19 February 2014

Pan African Resources PLC

('Pan African Resources' or the 'Company' or the 'Group')(Incorporated and registered on 25 February 2000 in England and Wales under the Companies Act 1985, registration number 3937466)
Share code on AIM: PAF / Share code on JSE: PAN
ISIN: GB0004300496

Interim unaudited results for the six months ended 31 December 2013

Highlights and key features

Group highlights reported in South African rand ('ZAR') and pound sterling ('GBP')

- The Group's gold sold increased by 123.0% to 100,172oz (2012: 44,926oz).
- Gold resource inventory [1] increased by 494.9% to 35.1Moz (2012: 5.9Moz).
- Gold reserve inventory [1] increased by 666.7% to 9.2Moz (2012: 1.2Moz).
- A dividend of ZAR0.1314 or (0.80p) per share (2012: Nil) or ZAR240.3 million (GBP14.7 million) was paid during December 2013.

	For the six months ended 31 December 2013		For the six months ended 31 December 2012		Movement	
Revenue (ZAR millions/GBP millions)	1,349.1	84.6	668.1	49.5	101.9%	70.9%
All-in costs (ZAR/kg - USD/oz)	337,673	1,044	344,826	1,266	(2.1%)	(17.5%)
Cash costs (ZAR/kg - USD/oz)	269,670	834	233,021	856	15.7%	(2.6%)
EBITDA[2] (ZAR millions/GBP millions)	450.8	28.3	259.3	19.2	73.9%	47.4%
Attributable earnings (ZAR millions/GBP millions)	275.9	17.3	166.6	12.4	65.6%	39.5%
EPS (cents/pence)	15.11	0.95	11.50	0.85	31.4%	11.8%
HEPS (cents/pence)	15.11	0.95	11.50	0.85	31.4%	11.8%
Group capital expenditure (ZAR millions/GBP millions)	160.8	10.1	122.7	9.1	31.1%	11.0%
Net asset value per share (cents/pence)	142.5	9.4	91.9	6.6	55.1%	42.4%
Weighted average number of shares in issue (millions)	1,825.6	1,825.6	1,449.4	1,449.4	26.0%	26.0%

Gold mining operations - Barberton Mines Pty Ltd ('Barberton Mines')

Combined Barberton Mines Operations

- Gold sold increased by 26.9% to 57,008oz (2012: 44,926oz).
- Revenue increased by 17.8% to ZAR755.5 million (2012: ZAR641.2 million).
- EBITDA increased by 12.7% to ZAR316.7 million (2012: ZAR281.0 million).
- All-in cost per kilogram decreased by 14.4% to ZAR295,134/kg (2012: ZAR344,826/kg).
- Cash cost per kilogram decreased by 0.2% to ZAR232,611/kg(2012: ZAR233,021/kg).
- Sustained an underground head grade of 11.5g/t (2012: 11.3g/t).
- The operation regretfully reports two fatalities.

Barberton Mines (Underground and surface mining operations)

- Gold sold increased by 1.1% to 45,405oz (2012: 44,926oz).
- Revenue decreased by 6.2% to ZAR601.6 million (2012: ZAR641.2 million).
- EBITDA decreased by 17.6% to ZAR231.6 million (2012: ZAR281.0 million).
- All-in cost per kilogram decreased by 10.8% to ZAR307,604/kg (2012: ZAR344,826/kg).
- Cash cost per kilogram increased by 9.2% to ZAR254,506/kg (2012: ZAR233,021/kg).

Barberton Tailings Retreatment Plant ('BTRP') (Tailings operation)

- Fully commissioned on 1 July 2013 for accounting purposes.
- Undertook its inaugural gold pour on 28 June 2013.
- Gold sold contribution of 11,603oz (2012: Nil).
- Revenue generated of ZAR153.9 million (2012: nil).
- EBITDA generated of ZAR85.1 million (2012: nil).
- All-in cost per kilogram achieved of ZAR246,333/kg (2012: nil).
- Cash cost per kilogram achieved of ZAR146,928/kg (2012: nil).
- Total capital expenditure to date of ZAR308.7 million, funded internally from cash generated by Barberton Mines[3].

Gold mining operations – Evander Gold Mining Pty Ltd ('Evander Mines')

- Gold sold decreased by 5.3% to 43,164oz (2012: 45,590oz[4]).
- Revenue decreased by 13.2% to ZAR565.6 million (2012: ZAR651.7 million[4]).
- All-in cost per kilogram achieved increased by 5.2% to ZAR393,854 (2012: ZAR374,265/kg[4].)
- Cash costs per kilogram achieved increased by 8.3% to ZAR318,616/kg (2012: ZAR294,172/kg[4]).
- EBITDA generated of ZAR123.1 million (2012: ZAR246.4 million)
- Achieved an underground head grade of 6.2g/t (2012: 6.6g/t[4]).

Platinum tailings operations - Phoenix Platinum Mining Pty Ltd ('Phoenix Platinum')

- PGE 6E[5] production decreased by 4.8% to 2,987oz (2012: 3,136oz).
- Revenue increased by 4.1% to ZAR28.0 million (2012: ZAR26.9 million).
- The average PGE 6E net revenue price received increased by 9.3% to ZAR9,380/oz (2012: ZAR8,579/oz)[6].
- Cost per ton increased by 28.9% to ZAR214/t (2012: ZAR166/t).
- Cost per ounce of production increased by 15.7% to ZAR8,484/oz (2012: ZAR7,334/oz).
- EBITDA decreased by 10.5% to ZAR1.7 million (2012: ZAR1.9 million).

Ron Holding, CEO of Pan African Resources commented: "We are pleased with the Group's operating and financial performance over the last six months. The results affirm our commitment to sustainable delivery. Evander Mines has been fully integrated into the Group and is performing as anticipated. In addition, the BTRP has been commissioned, and is delivering ounces at an exceptional margin. Despite cost pressures and lower gold prices received, we have improved profitability and cash flows."

Notes:

1. *Reserve and resource inventory included Explorator Limitada ('Manica') in the prior year.*
2. *EBITDA is represented by earnings before interest, taxation, depreciation and amortisation.*
3. *BTRP capital expenditure relates directly to plant and tailings storage facility construction, and excludes the purchase of additional Harper tailings and the associated land purchased in the prior years of ZAR12.1 million.*
4. *Evander Mines prior year production results were obtained from Harmony Gold Mining Company Ltd ('Harmony'), for comparative purposes only. The prior year Evander Mines cost per kilogram figures were recalculated based on historical financial records to allow for consistent reporting with the group's current gold operations. Therefore the values may vary from Harmony previously announced values. The Group only began consolidating the Evander Mines results from 1 March 2013 for accounting purposes.*
5. *PGE 6E's are platinum, palladium, rhodium, gold, ruthenium and iridium.*
6. *Phoenix Platinum average PGE 6E net revenue price received represents the value received per ounce following refining.*

Nature of business

Pan African is an African-focused precious metals producer, currently producing in excess of 200,000oz of gold and platinum per annum. The Company's strategy of investing in long life, high grade operations with attractive margins and low cash cost profiles has the primary objective of ensuring continued growth in shareholder value. Any investment project, such as the Evander Mines acquisition, must be either near or at the production stage, which enables the Company to maintain and improve its resource base and its profit margins. Pan African has a strong statement of financial position that enables the Group to fund all on-mine capital expenditure from internally-generated funds, whilst also generating a cash return for shareholders in the form of annual dividends.

Financial Performance

Key external drivers of the Group's results:

Exchange rates and their impact on results

All of the Group's subsidiaries are incorporated in South Africa and their functional currency is ZAR. The Group's books of prime entry are maintained in ZAR and, with the exception of product sales, which are conducted in US dollars ('USD') prior to conversion into ZAR, business is primarily conducted in ZAR. The ongoing review of the results of operations conducted by executive management and by the board of directors is also performed in ZAR.

The Group's presentation currency is GBP, due to its holding Company, Pan African Resources PLC, being incorporated in England and Wales and dual-listed in the United Kingdom and South Africa.

In the current financial period, the average ZAR/GBP exchange rate was ZAR15.94:1 (2012: ZAR13.49:1), and the closing ZAR/GBP exchange rate was ZAR17.29:1 (2012: ZAR13.69:1). The period-on-period change in the average and closing exchange rates (a weakening of the ZAR against the GBP of 18.2% and 26.3% respectively) must be taken into account for the purposes of translating and comparing period-on-period results.

