, discharge and consumption

Total water consumption comprises the sum of total water withdrawal minus water discharge.

Water consumption at Barberton Mines and Evander Mines decreased by 26.4% and 32.5%, respectively. However, our absolute water consumption for all operational assets increased by 34.7%. This increase was primarily due to the inclusion of MTR's water consumption within our boundary, which made up a significant 47.8% of the Group's water consumption. This inclusion was the main reason for the increase in absolute water consumption. Correlated to the absolute water consumption increase was a 26.8% increase in consumption per ounce of gold sold.



Partnerships

Collaborative water management

Recognising that water is a shared and finite resource, we have partnered with the National Cleaner Production Centre of South Africa to implement the Industrial Water Efficiency (IWE) Project. Following successful due diligence at Evander Mines and Barberton Mines, this initiative will help us:

- reduce water consumption and wastewater generation
- improve effluent quality and water performance
- identify cost-saving opportunities through best-practice adoption.

The IWE Project also supports our broader environmental goals by enhancing our water governance systems and aligning our practices with circular economy principles. A robust collaborative water strategy includes resource accounting, internal alignment on priorities, policy integration, infrastructure development and continuous feedback loops to monitor progress and adapt as needed.

TSF MANAGEMENT

During FY25, we assessed our TSFs against the GISTM and the International Cyanide Management Code. This included implementing measures to reduce risks to as low as reasonably practicable. Based on this assessment, Pan African operates its TSFs in accordance with the GISTM. This commitment is driven by the need to ensure the safety and integrity of our TSFs, protect the environment and prevent catastrophic failures. By adhering to these standards, we demonstrate our dedication to responsible mining practices and the well-being of our host communities. In FY25, we initiated remedial actions for dormant TSFs in the MTR Soweto Cluster to address stormwater damage and protect surrounding communities.

A TIMELINE FOR THE MANAGEMENT OF PAN AFRICAN'S TSFs

Since FY19, prior to the GISTM's recommendations, Pan African engaged in rigorous processes for evaluating the safety, stability and other matters relevant to international best practice of TSF management.

TSFs TIMELINE

Post the GISTM launch

AUGUST 2020

- The launch of the GISTM

FY23

Over two years, after the launch of the GISTM, we:

- conducted internal audits and studies to evaluate the status of our TSFs against the GISTM recommendations, a crucial step before conducting formal audits
- appointed an ITRB to conduct formal audits and comply with GISTM principles 2, 4, 5, 6, 7, 8, 10 and 15
- proactively engaged operational teams at Barberton Mines and Evander Mines through site visits, including formal engagement with contractors, resulting in detailed risk reports crucial to our ongoing efforts in managing TSFs
- received initial reports and final recommendations from the independent assessments.

FY24

- We appointed an accountable executive, who is responsible for overseeing the entire tailings management process, a responsible tailings facilities engineer, who is in charge of the technical aspects of the TSFs, and Geotheta as the Engineer of Record (EoR), who is responsible for independently certifying the design and construction of the TSFs
- **Existing TSFs:** The existing TSFs, including Bramber extension, Camelot, Segalla, Elikhulu and Winkelhaak, constructed before the GISTM, were assessed against the GISTM using internal audits and studies, with the following findings:
  - Certain TSFs were classified as high-impact TSFs due to their proximity to host communities and watercourses
  - The existing TSFs were non-compliant with the requirements of principle 4. Accordingly, several TSFs would require buttressing to eliminate the risk of a dam breach
  - Geotheta completed an ALARP assessment to understand the contextual expectations of applying principle 4.7. As a result, the level of risk related to existing TSF failures was deemed acceptable, as assessed by the accountable executive for tailings, the EoR and the responsible tailings facilities engineer
  - Adaptive management measures were applied, including raising all TSFs from the minimum freeboard to the legal freeboard plus an additional 20% due to recent rain patterns
- **Dormant TSFs in the Soweto Cluster:** Stakeholders' concerns raised include illegal encroachment and proximity to communities:
  - Stability studies conducted by the EoR demonstrated no imminent danger to surrounding communities
- Remedial rehabilitation action plans were initiated to address, among other things, stormwater damage and residue flows into water bodies. These plans include immediate actions to prevent further damage, as well as long-term strategies to restore the affected areas and prevent future incidents
- Planned actions for the Soweto Cluster rehabilitation include:
  - collaboration with advocacy groups and conservation NGOs
  - community education and partnerships to prevent encroachment and social activities on TSFs
  - cleaning and reinstating the original solution trench
  - construction of a berm to deflect stormwater into the trench
  - reconstruction of paddock walls
- Reported non-compliance with principle 15 and partial compliance with principles 1 and 8 of the GISTM.

