



**PAN AFRICAN**  
RESOURCES  
PLC

**Results Presentation**  
for the year ended 30 June

**2014**



# DISCLAIMER

This presentation is provided on a confidential basis.

The name 'Presenter' refers to Pan African Resources PLC and its advisors, subsidiaries or affiliated companies.

This presentation has not been filed, lodged, registered or approved in any jurisdiction and recipients of this document should keep themselves informed of and comply with and observe all applicable legal and regulatory requirements.

Statements or assumptions in this presentation as to future matters may prove to be incorrect. The Presenter makes no representation or warranty as to the accuracy of such statements or assumptions. Circumstances may change and the contents of this presentation may become outdated as a result, and the Presenter has no obligation to update the presentation or correct any inaccuracies or omissions in this presentation.

Recipients should not treat this presentation as advice relating to legal, taxation or investment matters and are advised to consult their own professional advisers.

This presentation may not be reproduced in whole or in part, nor may any of its contents be divulged to any third party without the prior consent in writing of the Presenter.

The recipient acknowledges that neither it nor the Presenter intends that the Presenter act or be responsible as a fiduciary to the recipient, its management, stockholders, creditors or any other person. Each of the recipient and the Presenter, by accepting and providing this presentation respectively, expressly disclaims any fiduciary relationship and agrees that the recipient is responsible for making its own independent judgments with respect to any transaction and any other matters regarding this presentation.

Furthermore, the information contained in this presentation may also qualify as “inside information” as defined in the Securities Services Act, 36 of 2004 (“SSA”). In terms of the SSA, it is a criminal offence for a person who knows that he or she has inside information to –

- deal directly or indirectly or through an agent for his or her own account, or for the account of another person, in listed securities to which the inside information relates;
- disclose the inside information to another other than in the proper course of a person’s employment, profession or duties; and
- encourage or cause another person to deal or discourage or stop another person from dealing in the listed securities to which the inside information relates.

The Presenter makes no representations as to the actual value which may be received in connection with a transaction nor the legal, tax or accounting effects of consummating a transaction. Unless the expressly contemplated hereby, the information in this presentation does not take into account the effects of a possible transaction or transactions involving an actual or potential change of control, which may have significant valuation and other effects. The Presenter shall not have any liability for any loss suffered due to reliance being placed on this presentation, the information contained herein or the oral presentations referred to.

This presentation is for information purposes only and does not constitute an offer or invitation to subscribe for or purchase any securities, and neither this presentation nor anything contained therein nor the fact of its distribution shall form the basis or be relied on in connection with or act as any inducement to enter into any contract or commitment whatsoever.

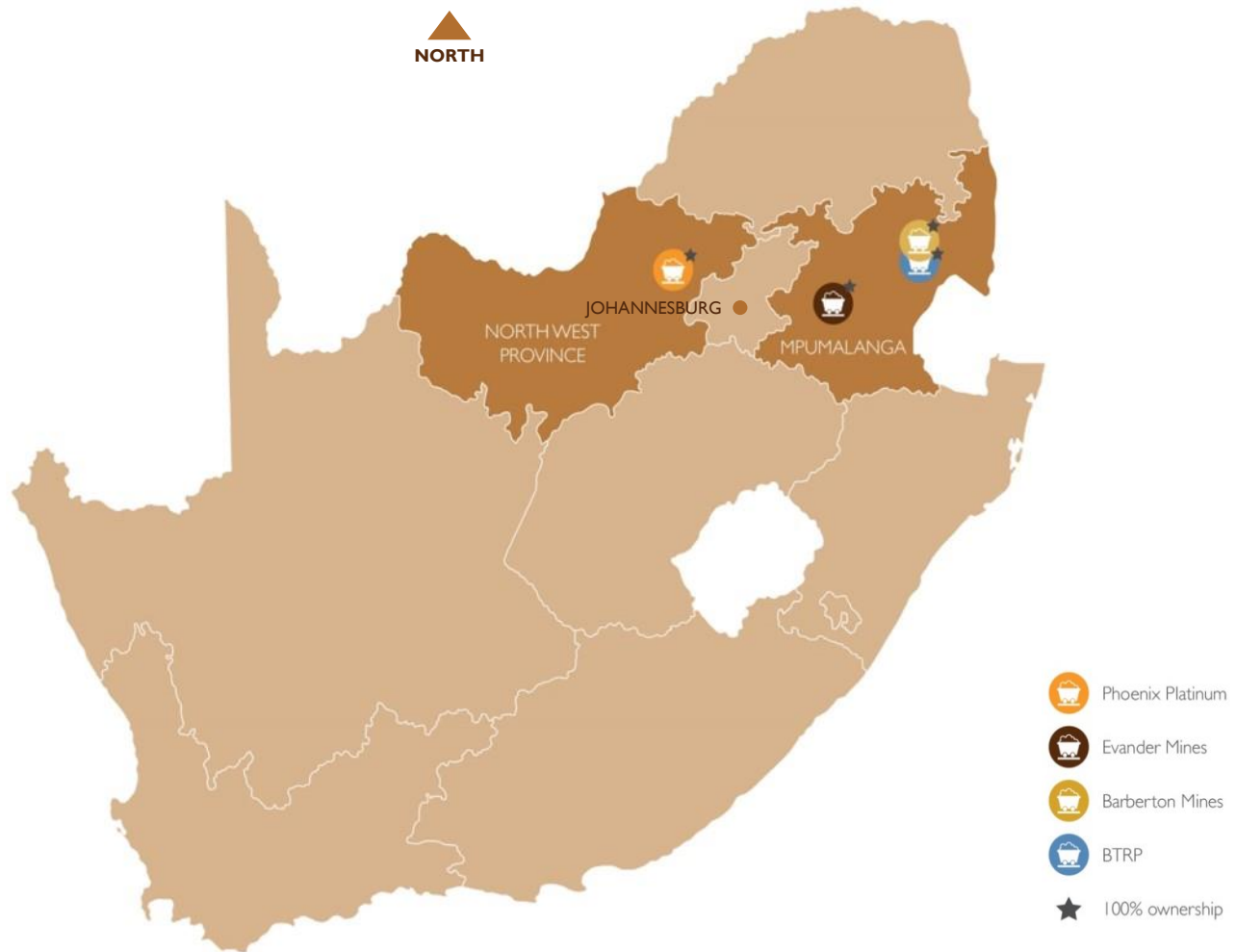
# OVERVIEW OF PRESENTATION

- Group Results and Strategic Overview
- Operational Review
  - Review of Barberton Mines
  - Review of Barberton Tailings Retreatment Project ('B RTP')
  - Review of Evander Mines
  - Review of Phoenix Platinum Mining ('CTR P')
- Outlook

# GROUP RESULTS & STRATEGIC OVERVIEW



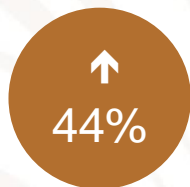
# GEOGRAPHICAL MAP



# PAN AFRICAN RESOURCES PLC

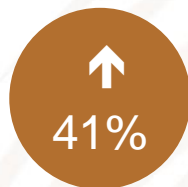
## KEY FEATURES

### GOLD SOLD



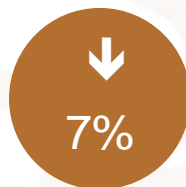
2014: 188,179oz  
(2013: 130,493oz)

### REVENUE



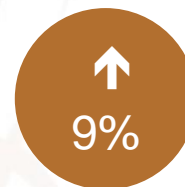
2014: ZAR2,608.8 million  
(2013: ZAR1,848.1 million)

### HEADLINE EARNINGS



2014: ZAR452.0 million  
(2013: ZAR487.0 million)

### ALL-IN COSTS PER KILOGRAM



2014: ZAR374,015/kg  
(2013: ZAR343,949/kg)

### DIVIDEND



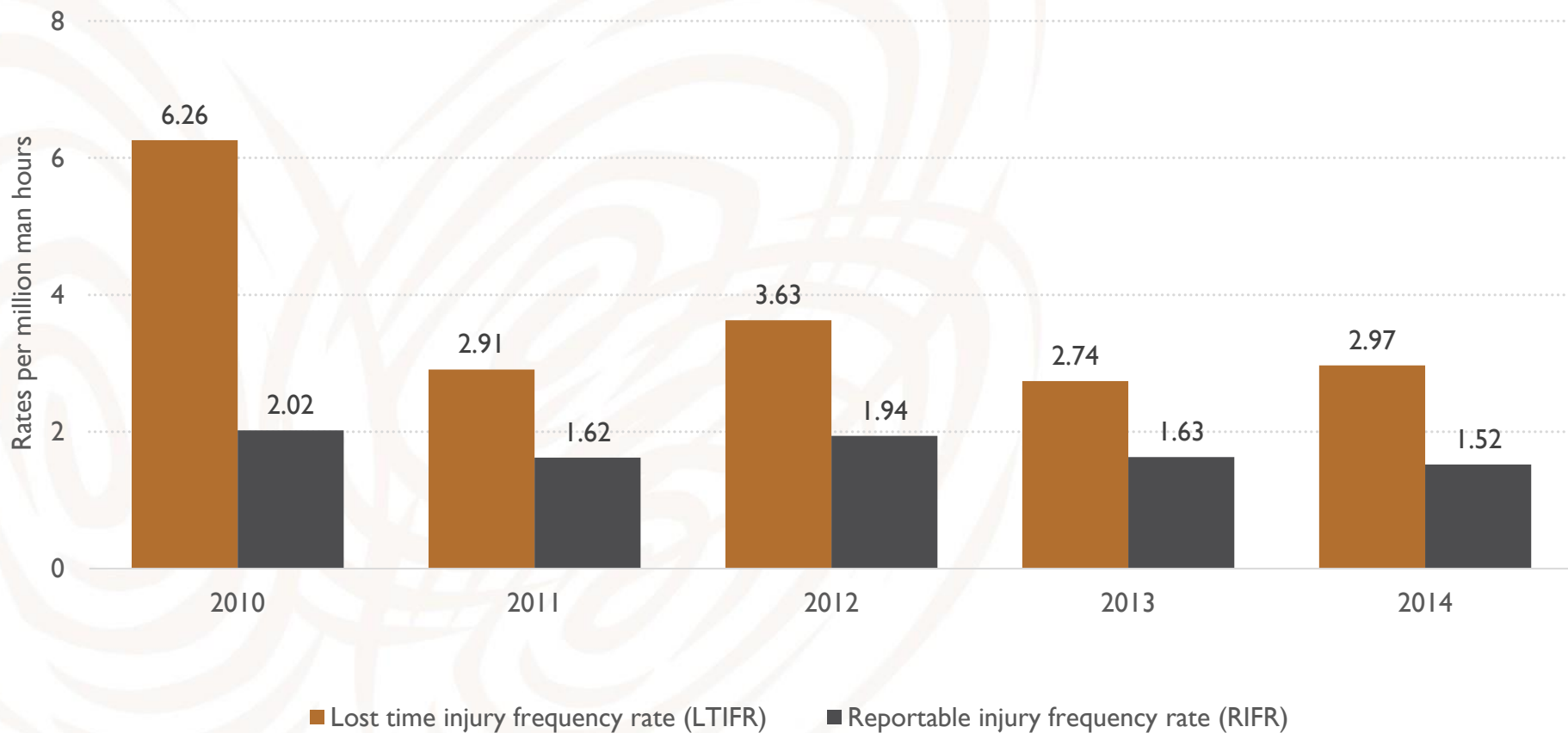
2014: ZAR0.1410 per share  
(ZAR258.0 million)  
2013: ZAR0.1314 per share  
(ZAR240.3 million)

## DIVIDEND

- The Group has proposed a final dividend of ZAR0.1410 or approximately 0.7898 pence per share or ZAR258.0 million (approximately GBP14.5 million) for approval by shareholders at the annual general meeting in November 2014
- Revised dividend policy: going forward the company will pay a progressive annual ZAR dividend, still dependent on prevailing gold prices, other external factors as well as performance of and outlook for the group