The Group converts and records its revenue from precious metals sales in ZAR, and the deterioration in the value of the ZAR/USD exchange rate during the financial year had a compensating effect on the weaker USD metals price revenue. The average ZAR/USD exchange rate was 18.8% weaker at ZAR10.06:1 (2012: ZAR8.47:1).

The commentary below analyses the current and prior year's results. Key aspects of the Group's ZAR results appear in the body of this commentary and have been used as the basis against which its financial performance is measured. The gross GBP equivalent figures can be calculated by applying the exchange rates as detailed above.

Commodity prices

During the period under review, lower gold prices were received for gold sales, when compared to the comparable period prices. Gold prices retreated considerably during the last quarter of the previous financial year ended 30 June 2013, which also impacted the average USD gold price received in the current financial reporting period. The Group realised an average gold price of USD1,311/oz, a decrease of 22.2% from the USD1,685/oz achieved in the comparable period.

The average ZAR gold price received by the Group decreased by 7.6% to ZAR424,022/kg (2012: ZAR458,898/kg) with the decline in USD prices partly compensated for by the weakening in the ZAR against the USD.

The PGM 6E basket market price (taking into account the prill split) during the six months ended 31 December 2013 decreased by 7.7% to USD1,122/oz (2012: USD1,215/oz). Phoenix Platinum achieved an average PGM 6E net revenue price of USD932/oz (2012: USD1,013/oz), after taking into account the terms of its off-take agreement with Western Platinum Limited.

The average ZAR PGE 6E net revenue price received by the Group increased by 9.3% to ZAR9,380/oz (2012: ZAR8,579/oz). The price was assisted by the weakening of ZAR against the USD.

Statement of Comprehensive Income

	Six month ended 31 December 2013		Six months ended 31 December 2012		Movement	
	ZAR (millions)	GBP (millions)	ZAR (millions)	GBP (millions)	ZAR	GBP
Revenue	1,349.1	84.6	668.1	49.5	101.9%	70.9%
Cost of production	(862.5)	(54.1)	(347.4)	(25.8)	148.3%	109.7%
Mining profit	402.5	25.2	292.1	21.7	37.8%	16.1%
EBITDA	450.8	28.3	259.3	19.2	73.9%	47.4%
Profit after taxation	275.9	17.3	166.6	12.4	65.6%	39.5%
EPS (cents/pence)	15.11	0.95	11.50	0.85	31.4%	11.8%
HEPS (cents/pence)	15.11	0.95	11.50	0.85	31.4%	11.8%

Group revenue increased by 101.9% to ZAR1,349.1 million (2012: ZAR668.1 million). Evander Mines contributed ZAR565.6 million, Phoenix Platinum contributed ZAR1.1 million and Barberton Mines contributed ZAR114.3 million, which resulted in a ZAR681.0 million increase in revenue from the three operations. Barberton Mines recorded an increase in revenue primarily due to an increase in gold ounces sold from the newly commissioned BTRP. The Group realised an average gold price received of ZAR424,022/kg (2012: ZAR458,898/kg) and an average net revenue price received for PGE 6E of ZAR9,380/oz (2012: ZAR8,579/oz).

The Group's total cost of production increased 148.3% to ZAR862.5 million (2012: ZAR347.4 million). Evander Mines contributed ZAR426.8 million, and Phoenix Platinum ZAR2.3 million to the increase. Barberton Mines' costs increased by ZAR86.0 million as a result of inflationary increases to mining costs as well as the incorporation of BTRP costs of production.

The table below reflects the consolidated Group's overall gold operations costs per kilogram.

World gold council cost analysis:	Units	Six months ended 31 December 2013	Six months ended 31 December 2012	Movement
Cash cost	(ZAR/kg)	269,670	233,021	15.7%
All-in sustaining cash costs	(ZAR/kg)	312,219	285,327	9.4%
All-in costs	(ZAR/kg)	337,673	344,826	(2.1%)

The Group's cost of production per kilogram increased by 15.7% to ZAR269,670/kg (2012: ZAR233,021/kg). Evander Mines' cost of production averaged ZAR318,616/kg (2012: ZAR294,172/kg), compared to Barberton Mines' overall average cost of production of ZAR232,611/kg (2012: ZAR233,021/kg). The main contributing factor to the increased cost of production was the incorporation of Evander Mines' higher average cost of production as result of their current low-grade mining cycle.

The Group's all-in sustaining cash cost of production [1] per kilogram (including direct cost of production, royalties, associated corporate costs and overheads and sustainable capital expenditure) increased by 9.4% to ZAR312,219/kg (2012: ZAR285,327/kg), largely impacted by marginal increases in on-mine maintenance and development capital expenditure, a decrease in royalty charges as result of lower gold price received and decreases in corporate overheads as a result of profits received on closure of a zero cost collar on the gold price.

The Group's all-in cost per kilogram (sustaining cost of production plus once-off expansion capital) decreased by 2.1% to reflect ZAR337,673/kg (2012: ZAR344,826/kg), primarily due to completion of the BTRP construction which resulted in lower expansion capital spent in the current period. The all-in cost per kilogram reflects the Group's current overall available gold mining and cashflow margins comparable to the average gold price received of ZAR424,022/kg (2012: ZAR458,898/kg).

The Group's EBITDA increased by 73.9% to ZAR450.8 million (2012: ZAR259.3 million), mainly due to the inclusion of Evander Mines results (ZAR123.1 million) as well as the newly constructed BTRP (ZAR85.1 million).

Pan African Resources achieved an increase of 65.6% in profit after tax to ZAR275.9 million (2012: ZAR166.6 million), due to inter alia, the following reasons:
- The incorporation of Evander Mines results;
- The increase in Barberton Mines earnings as a result of the recently constructed BTRP.

The Group's EPS and HEPS in ZAR amounted to 15.11 cents (2012: 11.50 cents), an increase of 31.4% from the comparable period. The rights issue during January 2013 to partly fund the Evander Mines acquisition increased the weighted average number of shares in issue by 26.0% to 1,825.6 million shares (2012: 1,449.4 million).

Notes:
1: Cost of production as defined by the World Gold Council.

Statement of Financial Position

	31 December 2013		30 June 2013		Movement	
	ZAR (millions)	GBP (millions)	ZAR (millions)	GBP (millions)	ZAR	GBP
Non-current assets	3,817.9	224.3	3,726.2	249.3	2.5%	(10.0%)
Current assets[1]	329.1	19.0	401.5	26.7	(18.0%)	(28.8%)
Total equity	2,608.5	154.3	2,568.8	172.2	1.5%	(10.4%)
Non-current liabilities	1,269.7	73.4	1,200.9	80.0	5.7%	(8.2%)
Current liabilities	272.0	15.7	361.2	24.1	(24.7%)	(34.9%)

Notes:
1. Current assets at 31 December 2013 exclude non-current assets held for sale of ZAR3.2 million (GBP0.2 million),relating to Barberton Mines Segalla Plant.

Non-current assets increased by 2.5% to ZAR3,817.9 million mainly as a result of capital expenditure incurred of ZAR160.8 million less depreciation of ZAR81.4 million at the mining operations. The investment in associate decreased by ZAR1.5 million due to consolidated Auroch Minerals NL ('Auroch') share of exploration expenditure incurred. The rehabilitation trust fund amount is invested in interest-bearing short-term investments or medium-term equity linked notes issued by commercial banks which increased to ZAR270.9 million during the current period (30 June 2013: ZAR254.8 million).

Group capital expenditure incurred amounted to ZAR160.8 million (2012: ZAR122.7 million) as detailed per operation below:

	Six month ended 31 December 2013		Six months ended 31 December 2012		Movement	
	ZAR (millions)	**GBP (millions)**	ZAR (millions)	GBP (millions)	ZAR	GBP
Barberton Mines	84.5	5.3	121.6	9.0	(30.5%)	(41.1%)
Evander Mines[1]	74.8	4.7	-	-	-	-
Phoenix Platinum	0.2	-	1.0	0.1	(80.0%)	(100.0%)
Corporate	1.3	0.1	0.1	-	1200.0%	100.0%
Total capital expenditure	**160.8**	**10.1**	**122.7**	**9.1**	**31.1%**	**11.0%**

Notes:
1. Evander Mines capital expenditure incurred was consolidated from 1 March 2013, therefore the comparable period capital expenditure was attributable to Harmony.