FY25

- Publicly disclosed and provided access to information about the tailings facilities to support public accountability in line with principle 15
- Published, on our website, a Group tailings policy, as recommended by principle 8, espousing policies, systems and accountabilities supporting the safety and integrity of the tailings facilities
- Completed all approval processes and signed emergency preparedness and response plans (EPRPs) for all the TSFs at Barberton Mines and Elikhulu. These integrated plans include:
  - a trigger action response plan, which is a risk management tool to ensure safe monitoring and response to changes or problems related to the TSFs
- Completed all the planned rehabilitation actions for the Soweto Cluster, which were then inspected by the EoR. Continuous site monitoring, including regular visits, is part of our management plan, demonstrating follow-through on our commitments
- Additional remedial work is currently being done after community sewage spills upstream of the TSF flowed into the TSF footprint and caused damage in the areas where local communities excavated tailings from the berms
- Completed an **advanced stability triaxle assessment**, also known as an **advanced stability and liquefaction triggering analysis**, on the Elikhulu TSF complex as part of our ongoing specialised studies:
  - This study is currently the most advanced form of stability analyses for upstream constructed facilities, and the possibility of liquefaction is evaluated through liquefaction trigger analyses, which examine potential triggers and plausible causes of liquefaction
  - The analyses include the use of constitutive material models that numerically simulate both dilative and contractive behaviour, as well as the potential liquefaction response of tailings. This approach integrates non-linear deformation analysis with critical state soil mechanics.

Plans for the future

- Specific training on EPRPs for various stakeholders. The training will be conducted in phases over FY26. The phases will include:
  - Operations: The contracted operators and legal appointees directly involved with the TSFs
  - Internal stakeholders: The various internal departments of the mines, including community liaisons, environmental, internal emergency services, control rooms and mine operations
  - External stakeholders: The South African Police Service, local municipalities, communities and all others listed in the specific EPRPs
  - Drill: A combination of the above.

METHODOLOGIES

METHODOLOGY FOR CALCULATING TOTAL ENERGY CONSUMPTION WITHIN THE ORGANISATION

Energy consumption from diesel and petrol

The following formula is applied to convert stationary and mobile combusted diesel or petrol to **Terajoules** using country-specific net calorific values (NCVs) or the energy content of fuel when combusted.

$$\textit{Fuel Combustion Energy (TJ)} = \textit{fuel } (\ell) \times \frac{NCV \times Density_{fuel}}{1{,}000} \left(\frac{TJ}{\ell}\right)$$

Table 1: Country-specific fuel densities

Country-specific fuel densities			South Africa	Australia
Standard	**Unit**	**Fuel**	**Density**	**Density**
GRI 302 – 1(g)	Density (kg/litre)	Diesel	0.8255	0.8500
		Petrol	0.7405	0.7700

Table 2: Country-specific net calorific values

Country-specific net calorific values			South Africa	Australia
Standard	**Unit**	**Combustion type**	**NCV**	**NCV**
GRI 302 – 1(g)	Net calorific values (TJ/tonne)	Stationary diesel	0.0430	0.0454
		Mobile diesel	0.0430	0.0454
		Stationary petrol	0.0443	0.0444
		Mobile petrol	0.0443	0.0444

Energy consumption from electricity

The following formula is applied to convert stationary and mobile combusted diesel or petrol to **Terajoules** using the power formula (kWh = 3,600kJ).

$$\textit{Electricity Energy (TJ)} = \textit{electricity consumed (kWh)} \times 3{,}600 \textit{ (kJ)} \times \left(\frac{T}{T}\right)$$

The sum of energy from **diesel, petrol** and **electricity** is the **total energy consumption within the organisation** as defined by the GRI[1] 302: Energy (2016) standard.