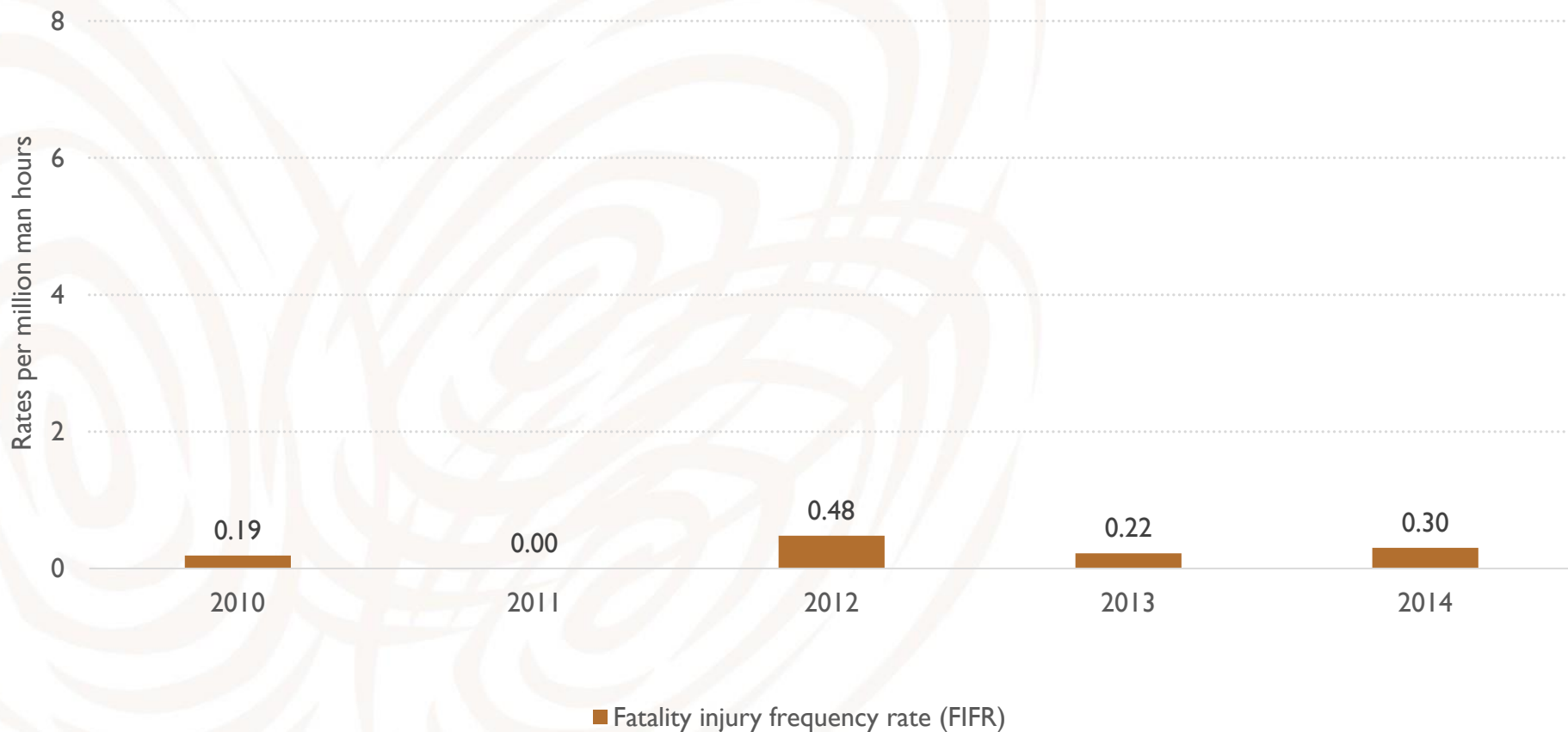
# GROUP - SAFETY PERFORMANCE

## ACCIDENT RATES



# GROUP - SAFETY PERFORMANCE

## FATALITY INJURY FREQUENCY RATE



\* It's with regret that we report 4 fatalities that occurred during the year under review

## GROUP – OPERATIONS HIGHLIGHTS

### BARBERTON MINES

- Significant increase in gold sold after commissioning of the BTRP (2014: 111,623oz vs 2013: 96,296oz)
- Reduction in overall all-in cost per kilogram
- One of the lowest cost producers in the SA gold industry (ZAR239,496/kg)

### BARBERTON TAILINGS RETREATMENT PLANT

- Production commenced on 1 July 2013
- Contributed 22,885oz of gold to Barberton's production
- Higher than expected plant recoveries achieved - 56% (planned at 50%)
- Low cash cost of ZAR163,977/kg

# GROUP – OPERATIONS HIGHLIGHTS

## EVANDER MINES

- Increased production tonnages with ZAR/t cost only increasing by 2%
- Currently in the low grade mining cycle, until February 2015
- LOM increased from 14 to 17 years

## EVANDER TAILINGS RETREATMENT PLANT (ETRP)

- Construction of the ETRP is currently on budget and on time
- Operational by January 2015
- Expected to add 10,000oz of additional gold production at Evander Mines
- Forecasted cash cost of ZAR275,000/kg

# GROUP – OPERATIONS HIGHLIGHTS

## PHOENIX PLATINUM

- Phoenix Platinum now cash-generative and profitable
- PGE sales increased to 7,204oz (2013: 6,480oz)
- Phoenix Platinum headline earnings ZAR3.7 million (2013: ZAR6.4 million headline loss)
- Zero accidents since turning first sod
- Remains as a strategic entry into the PGE industry

# PAN AFRICAN RESOURCES PLC

## KEY DRIVERS FOR CONTINUED GROWTH

- Targeting 225,000oz of gold production per year
- Strong Statement of Financial Position
- Maintain and increase dividend
- Production and growth focus:
  - Protect margins by managing cost inflation
  - Target productivity and efficiency improvements
  - Significant organic growth potential
- Attractive brownfields project pipeline
- Well positioned to capitalise on opportunities in the sector



**PAN AFRICAN**  
RESOURCES  
PLC

**FINANCIAL REVIEW**  
COBUS LOOTS, FD



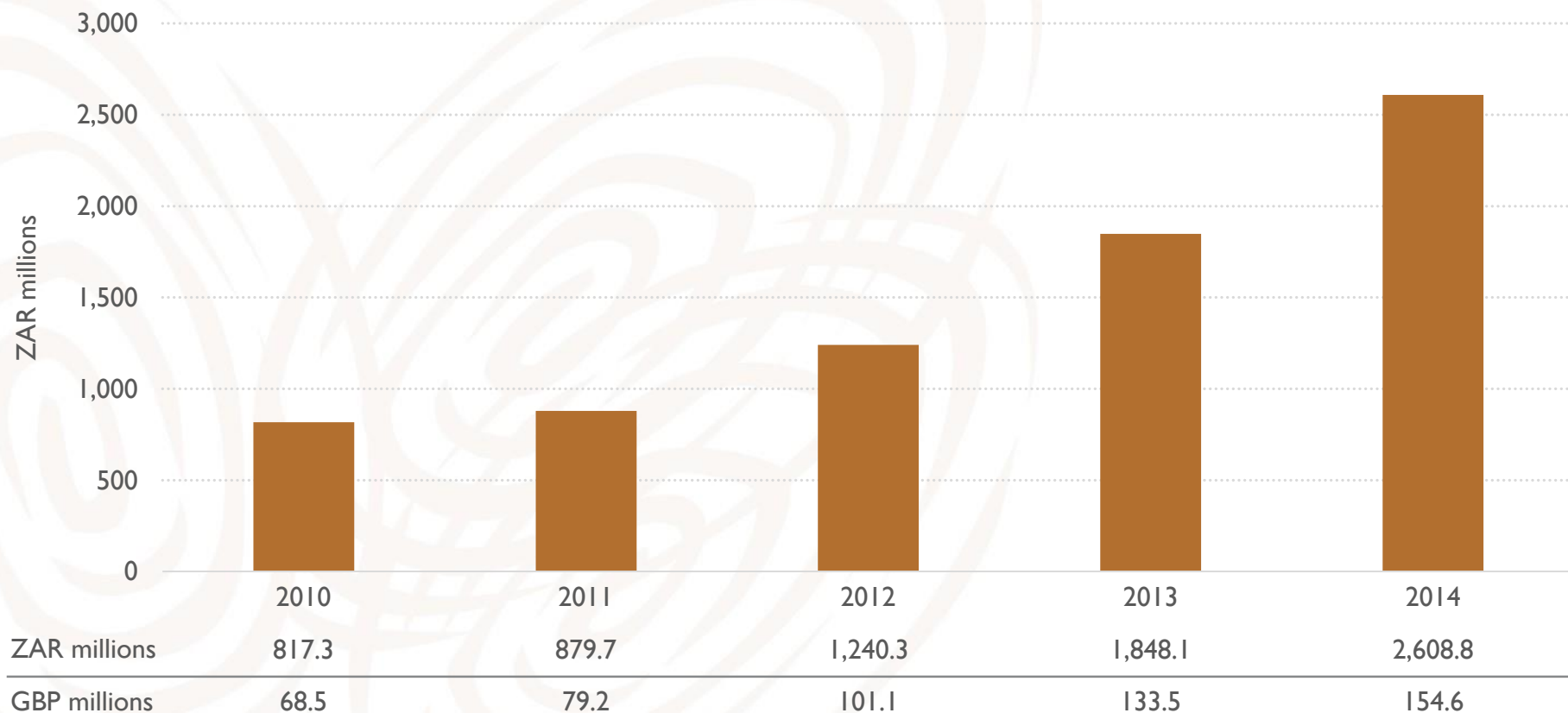
# PAN AFRICAN RESOURCES PLC

## SUMMARISED CONSOLIDATED RESULTS

	For the year ended 30 June 2014		For the year ended 30 June 2013	
	ZAR	GBP	ZAR	GBP
Revenue (millions)	2,608.8	154.6	1,848.1	133.5
EBITDA (millions)	745.5	44.2	735.2	53.1
Attributable earnings (millions)	452.1	26.8	558.9	42.6
Headlines earnings (millions)	452.0	26.8	487.0	35.2
EPS (cents/pence)	24.74	1.47	34.51	2.63
HEPS (cents/pence)	24.74	1.47	30.07	2.17
Proposed dividend (cents/pence)	14.10*	0.7898*	13.14	0.80
Net debt (millions)	101.0	5.6	93.6	6.2
Number of shares (millions)**	1,827.2	1,827.2	1,619.8	1,619.8