Current assets decreased by 18.0% to ZAR329.1 million, as a result of decreases in accounts receivable and taxation receivable balance. The accounts receivable reduced due to receiving funds for gold shipments from the refinery sooner than in comparison to the year ended 30 June 2013. The Group's debtor days decreased to 16 days (30 June 2013: 30 days), due to lower debtor balances in comparison to the year ended 30 June 2013.

Contributing to the increase in the Group's equity is the current period's retained income, as a result of profit after tax of ZAR275.9 million less dividends paid of R240.3 million.

Non-current liabilities increased by 5.7% to ZAR1,269.7 million, due to an increase in the Revolving Credit Facility ('RCF') debt. At 31 December 2013, an amount of ZAR200.9 million (30 June 2013: ZAR165.2 million) of this RCF debt remains outstanding and is included in non-current and current liabilities.

Current liabilities decreased by 24.7% to ZAR272.0 million. The majority of the decrease related to the settlement of current payables during the final phase of the BTRP construction. The decrease in the accounts payable resulted in the creditor days decreasing to 53 days (30 June 2013: 59 days).

Statement of Cash Flow

The Group's cash and cash equivalents remained relatively consistent at ZAR73.5 million (30 June 2013: ZAR71.6 million) despite finalising the construction of the BTRP, and a payment of the dividend of ZAR240.3 million in December 2013. The Group was able to generate sufficient cashflows from operations even though the ZAR gold price decreased by 7.6% to ZAR424,022/kg (2012: ZAR458,898/kg) to fund on-mine capital expenditure of ZAR160.8 million.

The Group remains cash generative with a net debt position of ZAR127.4 million (30 June 2013: ZAR93.6 million). The cash generated by the operations is a reflection of our relatively low-cost operations and available profit margins.

Review of Group gold operations production summary

	Six months ended 31 December	Units	Underground and surface mining operations			Tailings operations	Total continuing operations
			Barberton Mines	Evander Mines	Total	BTRP	
Tons milled – underground	2013	*(t)*	134,381	200,272	334,653	-	334,653
	2012	*(t)*	135,243	-	135,243	-	135,243
Tons milled – surface	2013	*(t)*	15,208	111,225	126,433	-	126,433
	2012	*(t)*	20,863	-	20,863	-	20,863
Tons milled - total underground and surface	2013	*(t)*	149,589	311,497	461,086	-	461,086
	2012	*(t)*	156,106	-	156,106	-	156,106
Tons processed - tailings	2013	*(t)*	-	-	-	343,137	343,137
	2012	*(t)*	-	-	-	-	-
Headgrade - underground	2013	*(g/t)*	11.5	6.2	8.3	-	8.3
	2012	*(g/t)*	11.3	-	11.3	-	11.3
Headgrade - surface	2013	*(g/t)*	1.2	1.3	1.3	-	1.3
	2012	*(g/t)*	1.7	-	1.7	-	1.7
Headgrade - total underground and surface	2013	*(g/t)*	10.4	4.5	6.4	-	6.4
	2012	*(g/t)*	9.9	-	9.9	-	9.9
Headgrade - tailings	2013	*(g/t)*	-	-	-	1.7	1.7
	2012	*(g/t)*	-	-	-	-	-
Recovered grade	2013	*(g/t)*	9.4	4.3	6.0	1.1	3.9
	2012	*(g/t)*	9.0	-	9.0	-	9.0
Overall recovery	2013	*(%)*	91%	97%	93%	60%	88%
	2012	*(%)*	90%	-	-	-	90%
Gold production - underground	2013	*(oz)*	41,849	38,710	80,559	-	80,559
	2012	*(oz)*	42,808	-	42,808	-	42,808
Gold production - surface	2013	*(oz)*	390	3,955	4,345	-	4,345
	2012	*(oz)*	783	-	783	-	783
Gold production - tailings	2013	*(oz)*	-	-	-	11,603	11,603
	2012	*(oz)*	-	-	-	-	-
Gold sold	2013	*(oz)*	45,405	43,164	88,569	11,603	100,172
	2012	*(oz)*	44,926	-	44,926	-	44,926
Average ZAR gold price received	2013	*(ZAR/KG)*	426,101	421,273	423,748	426,101	424,022
	2012	*(ZAR/KG)*	458,898	-	458,898	-	458,898
Average USD gold price received	2013	*(USD/oz)*	1,317	1,302	1,310	1,317	1,311
	2012	*(USD/oz)*	1,685	-	1,685	-	1,685
ZAR cash cost	2013	*(ZAR/KG)*	254,506	318,616	285,750	146,928	269,670
	2012	*(ZAR/KG)*	233,021	-	233,021	-	233,021
ZAR all-in sustaining cash costs	2013	*(ZAR/KG)*	300,854	368,604	333,872	146,928	312,219
	2012	*(ZAR/KG)*	285,327	-	285,327	-	285,327
ZAR all-in cost	2013	*(ZAR/KG)*	307,604	393,854	349,638	246,333	337,673
	2012	*(ZAR/KG)*	344,826	-	344,826	-	344,826
USD cash cost	2013	*(USD/oz)*	787	985	883	454	834
	2012	*(USD/oz)*	856	-	856	-	856
USD all-in sustaining cash cost	2013	*(USD/oz)*	930	1,140	1,032	454	965
	2012	*(USD/oz)*	1,048	-	1,048	-	1,048
USD all-in cost	2013	*(USD/oz)*	951	1,218	1,081	762	1,044
	2012	*(USD/oz)*	1,266	-	1,266	-	1,266
ZAR cash cost per ton	2013	*(ZAR/t)*	2,403	1,373	1,707	155	1,045
	2012	*(ZAR/t)*	2,086	-	2,086	-	2,086
Capital expenditure	2013	*(ZAR million)*	48.6	74.8	123.4	35.9	159.3
	2012	*(ZAR million)*	121.6	-	121.6	-	121.6
Average exchange rate	2013	*(ZAR/USD)*	10.06	10.06	10.06	10.06	10.06
	2012	*(ZAR/USD)*	8.47	8.47	8.47	8.47	8.47

Review of Barberton Mines

Safety

This past six months was not without disappointments and challenges from a safety perspective. Although safety is the top priority at Pan African Resources, it is with deep regret that we report two fatal accidents suffered at Barberton Mines.

- On 8 July 2013, Elias Mabaso passed away after a fall of ground incident at Barberton's Sheba Mine.
- On 30 July 2013, Judas Ben Bendani passed away after a fall of ground incident at Barberton's Fairview Mine.

Subsequent to these accidents, employees were counselled and engaged as to possible causes and remedial actions to prevent similar accidents happening in the future.

Barberton Mines' total recordable injury frequency rate ('TRIFR') increased to 15.59 (2012: 13.81) per 1,000,000 man hours worked, and the lost time injury frequency rate ('LTIFR') improved to 1.56 (2012: 2.16) per 1,000,000 man hours worked. Due to two fatalities at the operations during July 2013, the reportable injury frequency rate ('RIFR') has shown a regression to 0.94 (2012: 0.62) per 1,000,000 man hours worked.