[1] *Global Reporting Initiative*

Where:
EM = Eskom's emissions
PE = Eskom's produced electricity
OC = Eskom's consumption
IPPs = Independent power producers (IPPs) generation
IP = International purchases

METHODOLOGY FOR CALCULATING TOTAL GHG EMISSIONS PRODUCED WITHIN THE ORGANISATION

Direct (Scope 1) GHG emissions from the consumption of diesel, petrol and explosives

The following formula is applied to convert energy from stationary and mobile combusted diesel or petrol to GHG emissions using **country-specific emissions factors**[2] for carbon dioxide (CO_2), methane (CH_4) and nitrous oxide (N_2O).

$$\textit{Stationary or Mobile GHG Emissions } \left(\frac{tCO_2}{TJ}, \frac{tCH_4}{TJ}, \frac{tN_2O}{TJ}\right) =$$

$$\textit{Stationary or Mobile Fuel Combustion Energy (TJ)} \times \textit{emission factor } \left(\frac{tCO_2}{TJ}, \frac{tCH_4}{TJ}, \frac{tN_2O}{TJ}\right)$$

[2] *Department of Environment, Forestry and Fisheries' **methodological guidelines for quantification of greenhouse gas emissions (2022) and the technical guidelines for monitoring, reporting and verification of greenhouse gas emissions by industry (2017).***

Table 3: Country-specific emissions factors

Country-specific emissions values			South Africa	Australia
Standard	**Unit**	**Combustion type**	**Emission factors**	**Emission factors**
GRI 302 – 1(g)	tCO_2e	Stationary diesel	74.3466	70.2000
		Mobile diesel	82.6611	70.3700
		Stationary petrol	69.5466	67.8000
		Mobile petrol	71.0677	67.6200
		Explosives	0.1700	0.1700

To convert to metric tonnes of carbon dioxide equivalent (CO_2e), resulting in CO_2e values for CH_4 and N_2O, the emissions for CH_4 and N_2O are multiplied by their respective one-hundred-year global warming potential (GWP) as shown below.

Global warming potential (GWP). IPCC 3rd Assessment Report 2001 (Chapter 6, page 388)					
Standard	**Gas**	**Symbol**	**Radiative efficiency**	**Lifetime (year)**	**100 years**
GRI 302 – 1(g)	Methane	CH_4	0.000370	12	23
	Nitrous Oxide	N_2O	0.003100	114	296

The GHG emissions from explosives are calculated using a GHG emission factor of 0.17tCO_2e/tonne product sourced from the Australian government's Department of Climate Change's National Greenhouse Accounts Factors (2024). The South African guidelines do not have emission factors for explosives.

INDIRECT (SCOPE 2) GHG EMISSIONS FROM CONSUMPTION OF FOSSIL FUEL ELECTRICITY

The following formula is applied to convert energy from fossil fuel electricity consumption to **Terajoules** using the following grid emissions factor.

$$\textit{Electricity Emissions } (tCO_2e) = \textit{Electricity Energy (TJ)} \times \textit{Grid Factor } \left(\frac{tCO_2e}{MWh}\right)$$

$$= \textit{Electricity Energy (TJ)} \times GF \left(\frac{tCO_2e}{3.600MJ}\right)$$

$$= \textit{Electricity Energy } (10^3) \left(\frac{tCO_2e}{3.6}\right)$$

Eskom's grid factor or the emission factor at generation (EFG) is estimated using the following formula in accordance with **Appendix A** of the GHG Protocol: Corporate Accounting and Reporting Standard:

$$EFG = \frac{EM}{(PE - OC + IPPs + IP)} = \left(\frac{tCO_2e}{MWh}\right)$$

The South African grid factor for reporting Scope 2 GHG emissions is 0.92417389183tCO_2e/MWh, shown in the table below.

Table 4: EFG calculated in accordance with Appendix A of the GHG Protocol

SA grid emission factor (March 2024)				
Description	**Values**	**Units**	**Sources**	
South Africa – grid	0.901	tCO_2e/MWh	GHG Protocol: Appendix A	EFG factor calculated in accordance with GHG Protocol Appendix A
Eskom emissions	188.771	$ktCO_2e$	Eskom IAR page 120	
Electricity produced by Eskom	184.576	GWh	Eskom IAR page 142	
Eskom's own consumption	5.710	GWh	Eskom IAR page 153	
IPP generation	20.183	GWh	Eskom IAR page 99	
International purchases	10.362	GWh	Eskom IAR page 142	
Eskom sales	183.311	GWh	Eskom IAR page 152	
EFC	1.030	tCO_2e/MWh	GHG Protocol: Appendix A	EFG factor calculated in accordance with GHG Protocol Appendix A

The Australian market-based grid factor for reporting Scope 2 emissions is 0.810tCO_2e/MWh from Table 1 in the Australian National Greenhouse Account Factors 2024.