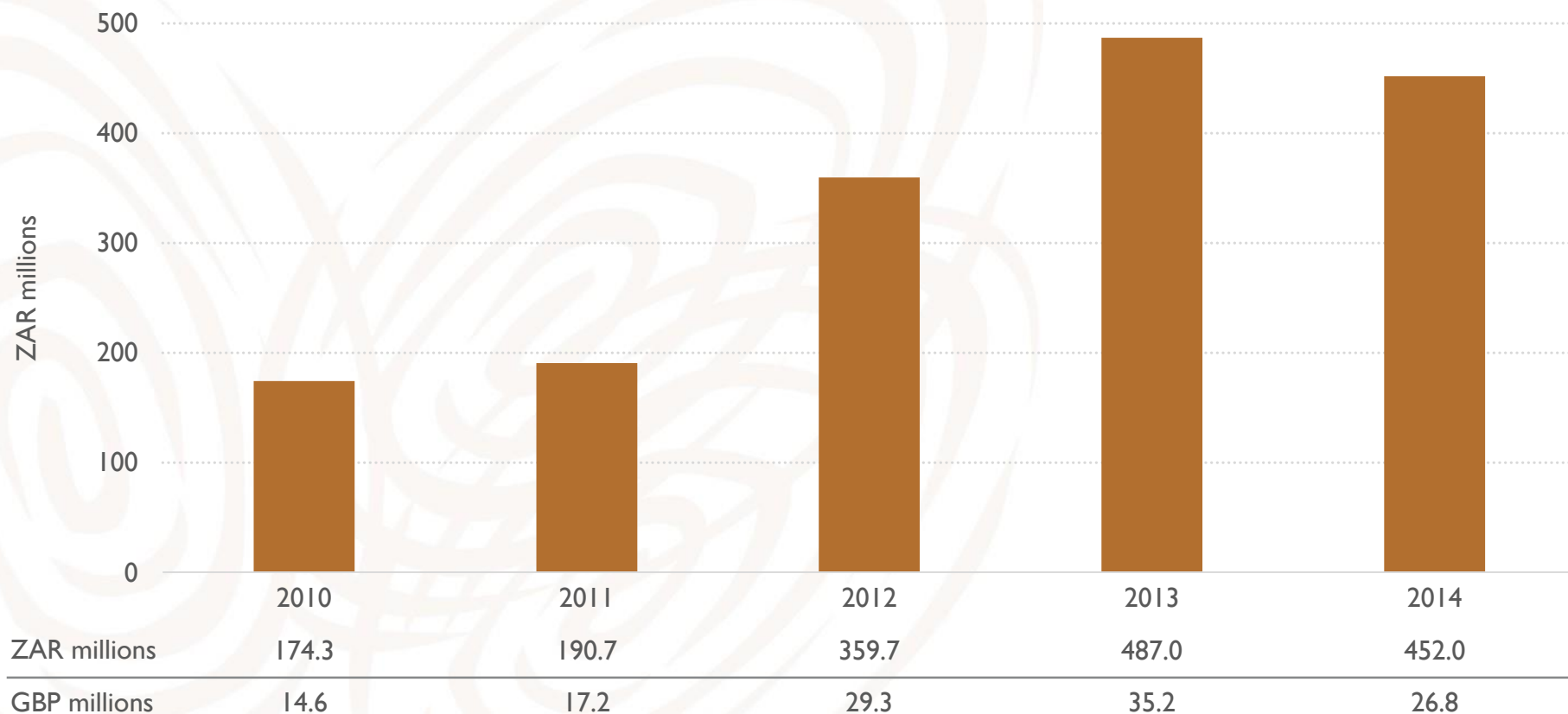
# FINANCIAL SUMMARY : GROUP RESULTS

## REVENUE



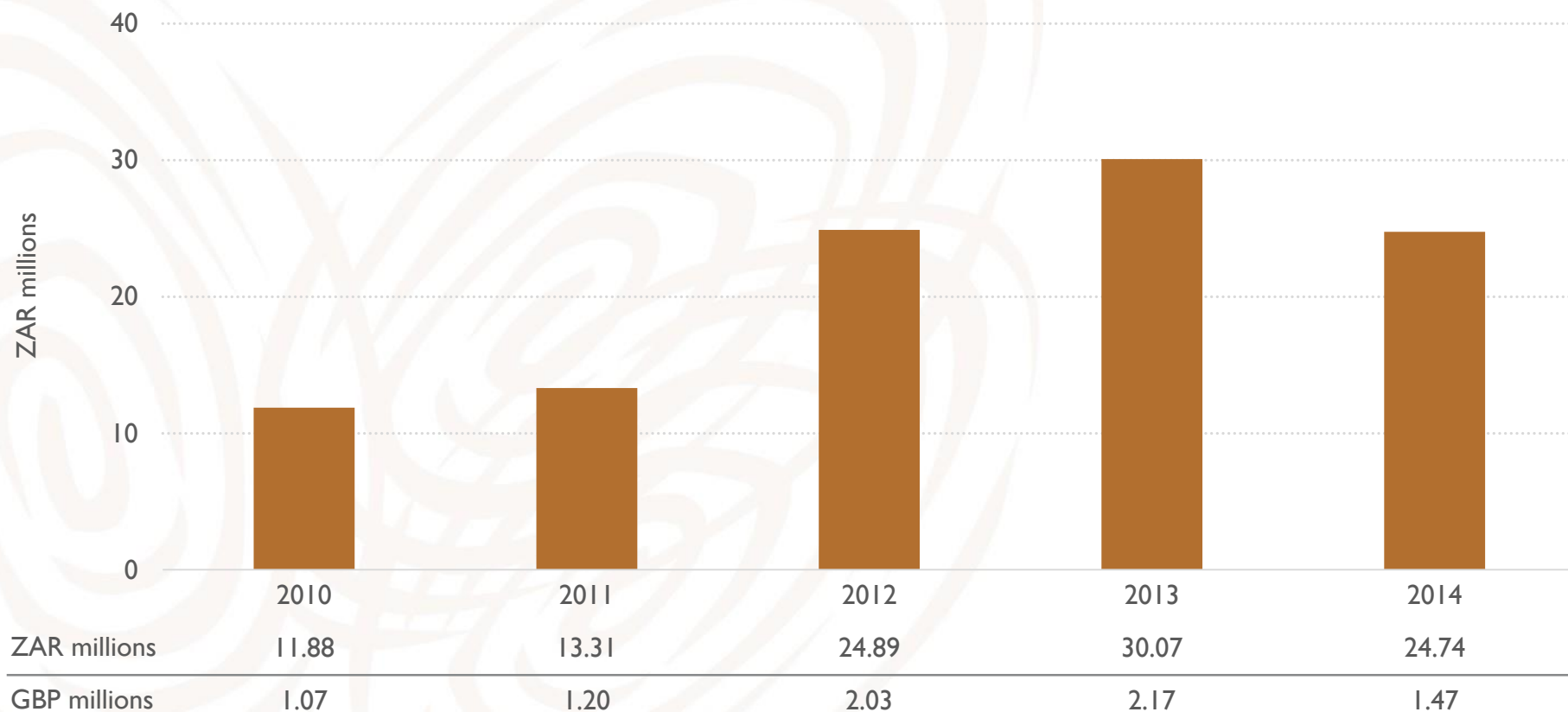
# FINANCIAL SUMMARY : GROUP RESULTS

## HEADLINE EARNINGS



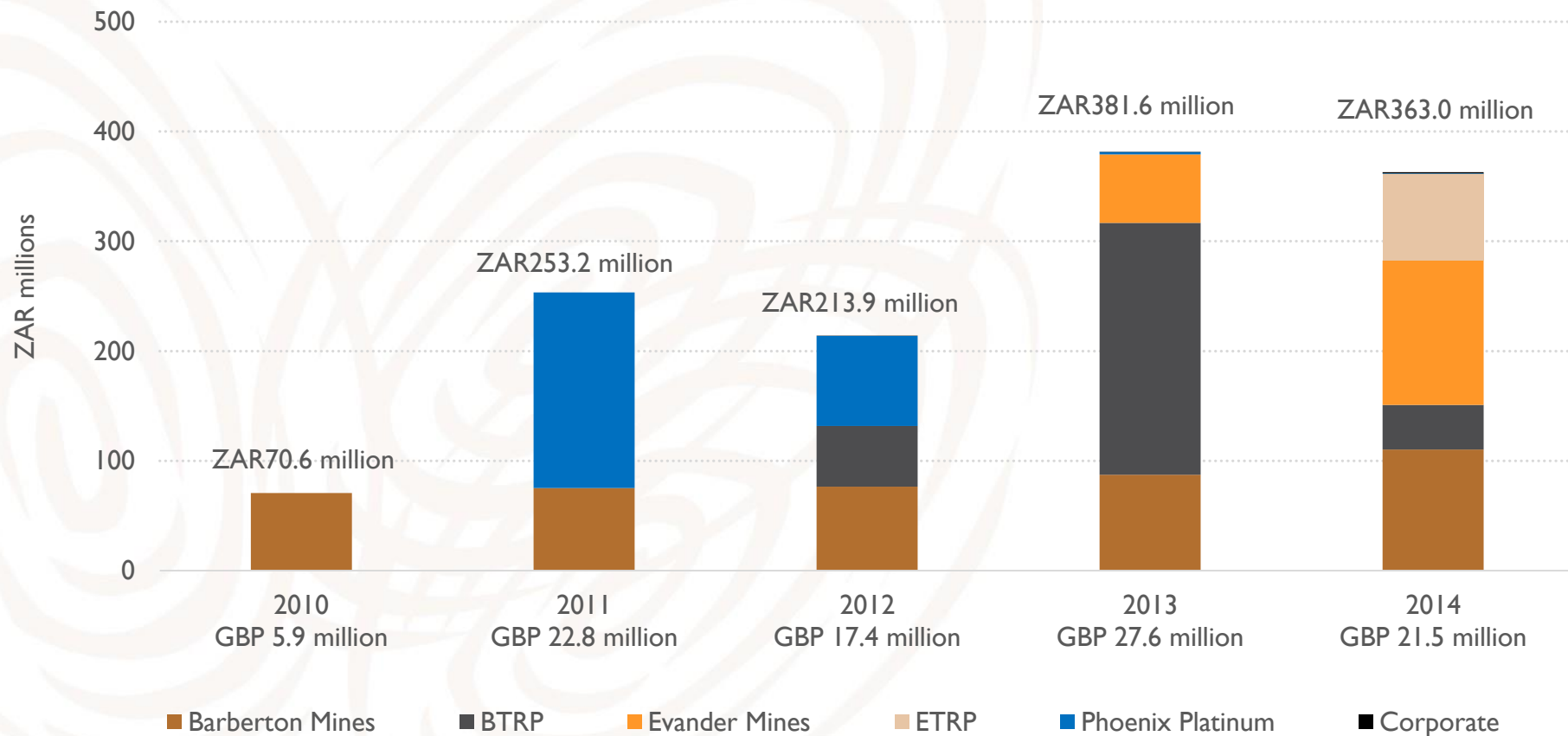
# FINANCIAL SUMMARY : GROUP RESULTS

## HEADLINE EARNINGS PER SHARE



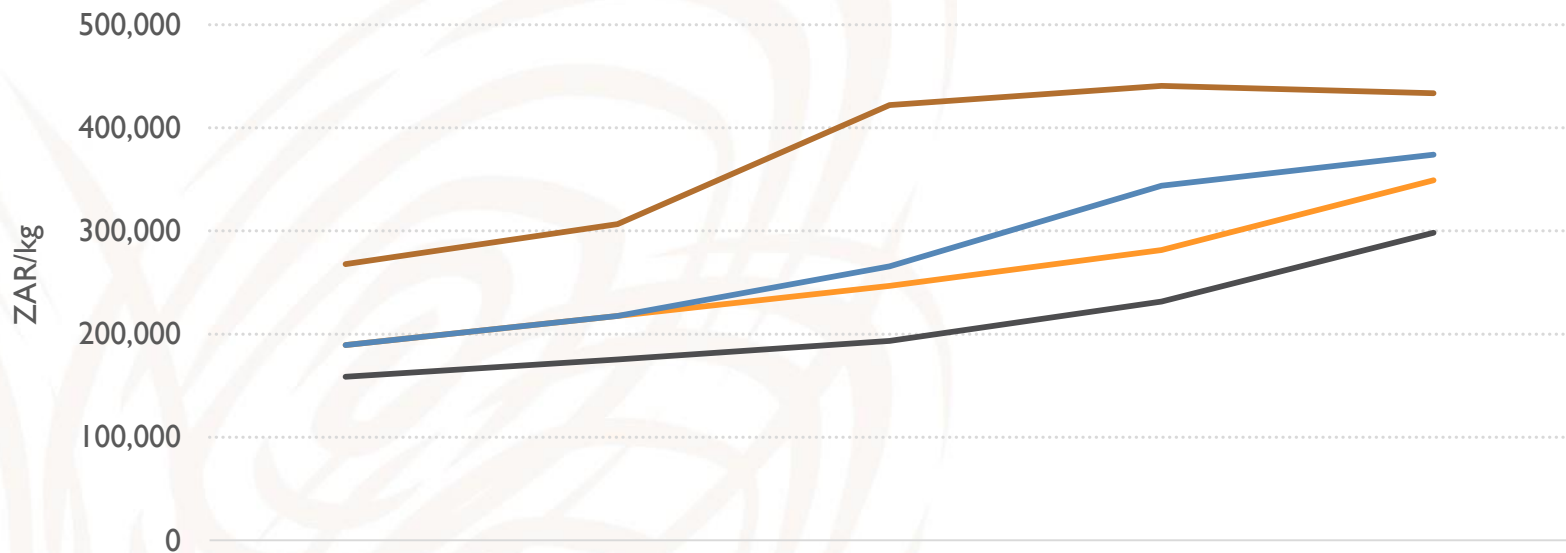
# FINANCIAL SUMMARY : GROUP RESULTS

## GROUP CAPITAL EXPENDITURE



# FINANCIAL SUMMARY : GROUP RESULTS

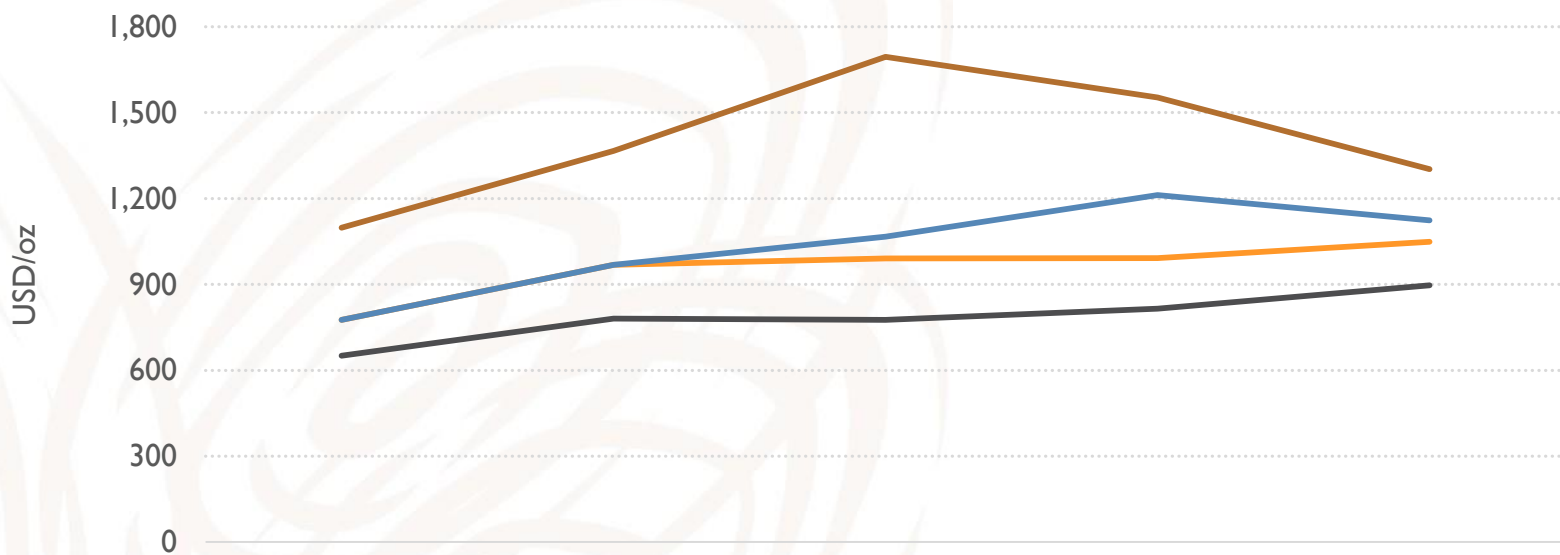
## COSTS AS DEFINED BY WORLD GOLD COUNCIL (ZAR/kg)