Production summary

	Six months ended 31 December	Units	Underground and surface mining operations	Tailings operations	Total Barberton Mines (Including BTRP)
			Barberton Mines	BTRP	
Tons milled - underground	2013	*(t)*	134,381	-	134,381
	2012	*(t)*	135,243	-	135,243
Tons milled - surface	2013	*(t)*	15,208	-	15,208
	2012	*(t)*	20,863	-	20,863
Tons milled - total underground and surface	2013	*(t)*	149,589	-	149,589
	2012	*(t)*	156,106	-	156,106
Tons processed - tailings	2013	*(t)*	-	343,137	343,137
	2012	*(t)*	-	-	-
Headgrade - underground	2013	*(g/t)*	11.5	-	11.5
	2012	*(g/t)*	11.3	-	11.3
Headgrade - surface	2013	*(g/t)*	1.2	-	1.2
	2012	*(g/t)*	1.7	-	1.7
Headgrade - total underground and surface	2013	*(g/t)*	10.4	-	10.4
	2012	*(g/t)*	9.9	-	9.9
Headgrade - tailings	2013	*(g/t)*	-	1.7	1.7
	2012	*(g/t)*	-	-	-
Recovered grade	2013	*(g/t)*	9.4	1.1	3.6
	2012	*(g/t)*	9.0	-	9.0
Overall recovery	2013	*(%)*	91%	60%	82%
	2012	*(%)*	90%	-	90%
Gold production - underground	2013	*(oz)*	41,849	-	41,849
	2012	*(oz)*	42,808	-	42,808
Gold production - surface	2013	*(oz)*	390	-	390
	2012	*(oz)*	783	-	783
Gold production - tailings	2013	*(oz)*	-	11,603	11,603
	2012	*(oz)*	-	-	-
Gold sold	2013	*(oz)*	45,405	11,603	57,008
	2012	*(oz)*	44,926	-	44,926
Average ZAR gold price received	2013	*(ZAR/KG)*	426,101	426,101	426,101
	2012	*(ZAR/KG)*	458,898	-	458,898
Average USD gold price received	2013	*(USD/oz)*	1,317	1,317	1,317
	2012	*(USD/oz)*	1,685	-	1,685
ZAR cash cost	2013	*(ZAR/KG)*	254,506	146,928	232,611
	2012	*(ZAR/KG)*	233,021	-	233,021
ZAR all-in sustaining cash costs	2013	*(ZAR/KG)*	300,854	146,928	269,526
	2012	*(ZAR/KG)*	285,327	-	285,327
ZAR all-in cost	2013	*(ZAR/KG)*	307,604	246,333	295,134
	2012	*(ZAR/KG)*	344,826	-	344,826
USD cash cost	2013	*(USD/oz)*	787	454	719
	2012	*(USD/oz)*	856	-	856
USD all-in sustaining cash cost	2013	*(USD/oz)*	930	454	833
	2012	*(USD/oz)*	1,048	-	1,048
USD all-in cost	2013	*(USD/oz)*	951	762	912
	2012	*(USD/oz)*	1,266	-	1,266
ZAR cash cost per ton	2013	*(ZAR/t)*	2,403	155	837
	2012	*(ZAR/t)*	2,086	-	2,086
Capital expenditure	2013	*(ZAR million)*	48.6	35.9	84.5
	2012	*(ZAR million)*	121.6	-	121.6
Exchange rate - average	2013	*(ZAR/USD)*	10.06	10.06	10.06
	2012	*(ZAR/USD)*	8.47	8.47	8.47

Operating performance

Barberton Mines (including BTRP) gold sold increased 26.9% to 57,008oz (2012: 44,926oz).

The total combined USD cash costs per ounce decreased by 16.0% to USD719/oz (2012: USD856/oz). In ZAR per kilogram terms, total cash costs decreased by 0.2% to ZAR232,611/kg (2012: ZAR233,021/kg).

The total cost of production increased by 26.5% to ZAR410.4 million (2012: ZAR324.4 million). The main cost contributors were a period-on-period increase on salary and wages of 19% to ZAR182.9 million (2012: ZAR153.7 million). The increase was driven by additional employees for the management of the BTRP and the introduction of a medical aid scheme for category workers 4 to 8 to which the company contributes 60% towards each member's premium. Mining cost increased by 1% to ZAR51.5 million (2012: ZAR51.0 million). Processing costs increased by 164.1% to ZAR75.0 million (2012: ZAR28.4 million), due to the additional reagents required by the BTRP. Engineering and technical services costs increased by 15.4% to ZAR29.2 million (2012: ZAR25.3 million). The majority of this increase was for additional secondary support installations required at Fairview mine. Electricity costs increased by 12.5%, which were higher than the average 8% increase in Eskom tariffs due to the additional electricity usage at the BTRP. Barberton Mines security costs only increased by 1.5% to ZAR13.3 million (2012: ZAR13.1 million). The mines administration and other costs increased in line with CPI by 5.5% to ZAR15.4 million (2012: ZAR14.6 million).

Barberton Mines' combined all-in cash cost decreased by 14.4% to ZAR295,134/kg (2012: ZAR344,826/kg). This decrease was mainly as a result of once-off non-sustainable capital invested in building the BTRP which ended during July 2013.

Mining operations

Barberton Mines (excluding BTRP) gold sold increased marginally to 45,405oz (2012: 44,926oz). Mining operations tons milled decreased by 4.2% to 149,589t (2012: 156,106t). The decrease in tons milled was mostly due to a decrease of 5,655t in surface stockpiles processed.

The underground head grade remained relatively constant at 11.5g/t (2012: 11.3g/t), supported by improved recoveries of 92% during the biox processing (2012: 90%).

The total underground and surface USD cash costs per ounce decreased by 8.1% to USD787/oz (2012: USD856/oz). The ZAR per kilogram terms, total cash costs increased by 9.2% to ZAR254,506/kg (2012: ZAR233,021/kg).

Tailing operations - BTRP

The BTRP construction was completed during June 2013 and commissioned on 1 July 2013 for accounting purposes.

BTRP gold sold was 11,603oz for the period. The plant processed 343,137t of tailings at a headgrade of 1.7g/t and achieved a higher than expected recovery of 60%.

The BTRP USD cash costs per ounce were USD454/oz. In ZAR per kilogram terms, total cash costs were ZAR146,928/kg.

Capital expenditure

Total capital expenditure at Barberton Mines decreased by 30.5% to ZAR84.5 million (2012: ZAR121.6 million). Maintenance capital expenditure of ZAR13.7 million (2012: ZAR18.5 million) and development capital expenditure of ZAR35.0 million (2012: ZAR20.0 million) was incurred. The BTRP capital expenditure for the six months ended totalled ZAR35.8 million (2012: ZAR83.1 million).

	BTRP capital expenditure at 31 December 2013			
	Year ended 30 June 2012	Year ended 30 June 2013	Six months - 31 December 2013	Amount spent on project to date
	ZAR (millions)	ZAR (millions)	ZAR (millions)	ZAR (millions)
Construction and Infrastructure	42.8	185.4	13.8	242.0
Quantity surveying	-	1.9	0.7	2.6
Environmental	0.5	0.5	-	1.0
Tailings storage facility	-	41.8	21.3	63.1
Total	43.3	229.6	35.8	308.7

Review of Evander Mines

Safety

Evander Mines' TRIFR improved to 5.12 (2012: 7.59) per 1,000,000 man hours worked, and the LTIFR increased to 3.62 (2012: 1.72) per 1,000,000 man hours worked. The RIFR has shown a regression to 2.71 (2012: 0.65) per 1,000,000 man hours worked.

Production summary

	Six months ended 31 December	Units	Underground mining and surface Evander Mines	Total Evander Mines
Tons milled - underground	2013	(t)	200,272	200,272
	2012	(t)	208,767	208,767
Tons milled - surface	2013	(t)	111,225	111,225
	2012	(t)	91,788	91,788
Tons milled - total underground and surface	2013	(t)	311,497	311,497
	2012	(t)	300,555	300,555
Tons processed - tailings	2013	(t)	-	-
	2012	(t)	-	-
Headgrade - underground	2013	(g/t)	6.2	6.2
	2012	(g/t)	6.6	6.6
Headgrade - surface	2013	(g/t)	1.3	1.3
	2012	(g/t)	1.1	1.1
Headgrade - total underground and surface	2013	(g/t)	4.5	4.5
	2012	(g/t)	5.0	5.0
Headgrade - tailings	2013	(g/t)	-	-
	2012	(g/t)	-	-
Recovered grade	2013	(g/t)	4.3	4.3
	2012	(g/t)	4.7	4.7
Overall recovery	2013	(%)	97%	97%
	2012	(%)	95%	95%
Gold production - underground	2013	(oz)	38,710	38,710
	2012	(oz)	44,464	44,464
Gold production - surface	2013	(oz)	3,955	3,955
	2012	(oz)	3,119	3,119
Gold production - tailings	2013	(oz)	-	-
	2012	(oz)	-	-
Gold sold	2013	(oz)	43,164	43,164
	2012	(oz)	45,590	45,590
Average ZAR gold price received	2013	(ZAR/KG)	421,273	421,273
	2012	(ZAR/KG)	459,557	459,557
Average USD gold price received	2013	(USD/oz)	1,302	1,302
	2012	(USD/oz)	1,688	1,688
ZAR cash cost	2013	(ZAR/KG)	318,616	318,616
	2012	(ZAR/KG)	294,172	294,172
ZAR all-in sustaining cash costs	2013	(ZAR/KG)	368,604	368,604
	2012	(ZAR/KG)	341,405	341,405
ZAR all-in cost	2013	(ZAR/KG)	393,854	393,854
	2012	(ZAR/KG)	374,265	374,265
USD cash cost	2013	(USD/oz)	985	985
	2012	(USD/oz)	1,080	1,080
USD all-in sustaining cash cost	2013	(USD/oz)	1,140	1,140
	2012	(USD/oz)	1,254	1,254
USD all-in cost	2013	(USD/oz)	1,218	1,218
	2012	(USD/oz)	1,374	1,374
ZAR cash cost per ton	2013	(ZAR/t)	1,373	1,373
	2012	(ZAR/t)	1,388	1,388
Capital expenditure	2013	(ZAR million)	74.8	74.8
	2012	(ZAR million)	108.8	108.8
Average exchange rate	2013	(ZAR/USD)	10.06	10.06
	2012	(ZAR/USD)	8.47	8.47