The sum of Scope 1 and Scope 2 GHG emissions from **diesel, petrol, explosives**, and **electricity** is the **total GHG emissions within the organisation** in accordance with the GRI 305: Emission (2016) standard.

METHODOLOGY FOR CALCULATING GHG AVERTED BY THE ORGANISATION

Averted Scope 2 GHG Emissions refer to the GHG emissions from total indirect energy or energy from renewable and non-renewable electricity minus GHG emissions from indirect energy or energy from non-renewable electricity.

Scope 2 GHG emissions from non-renewable energy are theoretical and comprise averted Scope 2 GHG emissions since these would be GHG emissions based on energy consumption in the absence of renewable energy.

Averted scope 2 GHG emissions ($ktCO_2e$) = Scope 2 GHG emissions (renewable electricity $ktCO_2e$)

The averted GHG emissions computation excludes life cycle emissions associated with renewable electricity generation.

METHODOLOGY FOR CALCULATING ENERGY AND CARBON INTENSITIES OF THE ORGANISATION

- **Energy intensity** adheres to the guidance provided by the GRI 302 disclosure 302 – 3 as delineated below.

$$\frac{\textit{Total energy consumption within the organisation (electricity and fuels)}}{\textit{Gold sold}} = \left(\frac{GJ}{oz}\right)$$

- **GHG emissions intensity** adheres to the guidance provided by the GRI 305 disclosure 305 – 4.

$$\frac{\textit{Total Scope 1 and 2 emissions}}{\textit{Gold sold}} = \left(\frac{tCO_2e}{oz}\right)$$

Metric (SI) prefixes

Table 5: Source: International Recommendation of Energy Statistics

Factor	Name	Symbol
10^{1}	deca	da
10^{2}	hecto	h
10^{3}	kilo	k
10^{6}	mega	M
10^{9}	giga	G
10^{12}	tera	T
10^{15}	peta	P
10^{18}	exa	E
10^{21}	zetta	Z
10^{24}	yotta	Y

Factor	Name	Symbol
10^{-1}	deci	d
10^{-2}	centi	c
10^{-3}	milli	m
10^{-6}	micro	μ
10^{-9}	nano	n
10^{-12}	pico	p
10^{-15}	femto	f
10^{-18}	atto	a
10^{-21}	zepto	z
10^{-24}	yocto	y

SCENARIO ANALYSIS METHODOLOGY

Methodology for creating scenarios involved the following steps:

01.

Scenario background

The TCFD framework was used to understand the robustness of strategies and financial plans under different plausible future states, focusing on climate-related risks, opportunities and their economic impacts.

02.

Assumptions

Key assumptions, carefully considered and validated, were made. These included technological disruptions, automation uptake, gold demand trends, geographical climate uniformity, and increasing investor and insurance requirements related to climate change, ensuring the validity of the scenarios.

03.

Key driving forces (KDFs)

A comprehensive set of uncertainties or KDFs specific to Pan African was meticulously identified through thorough desktop research, interviews and workshops with staff. This ensured the relevance and accuracy of the scenarios. These KDFs were categorised as drivers, pivots and outcomes based on their influence and interconnections.

04.

Systems diagram

A systems diagram, a visual representation of the cause-and-effect relationships among KDFs, was created. This diagram helped identify root causes and prioritise risks by mapping out the complex interactions among the identified KDFs.

05.

Scenario formulation

Two uncertainties – global gold demand and pathways to >2°C global temperature rise – were used as axes to create four distinct scenarios. Each scenario was named and detailed with a storyline to illustrate how KDFs would play out.