	2010	2011	2012	2013	2014
— Average gold price received	267,876	306,757	422,215	440,824	433,437
— Cash cost	158,711	175,520	193,360	231,439	298,345
— All-in sustaining cash costs	189,308	217,524	246,801	281,551	349,008
— All-in costs	189,308	217,524	265,713	343,949	374,015

# FINANCIAL SUMMARY : GROUP RESULTS

## COSTS AS DEFINED BY WORLD GOLD COUNCIL (USD/oz)



	2010	2011	2012	2013	2014
— Average gold price received	1,098	1,366	1,694	1,553	1,303
— Cash cost	650	781	776	815	897
— All-in sustaining cash costs	776	968	990	992	1,049
— All-in costs	776	968	1,066	1,212	1,124



**PAN AFRICAN**  
RESOURCES  
PLC

**GROUP OPERATIONAL REVIEW**  
RON HOLDING, CEO

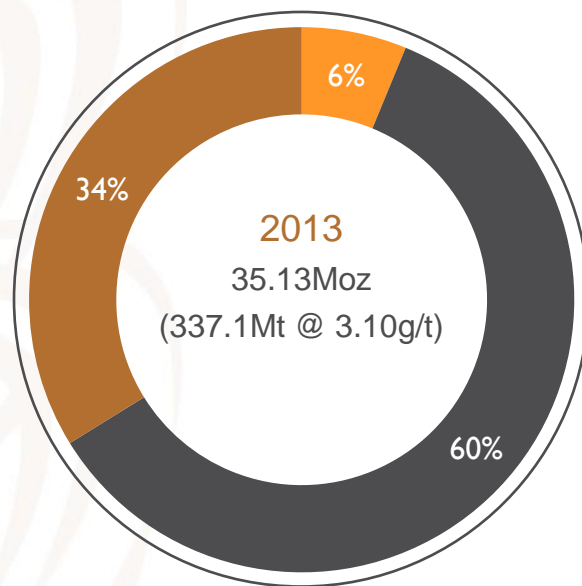
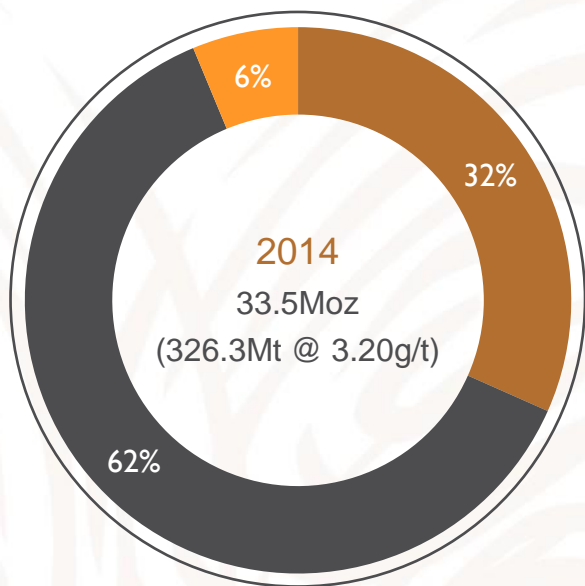


# GROUP RESULTS AND STRATEGIC OVERVIEW

## GROUP PRODUCTION

GOLD OPERATIONS		2014	2013
Total tonnes milled (Underground and Surface)	(t)	948,149	512,869
Total tonnes processed (Tailings)	(t)	815,736	-
Recovered grade (Underground and Surface)	(g/t)	5.4	7.9
Recovered grade (Tailings)	(g/t)	0.9	-
Gold sold	(oz)	188,179	130,493
Total cash cost	(ZAR/t)	990	1,832
PLATINUM OPERATION		2014	2013
Total tonnes processed (Tailings)	(t)	251,182	274,190
Head grade (Tailings)	(g/t)	3.65	3.68
PGE sold	(oz)	7,204	6,480
Total cash cost	(ZAR/t)	222	178

# GROUP RESOURCE UPDATE - GOLD

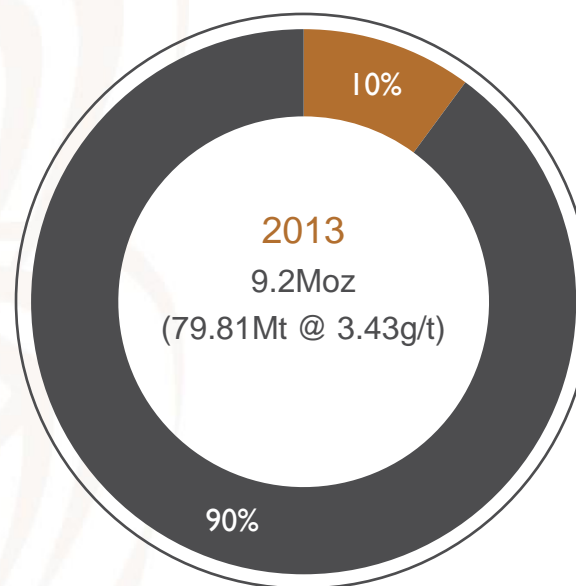
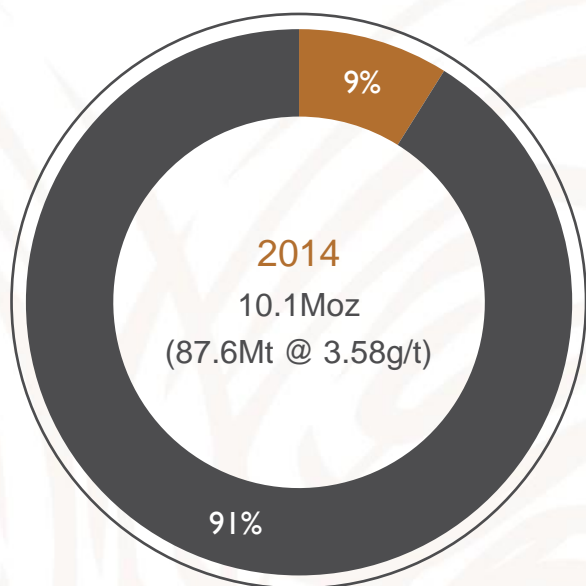


■ Measured

■ Indicated

■ Inferred

## GROUP RESERVE UPDATE - GOLD



■ Proved

■ Probable

# OPERATIONAL REVIEW

## BARBERTON MINES

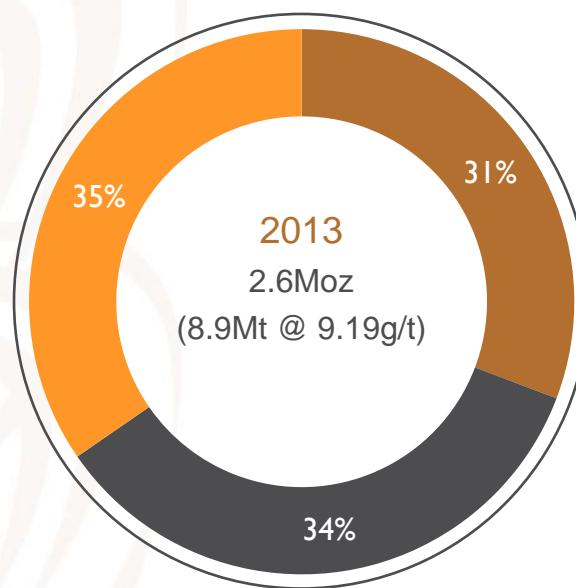
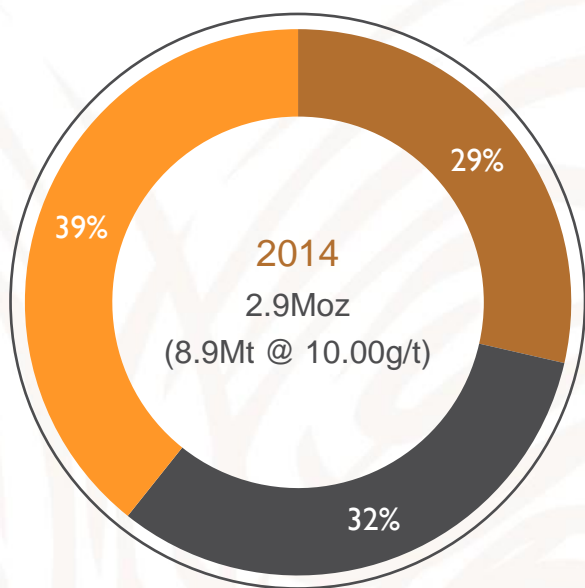


# BARBERTON MINES

## OPERATIONAL SUMMARY

- Gold sold increased by 15.9% to 111,623oz (2013: 96,296oz)
- Gold sold from underground and surface sources decreased by 7.9% to 88,738oz (2013:96,296oz)
  - March 2014 flooding at Sheba Mine
  - BIOX<sup>®</sup> - oil contamination from damaged crusher
  - Concentrate stock piled at year end (59kgs gold content)
- Revenue increased by 11.9% to ZAR1.51 billion (2013: ZAR1.35 billion)
- Underground grade 11.5g/t (2013: 11.8g/t)
- Improved ventilation conditions in the high grade 11 block - Raisebore ventilation project

# BARBERTON MINES UNDERGROUND RESOURCE UPDATE

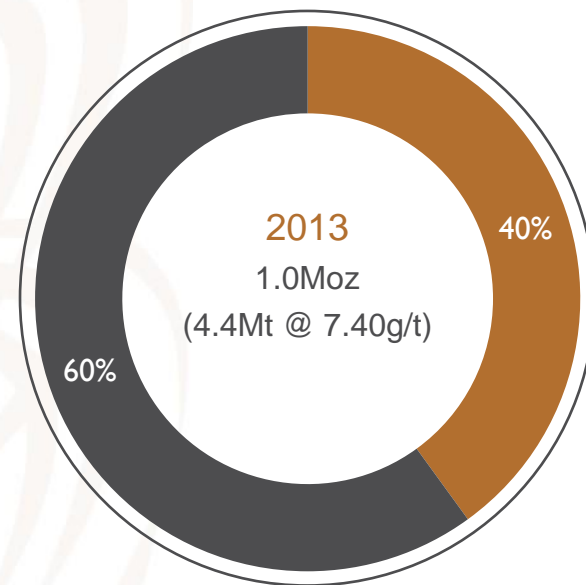
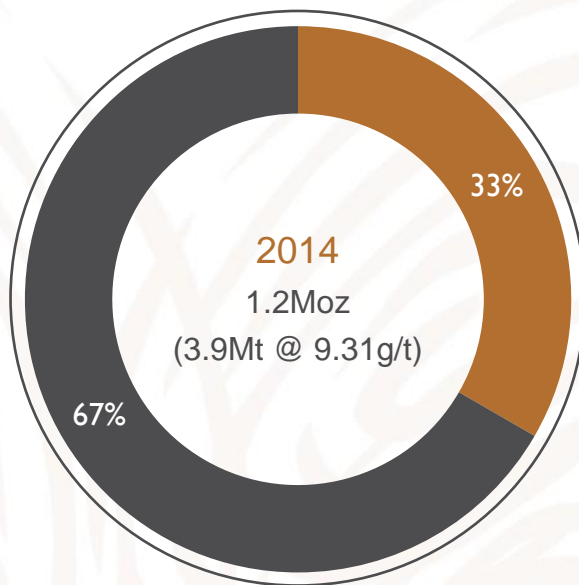