Operating performance

Evander Mines gold sold decreased to 43,164oz (2012: 45,590oz). Mining operations tons milled increased by 3.6% to 311,497t (2012: 300,555t). The increase in tons milled was mostly due to an increase in surface stockpiles processed of 19,437t, whilst underground tons milled decreased by 8,495t.

The underground head grade decreased to 6.2g/t (2012: 6.6g/t), despite improved recoveries of 97% (2012: 95%).

The total cost of production increased by 2.5% to ZAR426.8 million (2012: ZAR416.4 million[1]). The Evander Mines management team have focussed on containing their costs whilst in the lower grade mining cycle. The main cost contributors were a period-on-period increase in salary and wages of 7.4% to ZAR221.4 million (2012: ZAR206.1 million). The salary and wages increased as result of the Chamber of Mines wage settlement, which averaged 8% for Evander Mines employees. Mining cost increased by 11.0% to ZAR19.2 million (2012: ZAR17.3 million) due to additional vamping occurring in 7 Shaft. Processing costs increased by 13.4% to ZAR50.9 million

(2012: ZAR44.9 million), due to the additional tonnages processed through the plant. Engineering and technical services costs increased by 11.5% to ZAR23.3 million (2012: ZAR20.9 million). The majority of this increase related to additional costs to improve on the maintenance of infrastructure and the trackless fleet. Electricity and water costs increased by 4.1%, this was lower than the average 8% increase in Eskom tariffs due to lower underground tonnages processed. The security costs increased by 40.7% to ZAR8.3 million (2012: ZAR5.9 million) as result of additional security costs allocated from Harmony to Evander Mines in relation to old closed shafts. The mines administration and other costs decreased by 60.5% to ZAR13.4 million (2012: ZAR34.9 million) as result of not sharing in Harmony's corporate and exploration costs in the current year.

The total underground and surface USD cash costs per ounce decreased by 8.8% to USD985/oz (2012: USD1080/oz). However, in ZAR per kilogram terms, total cash costs increased by 8.3% to ZAR318,616/kg (2012: ZAR294,172/kg[1]).

Note:

1. The prior year Evander Mines values were obtained from historical financial records to allow for consistent reporting with the group's current gold operations costs. Therefore the values may vary from Harmony's previously announced values.

Capital expenditure

Total capital expenditure at Evander Mines was ZAR74.8 million (2012: ZAR108.8 million). Maintenance capital expenditure was ZAR16.3 million (2012: ZAR34.2 million) and development capital expenditure was ZAR58.5 million (2012: ZAR74.6 million).

Review of platinum tailings operations

Review of Phoenix Platinum

Safety

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

Operating performance

Phoenix Platinum PGE 6E ounces sold decreased by 4.8% to 2,987oz PGE 6E (2012: 3,136oz PGE 6E). Production at the Phoenix Platinum Chrome Tailing Retreatment Plant ('CTRP') was affected by furnace ash and talc material which was historically deposited by on the Buffelsfontein dumps. Furnace ash and talc dilutes the final concentrate grade and must be chemically modified to stop a negative effect on the recoveries. The problem was identified by a process of elimination and by metallurgical test work carried out. The CTRP is operating within the strategic plan objectives since December 2013 with an estimated 500 PGE 6E ounces lost during the period under review as a result of the difficulties described above.

The CTRP was designed to treat sulphide material from the Lesedi Mine, which initially supplied Phoenix Platinum with sulphide-rich material. However the ferrochrome producer subsequently stopped its underground operations at Lesedi and is now mining only oxidised material from their open cast section. This resulted in oxidised tailings being blended into the Phoenix Platinum feedstock. The metallurgy of oxidised tailings negatively affects the recovery and concentrate grade in the CTRP. This in turn results in poor PGM concentrate production.

The effective average PGE 6E basket price received increased by 9.3% ZAR9,380/oz (2012: ZAR8,579/oz). Cost per ounce of production increased primarily as a result of lower ounces produced by 15.7% to ZAR8,484/oz (2012: ZAR7,334/oz), additional costs were also incurred on metallurgical test work to mitigate the effect of reduced recoveries achieved as a result of talc identified in the tailings processed. The plant feed decreased during the period by 14.7% to 118,259t (2012: 138,561t).

Six months ended 31 December:		2013	2012
Plant feed – Lesedi	(t)	-	15,826
Plant feed – IFM opencast	(t)	5,898	42,755
Plant feed – IFM toll	(t)	20,816	-
Plant feed – Buffelsfontein dumps	(t)	91,545	79,980
Plant feed – Total	(t)	118,259	138,561
Head grade	(g/t)	3.80	3.72
Plant recovery	(%)	24	22
Chromium(III) oxide (Cr2O3)	(%)	2.47	2.53
Production and sales of PGE 6E	(oz)	2,987	3,136
Basket price received	(ZAR/oz)	9,380	8,579
Total cash costs	(ZAR/oz)	8,484	7,334
Total cash costs	(ZAR/t)	214	166
Capital Expenditure	(ZAR millions)	0.2	1.0

Capital expenditure

Total capital expenditure at Phoenix Platinum decreased to ZAR0.2 million (2012: ZAR1.0 million).

Near-term production

Evander Tailings Retreatment Plant

The Group has undertaken to finalise a feasibility to upgrade and rehabilitate the CIL tanks of the Evander Mines Kinross plant, to create additional processing capacity to treat 200,000 tons per month of tailings.

The project pre-feasibility results are positive with an average headgrade estimated at 0.33 g/t, at an estimated recovery of between 38%-42%. Based on current estimates, the project could initially produce approximately 10,000oz of gold per annum. The capital expenditure is projected to be approximately ZAR190 million with a construction period of less than 12 months to first gold production.

The project will leverage off the current plant infrastructure and labour, which will result in a marginal increase in the cost per ton to process the additional tailings.

Auroch Minerals NL (‘Auroch’)

Auroch is an exploration company focused on developing and exploring the Manica Gold Project (‘Manica’) in Mozambique. Manica was previously owned by Pan African Resources and after its sale to Auroch during January 2013, Pan African Resources received 42% of the issued share capital of Auroch. During the reporting period, the Group consolidated ZAR1.4 million of Auroch’s exploration and corporate costs incurred and disclosed on the Statement of comprehensive income under ‘Loss in Associate’.

The Group announced on 26 November 2013 that Pan African entered into an agreement with Auroch on 25 November 2013 in terms of which:

1. Auroch shall pay Pan African an amount of AUD 2,000,000 in cash, as full and final settlement of the Transaction Purchase Consideration and Future Consideration (‘Cash Consideration’) as follows: Auroch shall pay Pan African AUD 150,000 of the Cash Consideration by no later than 30 November 2013; and Auroch shall settle the remaining portion of the Cash Consideration by 1 March 2014 (‘Payment Date’), but may extend the Payment Date by a further 2 months by paying Pan African an amount of AUD 50,000 per month of extension prior to the Payment Date, as extended, and such payments shall serve as part payment of the Cash Consideration; and

2. if Auroch settles the Cash Consideration in accordance with the amendment, Pan African shall allow Auroch to reacquire or cancel the Consideration Shares at no additional cost or consideration.