Below are the storylines:

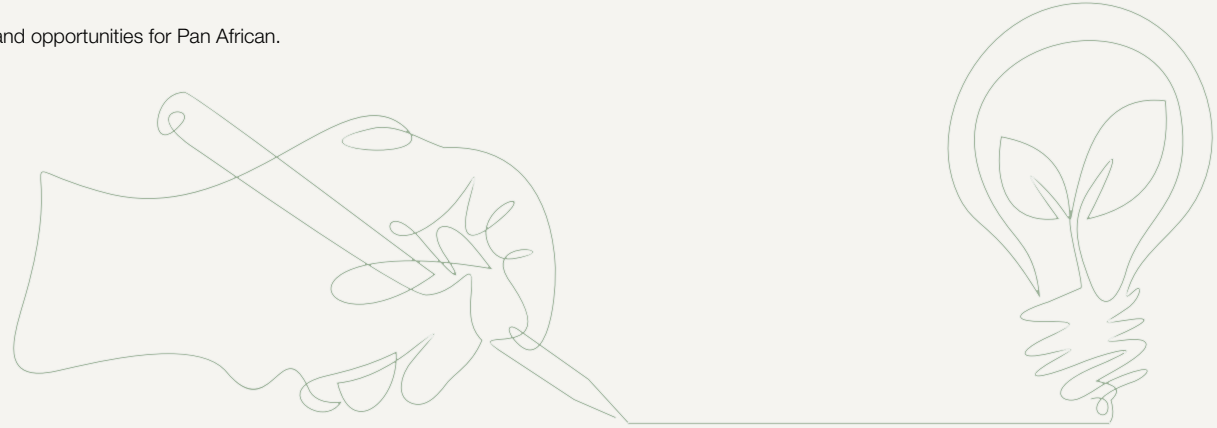
- **Beautiful Day (U2):** A hopeful world where global temperatures stabilise, renewables thrive and economic growth is strong. Collaboration between government and business leads to effective adaptation, while automation and innovation drive prosperity despite persistent social challenges like crime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

06.

Holistic analysis

The scenarios were analysed collectively to understand their distinct impacts on KDFs and provide insights into different possible futures.

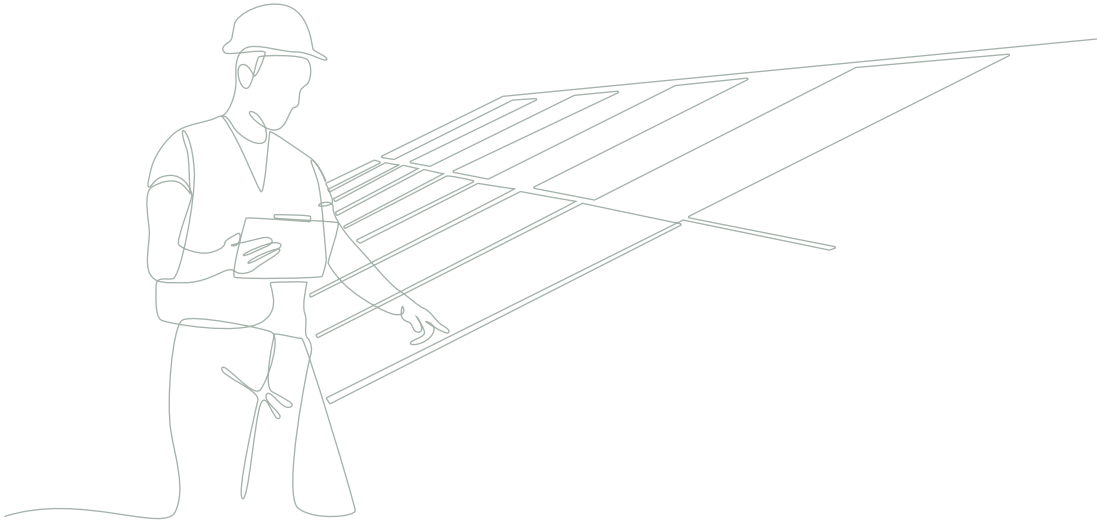
This approach ensured a structured and comprehensive exploration of climate-related risks and opportunities for Pan African.