■ Measured

■ Indicated

■ Inferred

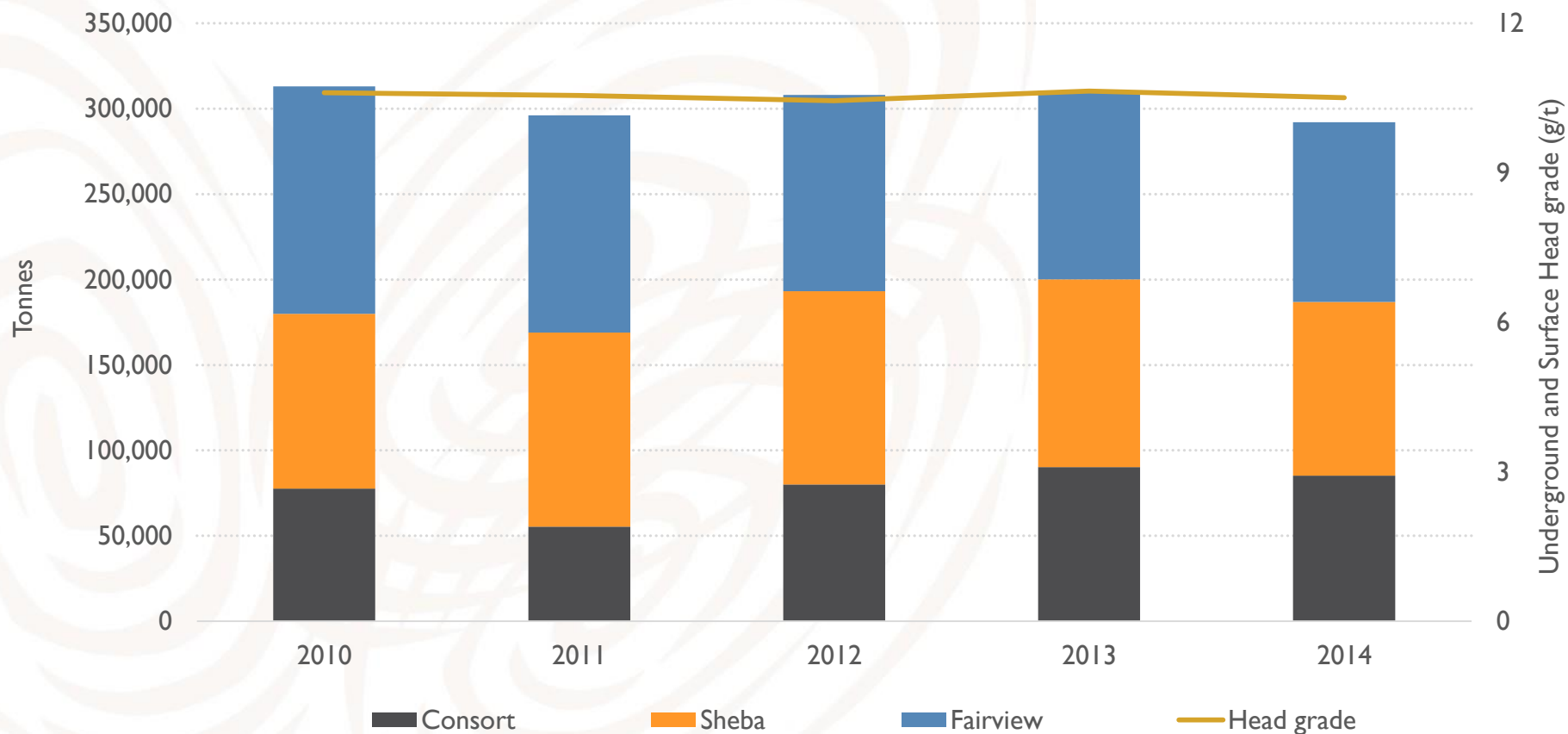
# BARBERTON MINES UNDERGROUND RESERVE UPDATE



■ Proved

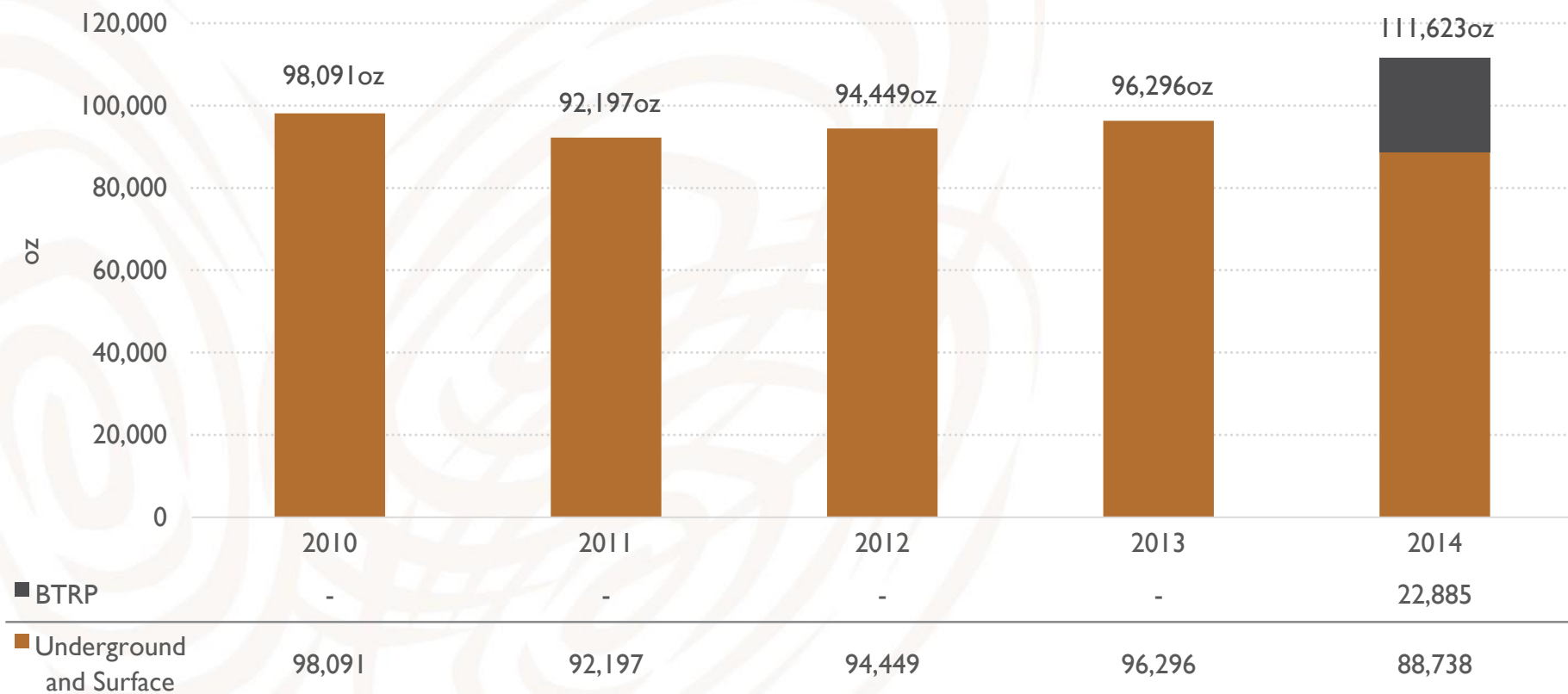
■ Probable

# BARBERTON MINES – UNDERGROUND AND SURFACE PRODUCTION STATISTICS



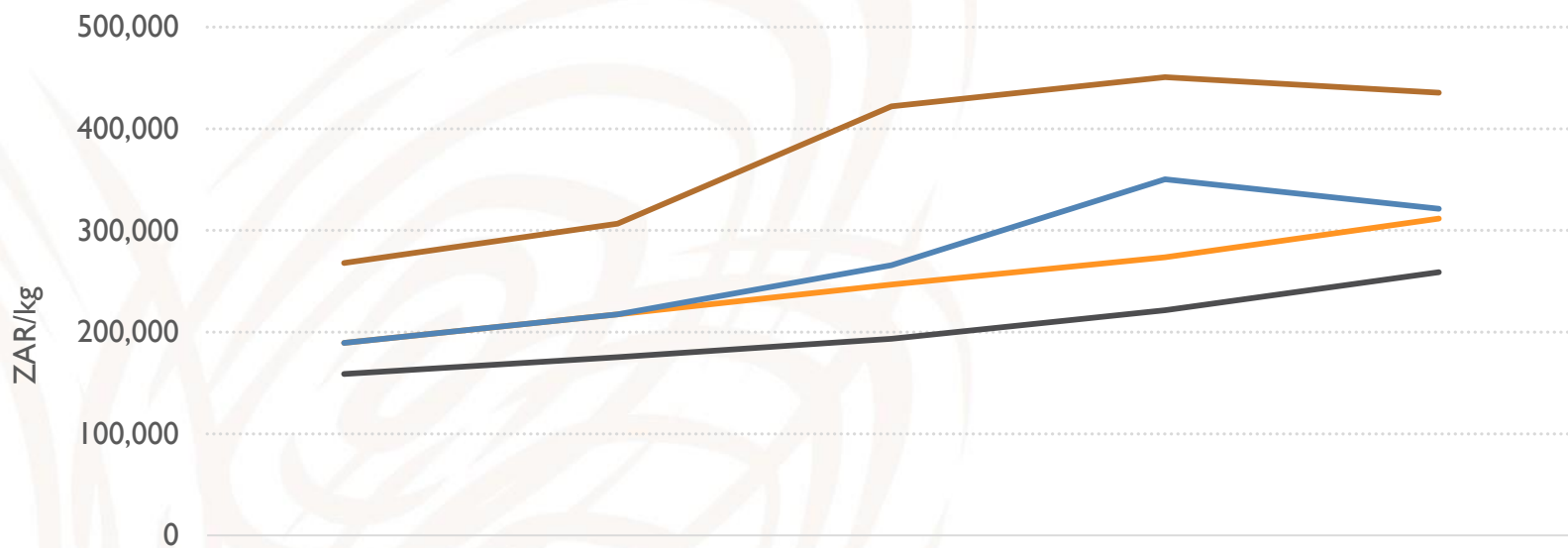
# BARBERTON MINES

## GOLD SOLD



# BARBERTON MINES – EXCLUDING BTRP

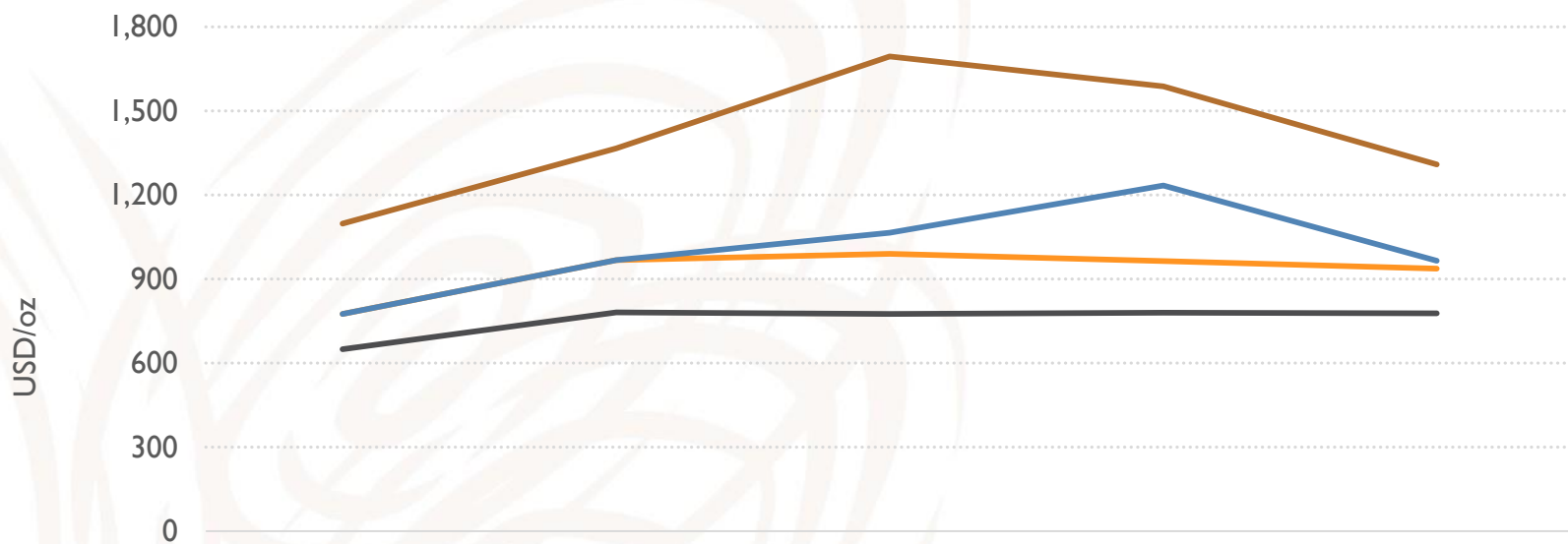
## COSTS AS DEFINED BY WORLD GOLD COUNCIL (ZAR/kg)



	2010	2011	2012	2013	2014
— Average gold price received	267,876	306,757	422,215	450,829	435,464
— Cash cost	158,711	175,520	193,360	221,424	258,972
— All-in sustaining cash costs	189,308	217,524	246,801	273,653	311,756
— All-in costs	189,308	217,524	265,713	350,302	321,342