In the event that Auroch fails to settle the cash consideration pursuant to the amendment, the amendment will expire and the provisions of the Original Agreement will be restored. Any payment made under the amendment would remain non-refundable. Should the original agreement be restored Pan African would be entitled to enforce settlement of any outstanding debt and potentially recoup the exploration project due to non-settlement of Auroch’s current liability to Pan African Resources.

Commitments

The Group’s commitments have been presented in both ZAR and GBP for ease of review for both UK and SA shareholders.

The Group had no contingent liabilities in the current financial year or prior year.

Commitments reported in ZAR

The Group had outstanding open orders contracted for at period end of ZAR32.6 million (2012: ZAR334.5 million).

Operating lease commitments, which fall due within the next year, amounted to ZAR0.11 million (2012: ZAR0.46 million).

Commitments reported in GBP

The Group had outstanding open orders contracted for at period end of GBP1.9million (2012: GBP24.4 million).

Operating lease commitments, which fall due within the next year, amounted to GBP0.0065 million (2012: GBP0.038 million).

Basis of preparation of financial statements

The accounting policies applied in compiling the interim results are in terms of International Financial Reporting Standards (‘IFRS’) and consistent with those applied in preparing the Group’s annual financial statements for the year ended 30 June 2013.

The financial information set out in this announcement does not constitute the Company’s statutory accounts for the half year ended 31 December 2013.

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

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

JSE Limited listing

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

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

AIM listing

The financial information for the period ended 31 December 2013 does not constitute statutory accounts as defined in sections 435 (1) and (2) of the Companies Act 2006.

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

Directorship Changes

The following changes took place during the period under review:

Appointments:
- RA Holding was appointed as a director and Chief executive officer with effect from 1 September 2013.
- JAJ Loots was appointed as Financial director effective 1 October 2013. JAJ Loots was previously Pan African Resources Financial director and also a non-executive director of the Group.
- TF Mosololi was appointed as an independent non-executive director from 9 December 2013.

Resignations:
- B Sitole resigned as the Financial director, effective 30 September 2013.

Shares Issued

During the period under review the Company announced the issue and allotment of 5,063,000 new ordinary shares in respect of share options exercised:

- On 9 September 2013 3,000,000 shares were issued.
- On 16 October 2013 965,000 shares were issued.
- On 16 October 2013 575,000 shares were issued.
- On 16 October 2013 523,000 shares were issued.

Dividend

The Group paid a dividend of ZAR240.3 million (GBP14.7 million) for the 2013 year, equating to ZAR0.1314 per share (0.80p per share).

Going concern

The Board is satisfied that the Group is a going concern for the foreseeable future, and has adopted the going-concern basis in preparing these interim results.

Events after the reporting period

A further 282,500 shares were allotted and issued on 10 February 2014, at a price of 83 cents, in respect of share options exercised.

The Group regrets to report one fatality at its Evander Mines operation during January 2014.

Accounting policies

The provisional announcement has been prepared using accounting policies that comply with IFRS adopted by the European Union and South Africa, which are consistent with those applied in the financial statements for the year ended 30 June 2013 and prior year end 30 June 2012.

Directors' dealings

During the period under review JAJ Loots had participated in the following transactions in the Company's shares:

- On 17 September 2013, purchased 50,000 shares at ZAR2.22 per share.

At 31 December 2013 JAJ Loots held a total of 231,575 shares (June 2013: 181,575) representing 0.01% of the issued share capital.

During the period under review RG Still participated in the following transactions in the Company's shares through his related entities:

RG Still is a trustee of a family trust ('The Alexandra Trust'). RG Still is therefore deemed to have an indirect, non-beneficial interest in The Alexandra Trust's holding in the Company.

During the period under review the Alexandra trust had the following dealings in company's shares:

Alexandra Trust
- On 1 October 2013, sold 360,916 shares at ZAR2.70 per share.

At 31 December 2013 the Alexandra Trust held a total of 11,312,700 shares (June 2013: 11,673,616) representing 0.62% of the issued share capital.

Segment Reporting

A segment is a distinguishable component of the Group that is engaged in providing products or services in a particular business sector or segment, which is subject to risk and rewards that are different to those of other segments. The Group's business activities were conducted through five business segments:
- Barberton Mines (Including BTRP), located in Barberton South Africa,
- Evander Gold Mining (Pty) Ltd and Evander Gold Mines Ltd ('Collectively known as Evander Mines'), located in Evander South Africa,
- Phoenix Platinum, located near Rustenburg South Africa,
- Corporate and growth projects and,
- Pan African Resources Funding Company (Pty) Ltd ('Funding Company').

The Chief executive officer reviews the operations in accordance with the disclosures presented above.

Pan African Resources Outlook

We have delivered a sound set of interim results, despite external pressures from a weakening gold price and cost increases. We focus on sustainable profitable ounces and not merely to increase ounces produced or to increase resource ounces.

The acquisition of Evander Mines has effectively doubled the size of our company. Evander Mine's 31.6Moz of gold resources offers significant expansion potential and optionality for our Group. The meaningful contribution from Evander Mines during the last six months, despite the mining activity moving into a lower grade mining cycle, further demonstrates the quality of this asset.

During the period under review, we successfully commissioned the BTRP at Barberton Mines, within schedule and on budget. The BTRP tailings operation supports Barberton Mine's reputation as a long-life, low-cost gold producer.

Production from Barberton Mines will continue to under pin the Company's profitability by sustaining its gold production and well controlled costs.

We are pleased to have reached agreement with Auroch on a possible transaction regarding our interest in their company. Even though we have confidence in the Auroch management team and in the Manica project, the investment is no longer a fit with Pan African's profile, and finalising this transaction would benefit our shareholders.

The final six months of our financial year is likely to be challenging, particularly given the bearish sentiment regarding USD gold prices and inflationary pressures that we can expect from the weakening ZAR. The lower grade cycle at Evander Mines will also now be in full force, and will impact production as well as cash unit costs. We will continue to seek ways of mitigating this situation to continue to deliver returns to shareholders.

Pan African is also well positioned to take advantage of acquisition opportunities that the current climate is creating.

Our thanks again go out to all the staff of Pan African, for their daily contributions that continue to drive our success.

Ronald Holding
Chief Executive Officer

Cobus Loots
Financial Director

19 February 2014

Financial Statements: Summarised financial information

Consolidated Statement of Financial Position at 31 December 2013

	31 December 2013 (Unaudited) GBP	30 June 2013 (Audited) GBP	31 December 2012 (Unaudited) GBP
ASSETS			
Non-current assets			
Property, plant and equipment and mineral rights	**186,421,320**	209,489,677	66,373,510
Other intangible assets	**241,093**	340,484	-
Deferred taxation	**227,991**	312,798	-
Goodwill	**21,000,714**	21,000,714	21,000,714
Investments in associate	**707,114**	1,199,071	-
Rehabilitation trust fund	**15,667,223**	16,973,713	2,574,825
	224,265,455	249,316,457	89,949,049
Current assets			
Inventories	**6,517,923**	6,595,740	2,023,413
Current tax asset	**272,718**	1,479,339	-
Trade and other receivables	**7,990,615**	13,904,416	10,720,089
Cash and cash equivalents	**4,250,619**	4,768,916	48,301,167
	19,031,875	26,748,411	61,044,669
Non-current assets held for sale	**185,078**	213,191	12,145,808
TOTAL ASSETS	**243,482,408**	276,278,059	163,139,526
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	**18,278,972**	18,228,342	14,512,623
Share premium	**94,724,429**	94,515,562	48,940,879
Translation reserve	**(42,941,677)**	(22,166,345)	(6,438,756)
Share option reserve	**1,036,890**	1,031,955	958,932
Retained income	**104,625,492**	102,005,124	71,784,224
Realisation of equity reserve	**(10,701,093)**	(10,701,093)	(10,701,093)
Merger reserve	**(10,705,308)**	(10,705,308)	(10,705,308)
Equity attributable to owners of the parent	**154,317,705**	172,208,237	108,351,501
Total equity	**154,317,705**	172,208,237	108,351,501
Non-current liabilities			
Long term provisions	**13,224,945**	14,821,152	2,939,853
Long term liabilities	**11,817,447**	11,132,960	652,356
Deferred taxation	**48,390,525**	54,049,440	11,428,288
	73,432,917	80,003,552	15,020,497
Current liabilities			
Trade and other payables	**14,815,975**	23,202,052	39,260,503
Current portion of long term liabilities	**915,811**	864,218	-
Current tax liability	**-**	-	507,025
	15,731,786	24,066,270	39,767,528
TOTAL EQUITY AND LIABILITIES	**243,482,408**	276,278,059	163,139,526