KEY PERFORMANCE INDICATORS

Sustainability KPIs	Units	Definitions of KPIs
Environmental		
Non-renewable electricity consumption	GWh	**Non-renewable electricity consumption** refers to the organisation's use of electricity or any energy carrier produced from non-renewable or finite resources, including fossil fuels (coal and natural gas) and nuclear.
Renewable electricity consumption	GWh	**Renewable electricity consumption** refers to the organisation's use of electricity or any energy carrier produced from renewable or infinite resources, including solar, wind, water (hydro), biomass and waste.
Diesel consumption – new KPI	ML	**Diesel consumption** refers to the organisation's use of diesel fuel in mobile and stationary applications designed to combust diesel for energy generation.
Energy consumption	TJ	**Energy consumption** refers to the renewable and non-renewable fuels combusted by the organisation's leased or owned equipment, plus electricity purchased from Eskom and self-generated electricity, minus electricity sold to third parties. The energy consumption reported includes fuels (diesel and petrol) and electricity (renewable and non-renewable).
Energy consumption per ounce of gold sold (energy intensity)	GJ/oz	**Energy intensity** expresses the amount of energy used or consumed per unit of product, activity or specific metric an organisation chooses. Energy intensity (GJ/oz) = energy consumption (GJ) ÷ gold sold (oz).
Greenhouse gases (GHG)	$ktCO_2e$	**GHGs** are climate change-forcing emissions released into the atmosphere through natural and anthropogenic activities, mostly the combustion of fossil fuels. Common GHGs include water vapour (non-forcing GHG), carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), chlorofluorocarbons, perfluorocarbons and sulphur hexafluoride (SF_6). The GHG emissions reported are CO_2e or the amount of CO_2 emission that would cause the same integrated radiative forcing over a given time horizon as an emitted amount of a mixture of GHGs, including CO_2, CH_4 and N_2O.
Scope 1 GHG emissions	$ktCO_2e$	**Scope 1 GHG emissions** refer to the Company-owned or leased stationary equipment that combusts fossil fuels (liquid, gaseous or solid) for electricity, steam or heat generation or waste stream materials, including combustion from Company-owned or leased **off-road and on-road mobile (transportation)** sources as well as process and fugitive emissions. The reported Scope 1 GHG emissions include emissions from the combustion of diesel, petrol and explosives.

Sustainability KPIs	Units	Definitions of KPIs
Environmental		
Scope 2 GHG emissions	$ktCO_2e$	**Scope 2 GHG emissions** refer to indirect emissions attributable to purchased electricity, heat or steam. The reported Scope 2 GHG emissions comprise electricity purchased from Eskom, the South African energy utility.
GHG emissions per ounce of gold sold (GHG emissions intensity)	tCO_2/oz	**GHG emissions intensity** expresses the amount of GHG emitted per unit of product sold, activity, or any specific metric an organisation chooses. GHG emissions intensity (tCO_2e/oz) = Scope 1 and 2 GHG emissions (CO_2e) ÷ gold sold (oz).
Averted Scope 2 GHG emissions	$ktCO_2e$	**Averted Scope 2 GHG emissions** refer to the GHG emissions from total indirect energy or energy from renewable and non-renewable electricity minus GHG emissions from indirect energy or energy from non-renewable electricity. Scope 2 GHG emissions from non-renewable energy are theoretical and comprise averted Scope 2 GHG emissions since these would be GHG emissions based on energy consumption in the absence of renewable energy. This computation excludes life cycle emissions associated with renewable electricity generation.
Renewable energy as a percentage of total electricity consumed	%	**Total electricity consumption** includes non-renewable electricity purchased from Eskom plus renewable electricity generated (solar PV). Renewable energy as a percentage of total electricity consumed (%) = Renewable electricity consumption (MWh) ÷ total electricity (non-renewable and renewable) consumption (MWh)



CLIMATE CHANGE REPORTING BOUNDARY

Scope

● Included ● Excluded

Selected sustainability information	Unit of measurement	Barberton Mines	Evander Mines	MTR operation	Tennant Mines	Sudan exploration	Barberton Blue	Pan African Resources corporate office components
Non-renewable electricity consumption	GWh	●	●	●	●	●	●	●
Renewable electricity consumption	GWh	●	●	●	●	●	●	●
Diesel consumption	ML	●	●	●	●	●	●	●
Total energy consumption (direct and indirect energy)	TJ	●	●	●	●	●	●	●
Energy consumed per ounce of gold sold	GJ/oz	●	●	●	●	●	●	●
GHG emissions Scope 1	$ktCO_2e$	●	●	●	●	●	●	●
GHG emissions Scope 2	$ktCO_2e$	●	●	●	●	●	●	●
GHG emissions per ounce of gold sold	tCO_2e/oz	●	●	●	●	●	●	●
GHG emissions averted	$ktCO_2e$	●	●	●	●	●	●	●
Renewable energy as a percentage of total energy consumed	%	●	●	●	●	●	●	●