# BARBERTON MINES – EXCLUDING BTRP

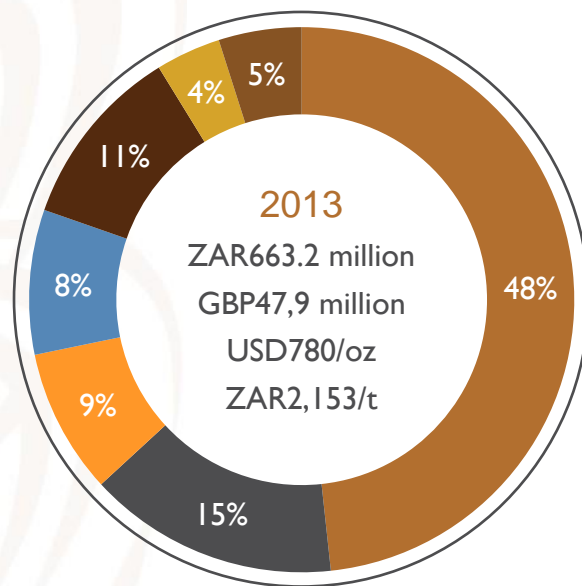
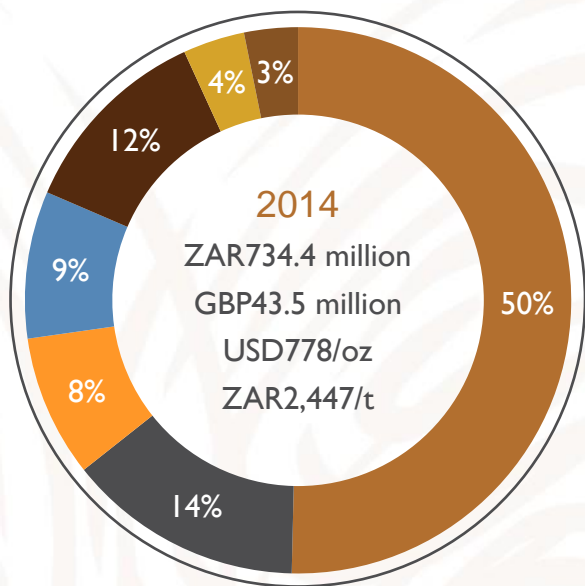
## COSTS AS DEFINED BY WORLD GOLD COUNCIL (USD/oz)



	2010	2011	2012	2013	2014
— Average gold price received	1,098	1,366	1,694	1,588	1,309
— Cash cost	650	781	776	780	778
— All-in sustaining cash costs	776	968	990	964	937
— All-in costs	776	968	1,066	1,234	966

# BARBERTON MINES – EXCLUDING BTRP

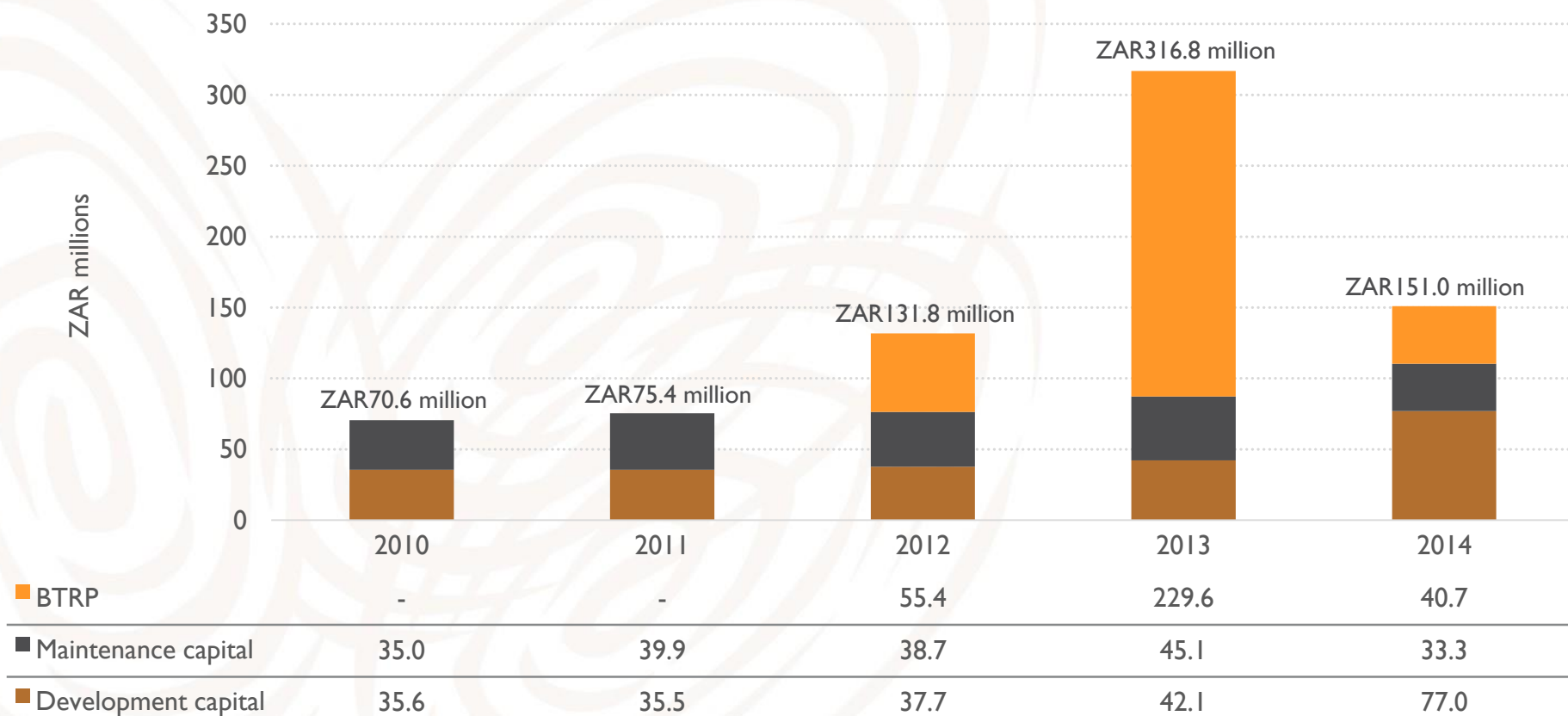
## CASH COST BREAKDOWN



■ Salaries   
 ■ Mining   
 ■ Processing   
 ■ Engineering   
 ■ Electricity   
 ■ Security   
 ■ Other

# BARBERTON MINES

## CAPITAL EXPENDITURE (INCL. BTRP)

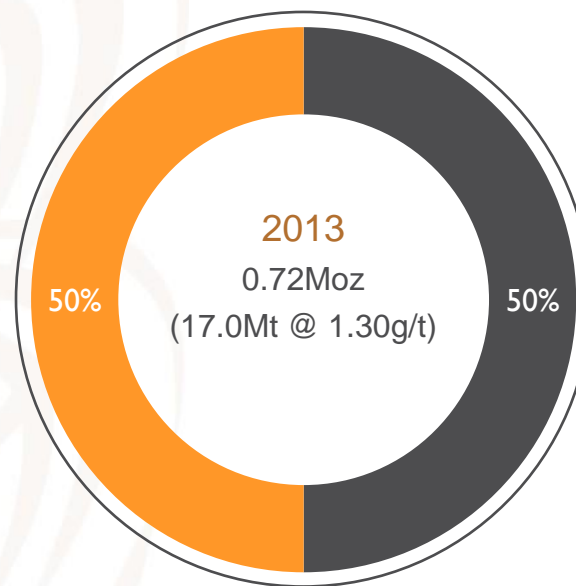
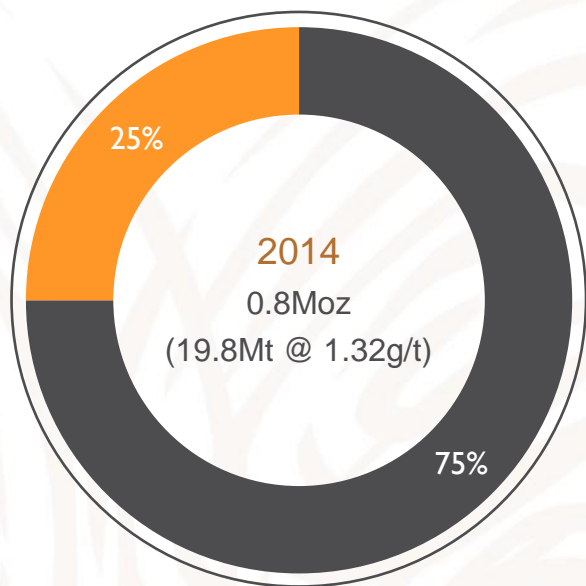


# BARBERTON TAILINGS RETREATMENT PLANT

## OPERATIONAL SUMMARY

- 1<sup>st</sup> gold production from BTRP - 22,885oz
- Revenue generated - ZAR309.2 million
- Cash cost per kilogram - ZAR163,977/kg - (USD493/oz)
- All-in cost per kilogram - ZAR227,286/kg – (USD683/oz) – expected to reduce with completion of construction
- Head grade of 1.6g/t
- Total capital spent on project was ZAR313.6 million

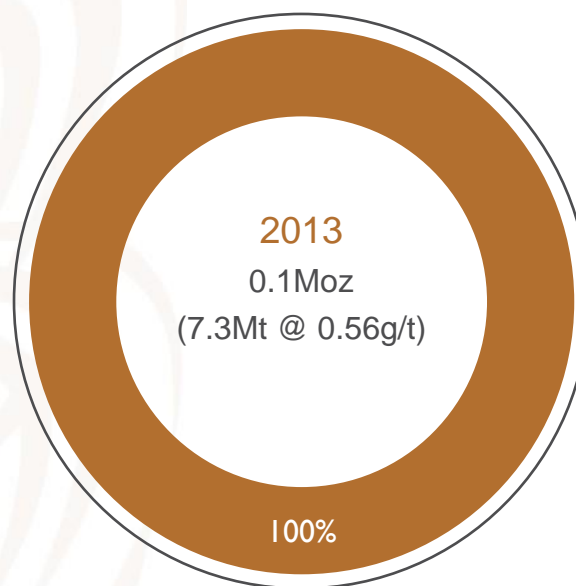
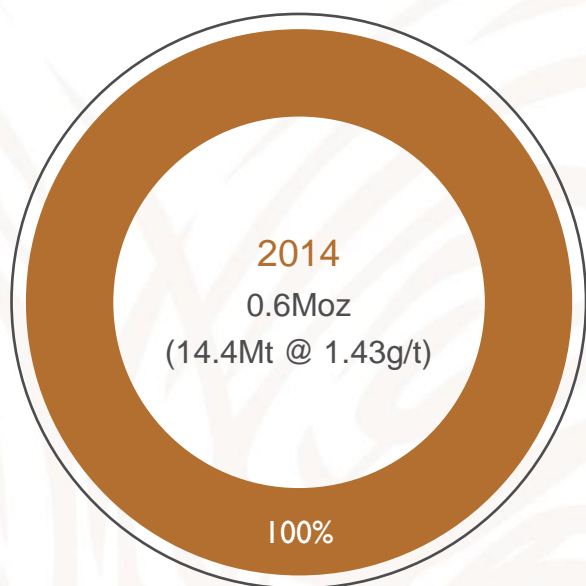
## BTRP RESOURCE UPDATE: TAILINGS DAMS



■ Indicated

■ Inferred

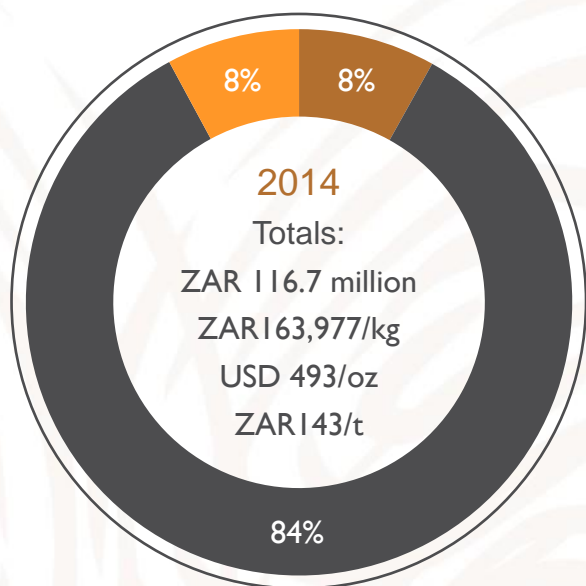
## BTRP RESERVE UPDATE: TAILINGS DAMS



■ Probable

# BARBERTON TAILINGS RETREATMENT PLANT

## CASH COST BREAKDOWN



■ Salaries & wages

■ Processing

■ Electricity

### MAJOR PROCESSING COSTS INCLUDE:

- Cyanide - ZAR56.6 million
- Lime – ZAR17.8 million
- Salaries and wages – ZAR9.5 million