Consolidated Statement of Comprehensive Income for the period ended 31 December 2013

	31 December 2013 (Unaudited) GBP	31 December 2012 (Unaudited) GBP
Revenue		
Gold sales	**82,879,800**	47,534,238
Platinum sales	**1,757,696**	1,994,400
Realisation costs	**(190,799)**	(89,012)
On - mine revenue	**84,446,697**	49,439,626
Gold cost of production	**(52,519,449)**	(24,048,124)
Platinum cost of production	**(1,589,715)**	(1,705,022)
Mining depreciation	**(5,088,266)**	(2,033,201)
Mining Profit	**25,249,267**	21,653,279
Other expenses	**(222,825)**	(3,168,636)
Loss in associate	**(89,287)**	-
Royalty costs	**(1,746,627)**	(1,297,702)
Net income before finance income and finance costs	**23,190,528**	17,186,941
Finance income	**381,452**	547,668
Finance costs	**(725,259)**	(94,718)
Profit before taxation	**22,846,721**	17,639,891
Taxation	**(5,536,882)**	(5,288,408)
Profit after taxation	**17,309,839**	12,351,483
Other comprehensive income:		
Items that may be reclassified subsequently to profit and loss		
Foreign currency translation differences	**(20,775,332)**	(4,501,247)
Total comprehensive income for the year	**(3,465,493)**	7,850,236
Profit attributable to:		
Owners of the parent	**17,309,839**	12,351,483
	17,309,839	12,351,483
Total comprehensive income attributable to:		
Owners of the parent	**(3,465,493)**	7,850,236
	(3,465,493)	7,850,236
Earnings per share	**0.95**	0.85
Diluted earnings per share	**0.95**	0.85
Weighted average number of shares in issue	**1,825,556,279**	1,449,371,057
Diluted number of shares in issue	**1,828,190,319**	1,456,619,851
Headline earnings per share is calculated :		
Basic earnings	**17,309,839**	12,351,483
Adjustments	**-**	-
Headline earnings	**17,309,839**	12,351,483
Headline earnings per share	**0.95**	0.85
Diluted headline earnings per share	**0.95**	0.85

Condensed consolidated cash flow statement for the period ended 31 December 2013

	Six months ended 31 December 2013 (Unaudited) GBP	Six months ended 31 December 2012 (Unaudited) GBP
Cash Generated by operations	26,785,843	15,500,905
Taxation paid	(2,923,513)	(5,675,218)
Royalty paid	(1,260,454)	(1,187,205)
Dividends paid	(14,683,712)	-
Net Finance Income	(343,807)	452,950
Cash inflow from operating activities	7,574,357	9,091,432
Cash outflow from investing activities	(8,682,654)	(9,104,868)
Cash inflow from financing activities	1,429,581	31,626,645
Net increase in cash equivalents	321,284	31,613,209
Cash at the beginning of period	4,768,916	19,782,179
Effect of foreign currency rate changes	(839,581)	(3,094,221)
Cash at end of year	4,250,619	48,301,167

Condensed Consolidated Statement of Changes in Equity for the period ended 31 December 2013

	Six months ended 31 December 2013 (Unaudited) GBP	Six months ended 31 December 2012 (Unaudited) GBP
Shareholder's equity as start period	**172,208,237**	102,625,655
Net share issues/(costs)	**259,497**	(2,178,420)
Share option reserve	**4,935**	54,030
Other reserves	**(5,759)**	-
Other comprehensive income	**(20,775,332)**	(4,501,247)
Profit for the year	**17,309,839**	12,351,483
Dividends	**(14,683,712)**	-
Total Equity	**154,317,705**	108,351,501

Consolidated Segment Report for the period ended 31 December 2013

	31 December 2013						31 December 2012			
	Barberton Mines	Evander Mines	Phoenix Platinum	Corporate and Growth Projects	Funding Company*	Group	Barberton Mines	Phoenix Platinum	Corporate and Growth Projects	Group
	GBP	GBP	GBP	GBP	GBP	GBP	GBP	GBP	GBP	GBP
Revenue										
Gold sales***	47,398,175	35,481,625	-	-	-	82,879,800	47,534,238	-	-	47,534,238
Platinum Sales	-	-	1,757,696	-	-	1,757,696	-	1,994,400	-	1,994,400
Realisation costs	(127,660)	(63,139)	-	-	-	(190,799)	(89,012)	-	-	(89,012)
On - mine revenue	47,270,515	35,418,486	1,757,696	-	-	84,446,697	47,445,226	1,994,400	-	49,439,626
Gold cost of production	(25,747,227)	(26,772,222)	-	-	-	(52,519,449)	(24,048,124)	-	-	(24,048,124)
Platinum cost of production	-	-	(1,589,715)	-	-	(1,589,715)	-	(1,705,022)	-	(1,705,022)
Depreciation	(1,954,645)	(2,838,254)	(295,367)	-	-	(5,088,266)	(1,586,655)	(446,546)	-	(2,033,201)
Mining Profit	19,568,643	5,808,010	(127,386)	-	-	25,249,267	21,810,447	(157,168)	-	21,653,279
Other expenses **	(619,959)	(215,491)	(60,988)	673,613	-	(222,825)	(1,266,372)	(145,153)	(1,757,111)	(3,168,636)
Loss from associate	-	-	-	(89,287)	-	(89,287)	-	-	-	-
Impairment costs	-	-	-	-	-	-	-	-	-	-
Royalty costs	(1,036,088)	(710,539)	-	-	-	(1,746,627)	(1,297,702)	-	-	(1,297,702)
Net income / (loss) before finance income and finance costs	17,912,596	4,881,980	(188,374)	584,326	-	23,190,528	19,246,373	(302,321)	(1,757,111)	17,186,941
Finance income	34,569	240,669	-	106,214	-	381,452	38,851	-	508,817	547,668
Finance costs	(2,834)	(383,105)	-	-	(339,320)	(725,259)	(94,718)	-	-	(94,718)
Profit /(loss) before taxation	17,944,331	4,739,544	(188,374)	690,540	(339,320)	22,846,721	19,190,506	(302,321)	(1,248,294)	17,639,891
Taxation	(4,788,802)	(691,065)	25,889	(73,137)	(9,767)	(5,536,882)	(5,336,644)	48,236	-	(5,288,408)
Profit /(loss) after taxation	13,155,529	4,048,479	(162,485)	617,403	(349,087)	17,309,839	13,853,862	(254,085)	(1,248,294)	12,351,483
Segmental Assets (Total assets excluding goodwill)	78,365,626	150,576,780	11,750,929	(18,213,261)	1,620	222,481,694	59,061,456	18,352,064	64,725,292	142,138,812
Segmental Liabilities	20,841,692	55,114,119	270,051	1,315,425	11,623,416	89,164,703	20,881,848	62,098	33,844,079	54,788,025
Goodwill	21,000,714	-	-	-	-	21,000,714	21,000,714	-	-	21,000,714
Net Assets (excluding goodwill)	57,523,934	95,462,661	11,480,878	(19,528,686)	(11,621,796)	133,316,991	38,179,608	18,289,965	30,881,213	87,350,786
Capital Expenditure	5,201,824	4,695,367	10,789	82,328	-	9,990,308	9,017,135	77,457	10,276	9,104,868

*The Funding Company was established during the previous financial year with effect from 1 March 2013.
**Other expenses exclude inter-company management fees and dividends received.
***All gold sales were made in the Republic of South Africa and the majority of revenue was generated from a single customer, Rand Refinery (Pty) Ltd.