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

GLOSSARY

%	Parts per hundred/percentage
ºC	Degrees Celsius
A$	Australian dollar
AIM	The London Stock Exchange's international market for smaller growing companies (formerly known as the Alternative Investment Market)
ALARP	As low as reasonably practicable
Barberton Blue	Barberton Blue Proprietary Limited
Barberton Green	Barberton Green Proprietary Limited
Barberton Mines	Barberton Mines Proprietary Limited
BESS	Battery energy storage systems
BEV	Battery electric vehicles
BIOX®	The Biological Oxidation (BIOX®) gold extraction process developed at Barberton Mines. It is an environmentally friendly process of releasing gold from the sulphide that surrounds it by using bacteria
CSI	Corporate social investment
DCCEEW	Department of Climate Change, Energy, the Environment and Water
DFFE	Department of Forestry, Fisheries and the Environment
EFC	Emission factor at consumption
EFG	Emission factor at generation
Elikhulu	Elikhulu Tailings Retreatment Plant
EoR	Engineer of Record
EPRP	Emergency preparedness and response plan
ESG	Environmental, social and governance
Eskom	Electricity Supply Commission, South African electricity supplier
Evander Mines	Evander Gold Mines Limited and Evander Gold Mining Proprietary Limited
FY19	Financial year ended 30 June 2019
FY21	Financial year ended 30 June 2021
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
FY26	Financial year ending 30 June 2026
FY27	Financial year ending 30 June 2027
FY30	Financial year ending 30 June 2030
FY50	Financial year ending 30 June 2050

GF	Grid factor
GHG	Greenhouse gas
GISTM	Global Industry Standard on Tailings Management
GJ	Gigajoule
GRI	Global Reporting Initiative
GWh	Gigawatt hour
GWP	Global warming potential
ha	Hectare
IAR	Integrated annual report
ICMM	International Council on Mining and Metals
IFRS	IFRS® Accounting Standards
IFRS S1	IFRS S1: *General Requirements for Disclosure of Sustainability-related Financial Information*
IFRS S2	IFRS S2: *Climate-related Disclosures*
ITRB	Independent tailings review board
IWE	Industrial Water Efficiency
JET Framework	Just Energy Transition Framework
JSE	JSE Limited incorporating the Johannesburg Securities Exchange, the main bourse in South Africa
KDF	Key driving forces
kg	Kilogramme
KDF	Key driving forces
King IV™	King IV Report on Corporate Governance for South Africa, 2016™
kJ	Kilojoule
kl	Kilolitre
$ktCO_2e$	Kilotonne carbon dioxide equivalent
kWh	Kilowatt hour
ℓ	Litre
m^3	Cubic metre
MJ	Megajoule
ML	Megalitre
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
MWac	Megawatt alternating current
MWh	Megawatt hour
NCV	Net calorific values
NGO	Non-governmental organisation
oz	Ounce

P90	90% probability of energy yield
Pan African	Holding company – Pan African Resources PLC
PPA	Power purchase agreement
PV	Photovoltaic
PwC Inc.	PricewaterhouseCoopers Inc.
R&D	Research and development
RES	Renewable energy solutions
SA	South Africa
SAMREC Code	South African Code for Reporting of Mineral Resources and Mineral Reserves (2016 edition)
SHEQ	Safety, health, environment and quality
SLP	Social and Labour Plan
t	Tonne
TCFD	Task Force on Climate-related Financial Disclosures
tCO_2e	Tonne carbon dioxide equivalent
the Group or the Company or Pan African	Pan African Resources PLC, listed on the London Stock Exchange's AIM and on the JSE in the 'Gold Mining' sector
TJ	Terajoule
Tennant Mines	Tennant Mines consists of Nobles Gold Mine (consisting of stockpiles, open pit and underground mines) and the Warrego copper and gold project in Tennant Creek, Northern Territory, Australia
TNFD	Taskforce on Nature-related Financial Disclosures
TSF	Tailings storage facility
US$	United States dollar
ZAR	South African rand