# OPERATIONAL REVIEW

## EVANDER MINES

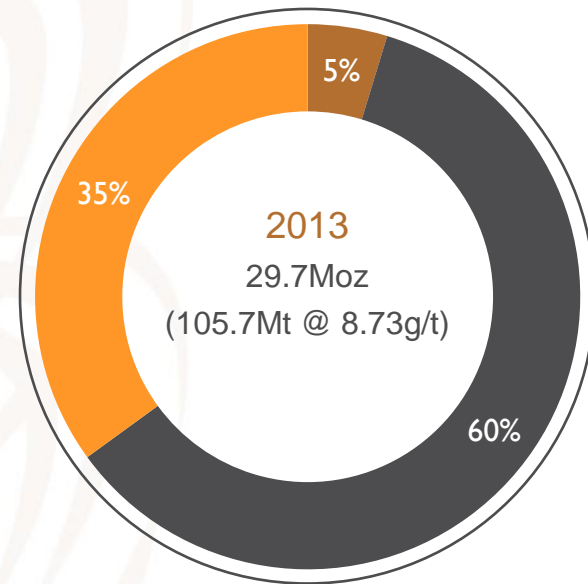
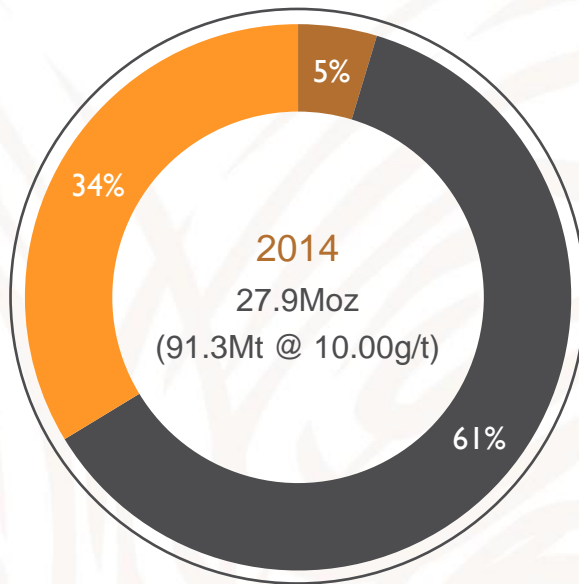


# EVANDER MINES

## OPERATIONAL SUMMARY

- Remains in low grade mining cycle until February 2015
- Gold sold decreased by 19.5% to 76,556oz (2013: 95,089oz)
- Revenue decreased by 22.9% to ZAR1.03 billion (2013: ZAR1.33 billion)
- Cash cost per kilogram increased by 36.0% to ZAR284,150/kg (2013: ZAR259,640/kg)
- All-in cost per kilogram increased by 28.5% to ZAR478,933/kg (2013: ZAR372,707/kg)
- Underground head grade decreased by 33.3% to 5.2g/t (2013: 7.4g/t)
- Capital spend for the year was ZAR210.5 million (2013: ZAR201.1 million)

# EVANDER MINES UNDERGROUND RESOURCE UPDATE

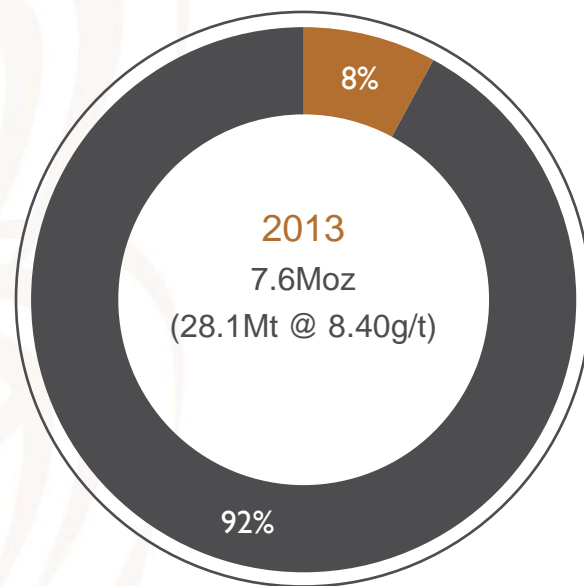
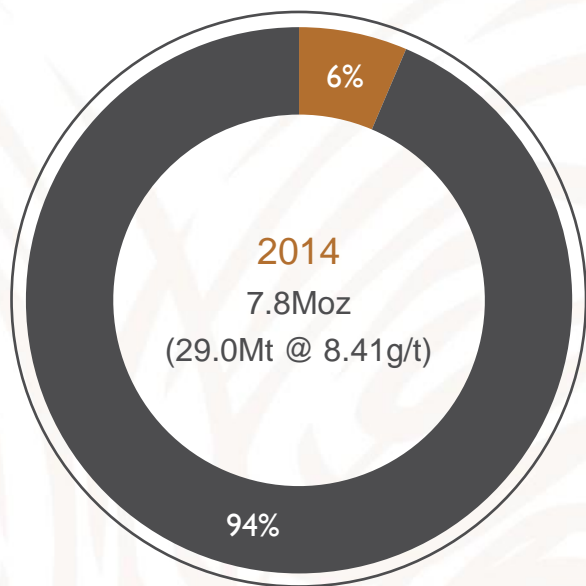