Consolidated ZAR Statement of Financial Position at 31 December 2013

	31 December 2013 (Unaudited) ZAR	30 June 2013 (Unaudited) ZAR	31 December 2012 (Unaudited) ZAR
ASSETS			
Non-current assets			
Property, plant and equipment and mineral rights	**3,223,224,618**	3,144,440,055	908,653,352
Other intangible assets	**4,168,498**	5,110,665	-
Deferred taxation	**3,941,956**	4,695,100	-
Goodwill	**303,491,812**	303,491,812	303,491,812
Investments in associate	**12,226,005**	13,727,146	-
Rehabilitation trust fund	**270,886,283**	254,775,427	35,249,354
	3,817,939,172	3,726,240,205	1,247,394,518
Current assets			
Inventories	**112,694,887**	99,002,052	27,700,524
Current tax asset	**4,715,290**	22,204,873	-
Trade and other receivables	**138,157,739**	208,705,296	146,758,018
Cash and cash equivalents	**73,493,211**	71,581,436	661,242,976
	329,061,127	401,493,657	835,701,518
Non-current assets held for sale	**3,200,000**	3,200,000	166,276,112
TOTAL ASSETS	**4,150,200,299**	4,130,933,862	2,249,372,148
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	**244,100,505**	243,305,216	191,063,931
Share premium	**1,321,426,474**	1,318,146,974	710,313,180
Translation reserve	**-**	-	(16,107,018)
Share option reserve	**13,957,178**	13,890,798	12,834,493
Retained income	**1,324,390,325**	1,288,834,738	896,551,388
Realisation of equity reserve	**(140,624,130)**	(140,624,130)	(140,624,130)
Merger reserve	**(154,707,759)**	(154,707,759)	(154,707,759)
Equity attributable to owners of the parent	**2,608,542,593**	2,568,845,837	1,499,324,085
Total equity	**2,608,542,593**	2,568,845,837	1,499,324,085
Non-current liabilities			
Long term provisions	**228,659,301**	222,465,492	40,246,588
Long term liabilities	**204,323,651**	167,105,730	8,930,754
Deferred taxation	**836,672,181**	811,282,089	156,453,263
	1,269,655,133	1,200,853,311	205,630,605
Current liabilities			
Trade and other payables	**256,168,197**	348,262,806	537,476,286
Current portion of long term liabilities	**15,834,376**	12,971,908	-
Current tax liability	**-**	-	6,941,172
	272,002,573	361,234,714	544,417,458
TOTAL EQUITY AND LIABILITIES	**4,150,200,299**	4,130,933,862	2,249,372,148

Consolidated ZAR Statement of Comprehensive Income for the period ended 31 December 2013

	31 December 2013 (Unaudited) ZAR	31 December 2012 (Unaudited) ZAR
Revenue		
Gold sales	**1,321,104,010**	641,236,871
Platinum sales	**28,017,677**	26,904,456
Realisation costs	**(3,041,330)**	(1,200,772)
On - mine revenue	**1,346,080,357**	666,940,555
Gold cost of production	**(837,160,015)**	(324,409,193)
Platinum cost of production	**(25,340,051)**	(23,000,747)
Mining depreciation	**(81,106,966)**	(27,427,881)
Mining Profit	**402,473,325**	292,102,734
Other (expenses)/income	**(3,551,823)**	(42,744,900)
Loss in associate	**(1,423,228)**	-
Royalty costs	**(27,841,227)**	(17,506,000)
Net income before finance income and finance costs	**369,657,047**	231,851,834
Finance income	**6,080,350**	7,388,041
Finance costs	**(11,560,621)**	(1,277,746)
Profit before taxation	**364,176,776**	237,962,129
Taxation	**(88,257,907)**	(71,340,624)
Profit after taxation	**275,918,869**	166,621,505
Other comprehensive income:		
Items that may be reclassified subsequently to profit and loss		
Foreign currency translation differences	**-**	(28,493,888)
Total comprehensive income for the year	**275,918,869**	138,127,617
Profit attributable to:		
Owners of the parent	**275,918,869**	166,621,505
	275,918,869	166,621,505
Total comprehensive income attributable to:		
Owners of the parent	**275,918,869**	138,127,617
	275,918,869	138,127,617
Earnings per share	**15.11**	11.50
Diluted earnings per share	**15.09**	11.44
Weighted average number of shares in issue	**1,825,556,279**	1,449,371,057
Diluted number of shares in issue	**1,828,190,319**	1,456,619,851
Headline earnings per share is calculated :		
Basic earnings	**275,918,869**	166,621,505
Adjustments	**-**	-
Headline earnings	**275,918,869**	166,621,505
Headline earnings per share	**15.11**	11.50
Diluted headline earnings per share	**15.09**	11.44

Consolidated ZAR Segment Report for the period ended 31 December 2013

	31 December 2013						**31 December 2012**			
	Barberton Mines	Evander Mines	Phoenix Platinum	Corporate and Growth Projects	Funding Company*	Group	Barberton Mines	Phoenix Platinum	Corporate and Growth Projects	Group
Revenue	ZAR	ZAR	ZAR	ZAR	ZAR	ZAR	ZAR	ZAR	ZAR	ZAR
Gold sales***	755,526,906	565,577,104	-	-	-	1,321,104,010	641,236,871	-	-	641,236,871
Platinum Sales	-	-	28,017,677	-	-	28,017,677	-	26,904,456	-	26,904,456
Realisation costs	(2,034,893)	(1,006,437)	-	-	-	(3,041,330)	(1,200,772)	-	-	(1,200,772)
On - mine revenue	753,492,013	564,570,667	28,017,677	-	-	1,346,080,357	640,036,099	26,904,456	-	666,940,555
Gold cost of production	(410,410,802)	(426,749,213)	-	-	-	(837,160,015)	(324,409,193)	-	-	(324,409,193)
Platinum cost of production	-	-	(25,340,051)	-	-	(25,340,051)		(23,000,747)		(23,000,747)
Depreciation	(31,157,035)	(45,241,767)	(4,708,164)	-	-	(81,106,966)	(21,403,976)	(6,023,905)	-	(27,427,881)
Mining Profit	311,924,176	92,579,687	(2,030,538)	-	-	402,473,325	294,222,930	(2,120,196)	-	292,102,734
Other expenses **	(9,882,156)	(3,434,920)	(972,146)	10,737,399	-	(3,551,823)	(17,083,358)	(1,958,114)	(23,703,427)	(42,744,900)
Loss from associate	-	-	-	(1,423,228)	-	(1,423,228)	-	-	-	-
Royalty costs	(16,515,238)	(11,325,989)	-	-	-	(27,841,227)	(17,506,000)	-	-	(17,506,000)
Net income / (loss) before finance income and finance costs	285,526,782	77,818,778	(3,002,684)	9,314,171	-	369,657,047	259,633,572	(4,078,310)	(23,703,427)	231,851,834
Finance income	551,027	3,836,266	-	1,693,057	-	6,080,350	524,099	-	6,863,941	7,388,041
Finance costs	(45,173)	(6,106,690)	-	-	(5,408,758)	(11,560,621)	(1,277,746)	-	-	(1,277,746)
Profit /(loss) before taxation	286,032,636	75,548,354	(3,002,684)	11,007,228	(5,408,758)	364,176,776	258,879,925	(4,078,310)	(16,839,486)	237,962,129
Taxation	(76,333,501)	(11,015,573)	412,658	(1,165,803)	(155,688)	(88,257,907)	(71,991,324)	650,700	-	(71,340,624)
Profit /(loss) after taxation	209,699,135	64,532,781	(2,590,026)	9,841,425	(5,564,446)	275,918,869	186,888,601	(3,427,610)	(16,839,486)	166,621,505
Segmental Assets (Total assets excluding goodwill)	1,354,941,672	2,603,472,526	203,173,562	(314,907,283)	28,010	3,846,708,487	807,370,109	250,872,710	884,794,741	1,943,037,560
Segmental Liabilities	360,352,845	952,923,118	4,669,182	22,743,698	200,968,863	1,541,657,706	285,454,862	848,885	462,648,555	748,952,302
Goodwill	303,491,812	-	-	-	-	303,491,812	303,491,812	-	-	303,491,812
Net Assets (excluding goodwill)	994,588,827	1,650,549,408	198,504,380	(337,650,981)	(200,940,853)	2,305,050,781	521,915,247	250,023,825	422,146,186	1,194,085,258
Capital Expenditure	82,917,072	74,844,144	171,982	1,312,308	-	159,245,506	121,641,152	1,044,894	138,626	122,824,671

*The Funding Company was established during the previous financial year with effect from 1 March 2013.
**Other expenses exclude inter-company management fees and dividends received.
***All gold sales were made in the Republic of South Africa and the majority of revenue was generated from a single customer, Rand Refinery (Pty) Ltd.

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