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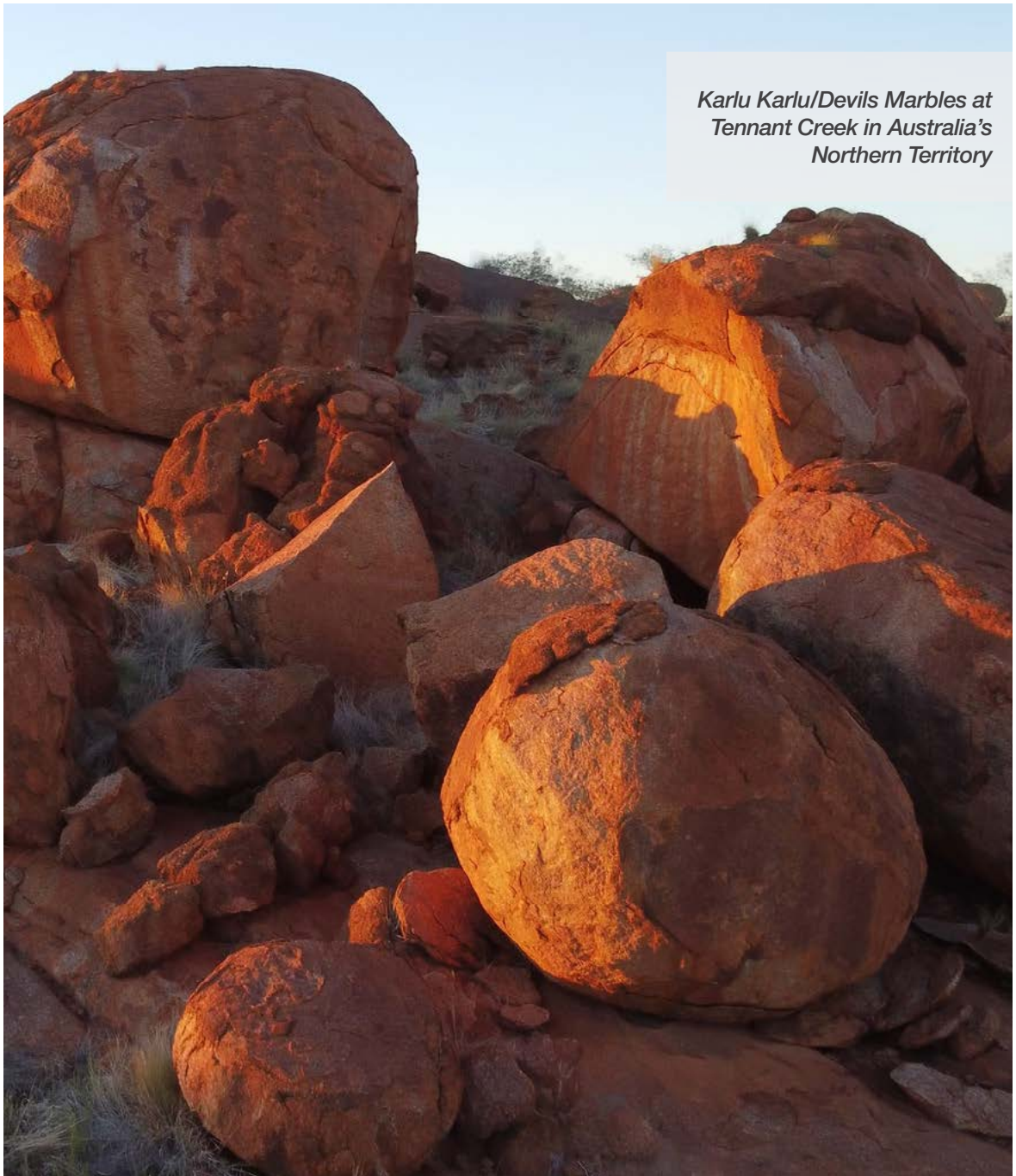

Karlu Karlu/Devils Marbles at Tennant Creek in Australia's Northern Territory

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