■ Measured

■ Indicated

■ Inferred

# EVANDER MINES UNDERGROUND RESERVE UPDATE

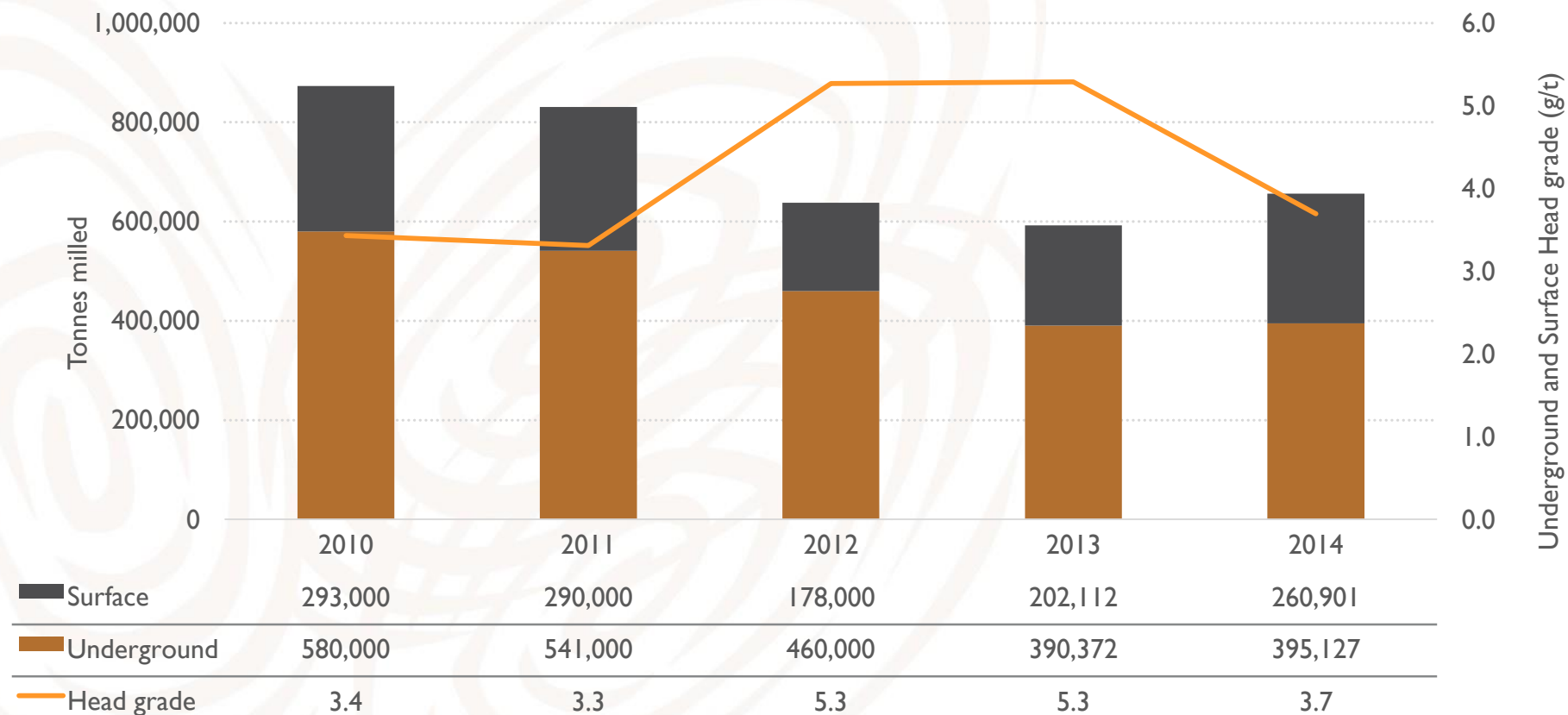


■ Proved

■ Probable

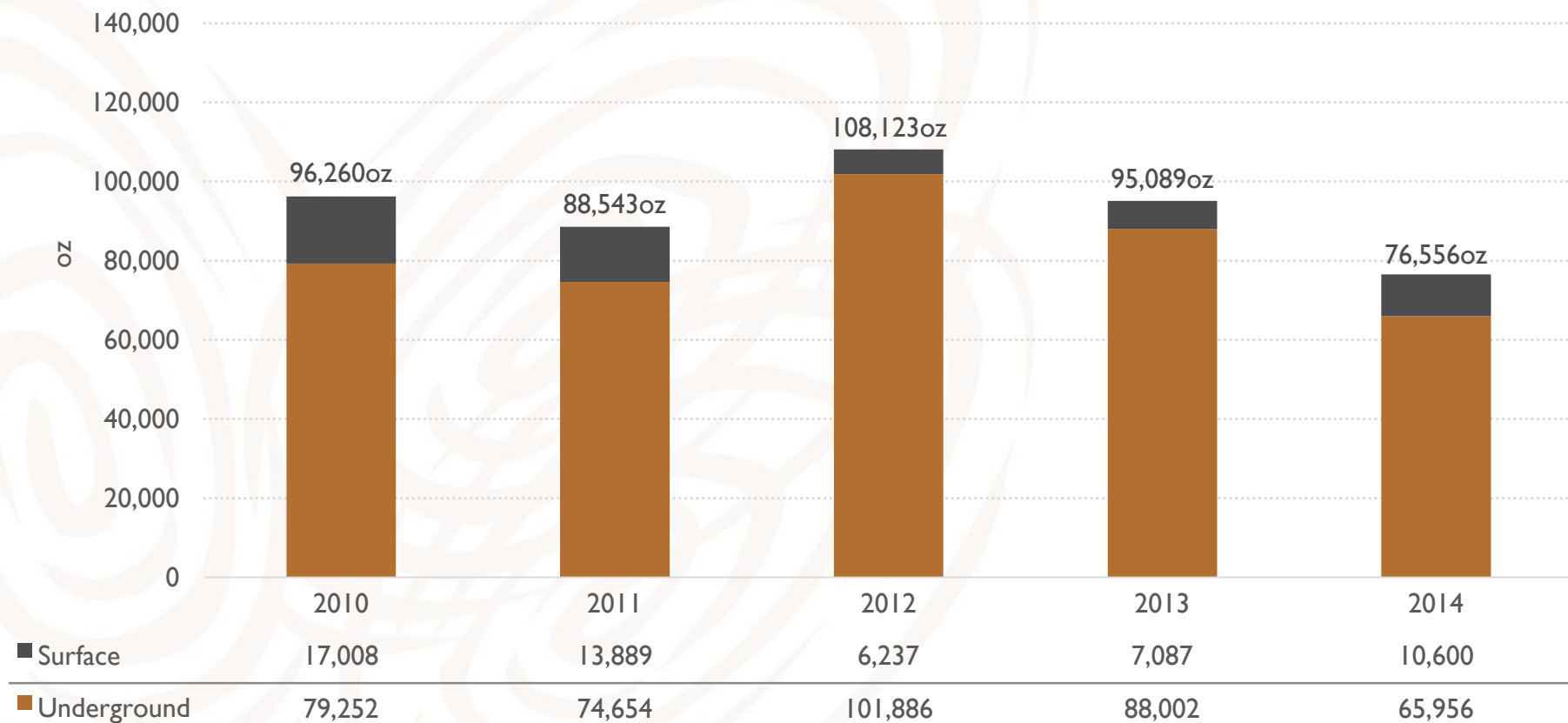
# EVANDER MINES

## PRODUCTION STATISTICS



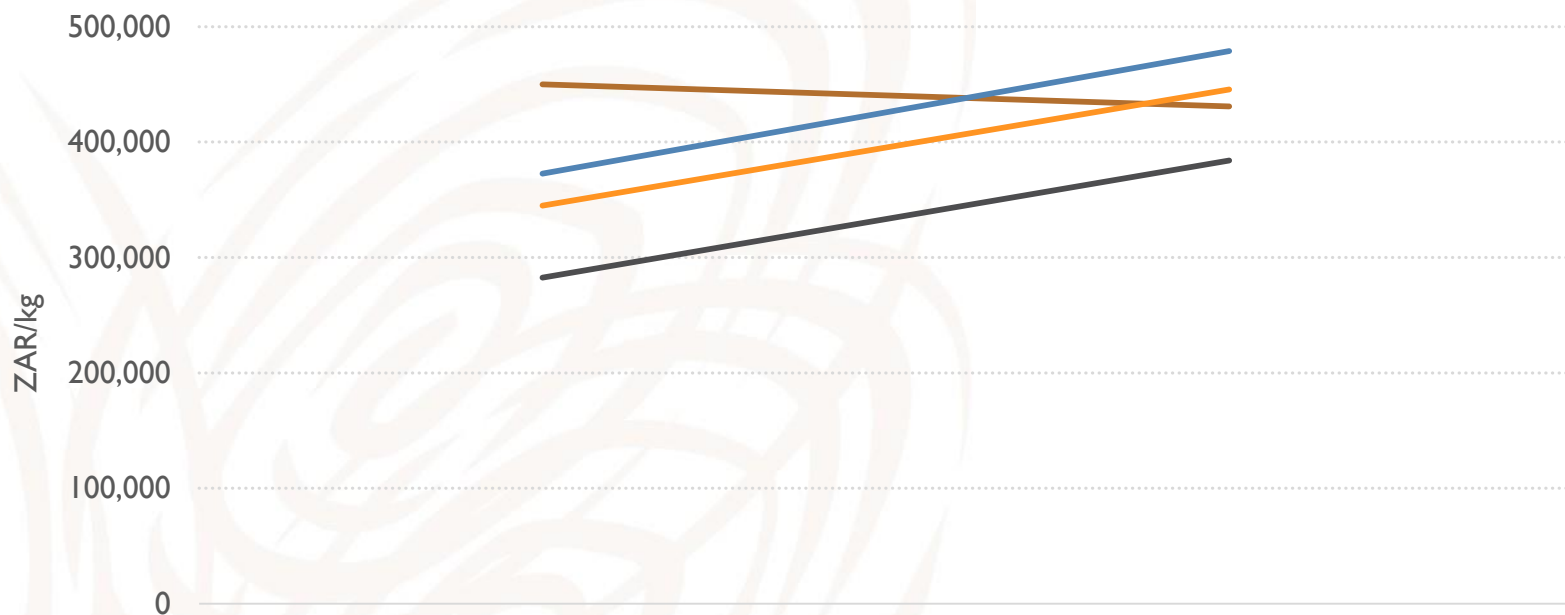
# EVANDER MINES

## GOLD SOLD



# EVANDER MINES

## COSTS AS DEFINED BY WORLD GOLD COUNCIL (ZAR/kg)



— Average gold price received

2013

449,975

2014

430,801

— Cash cost

282,451

384,150

— All-in sustaining cash costs

345,006

445,665

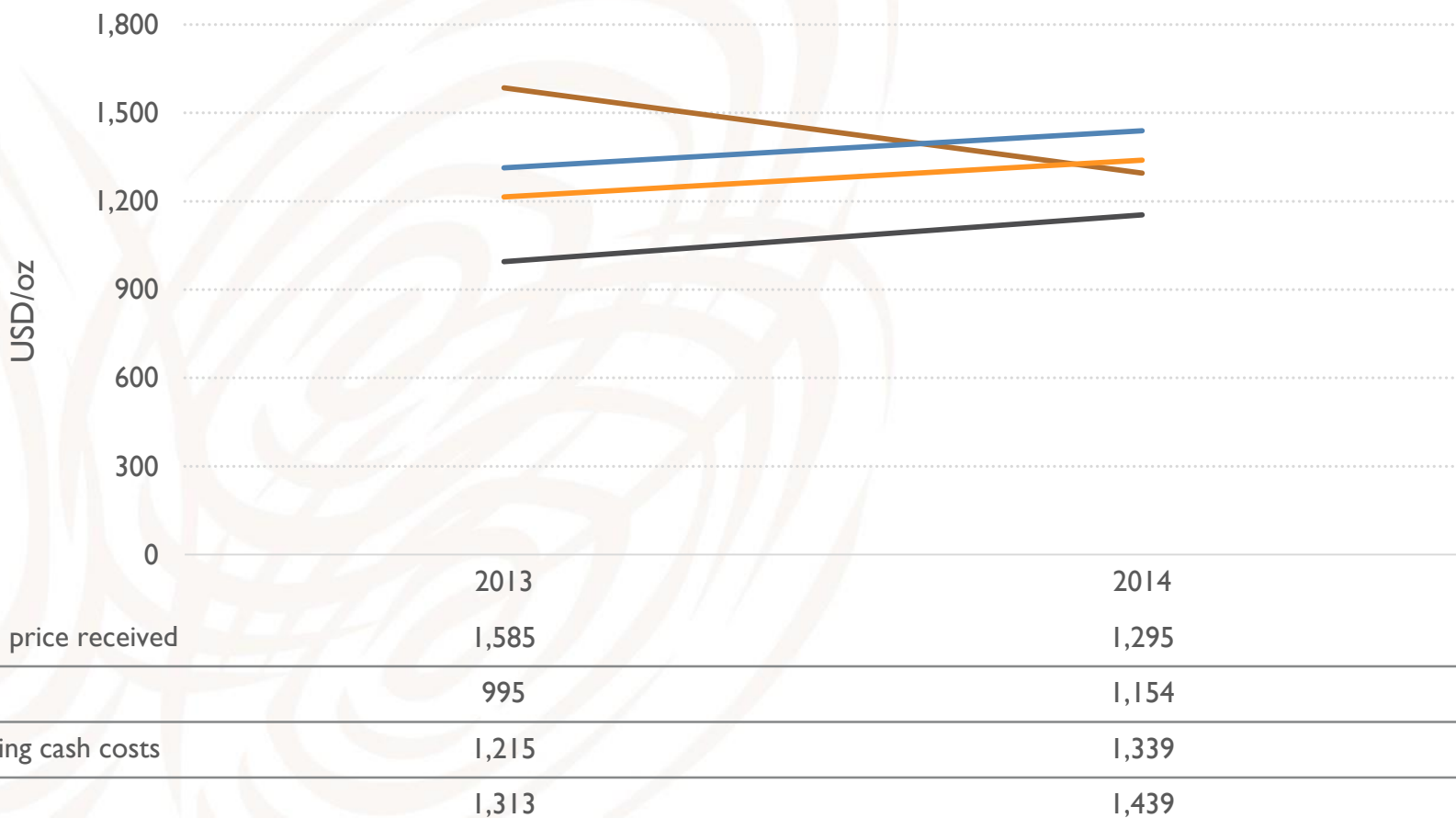
— All-in costs

372,707

478,933

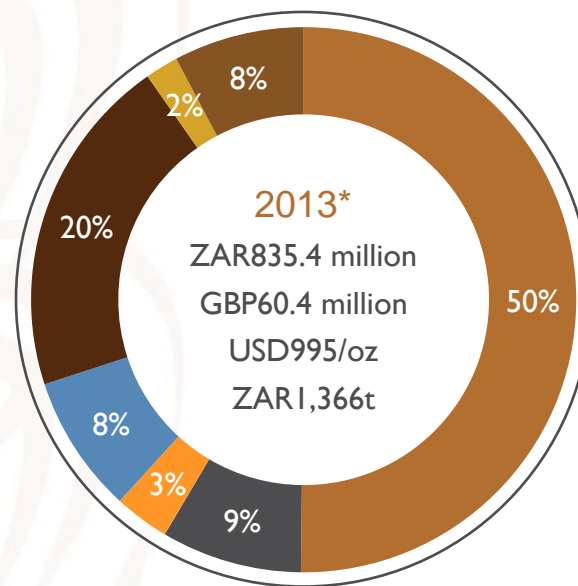
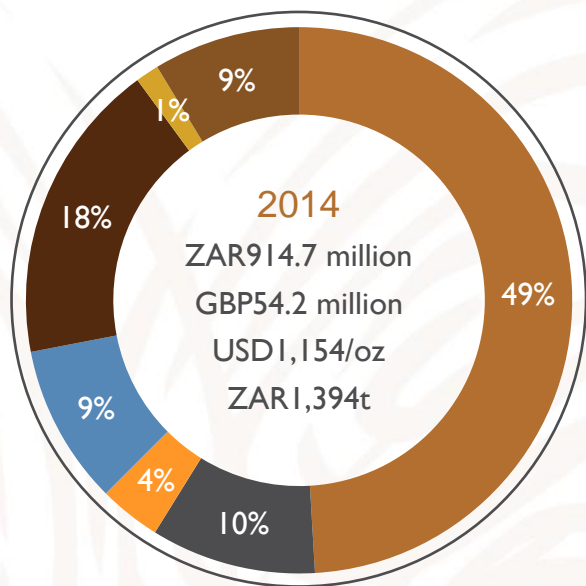
# EVANDER MINES

## COSTS AS DEFINED BY WORLD GOLD COUNCIL (USD/oz)



# EVANDER MINES

## CASH COST BREAKDOWN



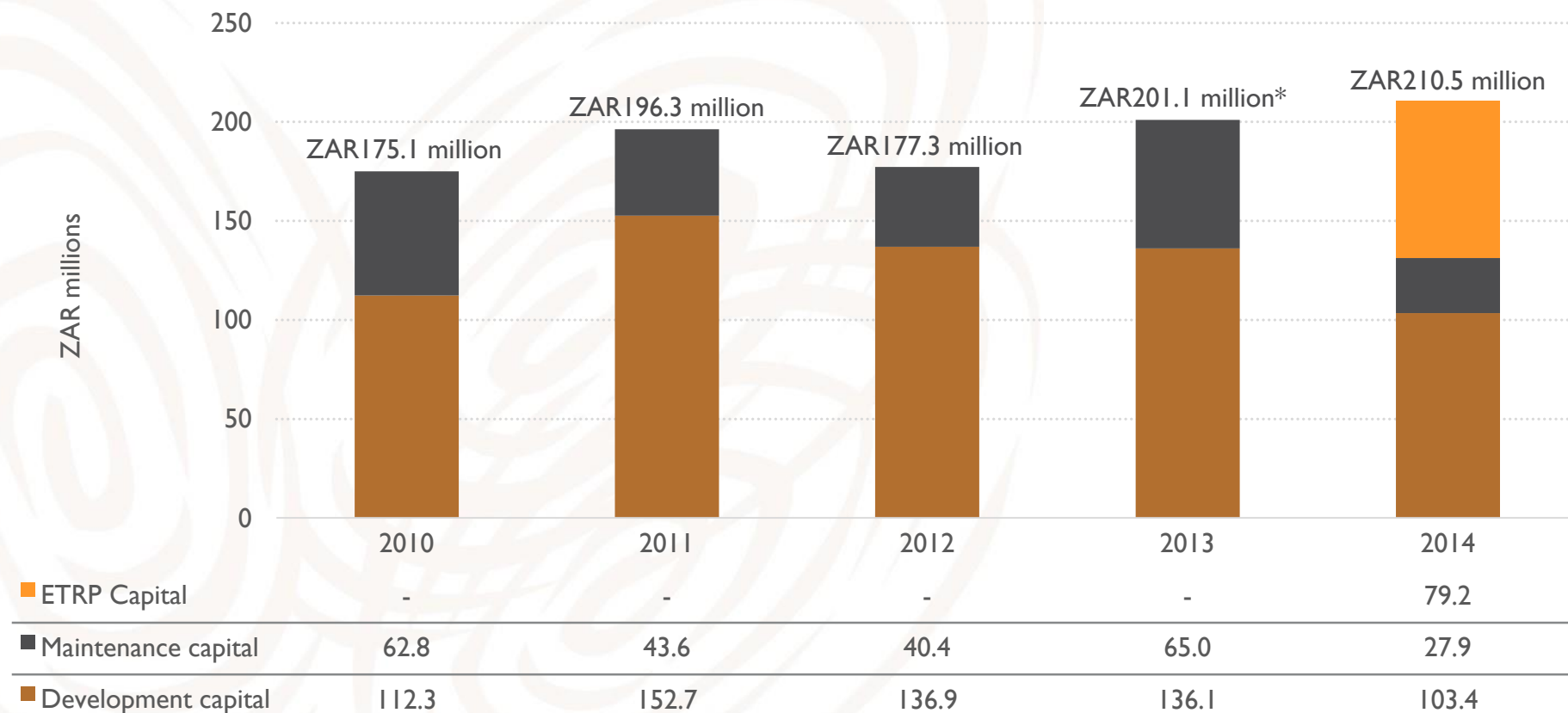
- Salaries and wages
- Engineering & technical services
- Administration
- Mining
- Electricity

- Processing
- Security

\* Full FY2013 – previously only reported on the 4 months ended 30 June 2013.

# EVANDER MINES

## CAPITAL EXPENDITURE



\* Capital spend by Harmony totaled ZAR138.8 million up to 28 February 2013

# OPERATIONAL REVIEW

## PHOENIX PLATINUM



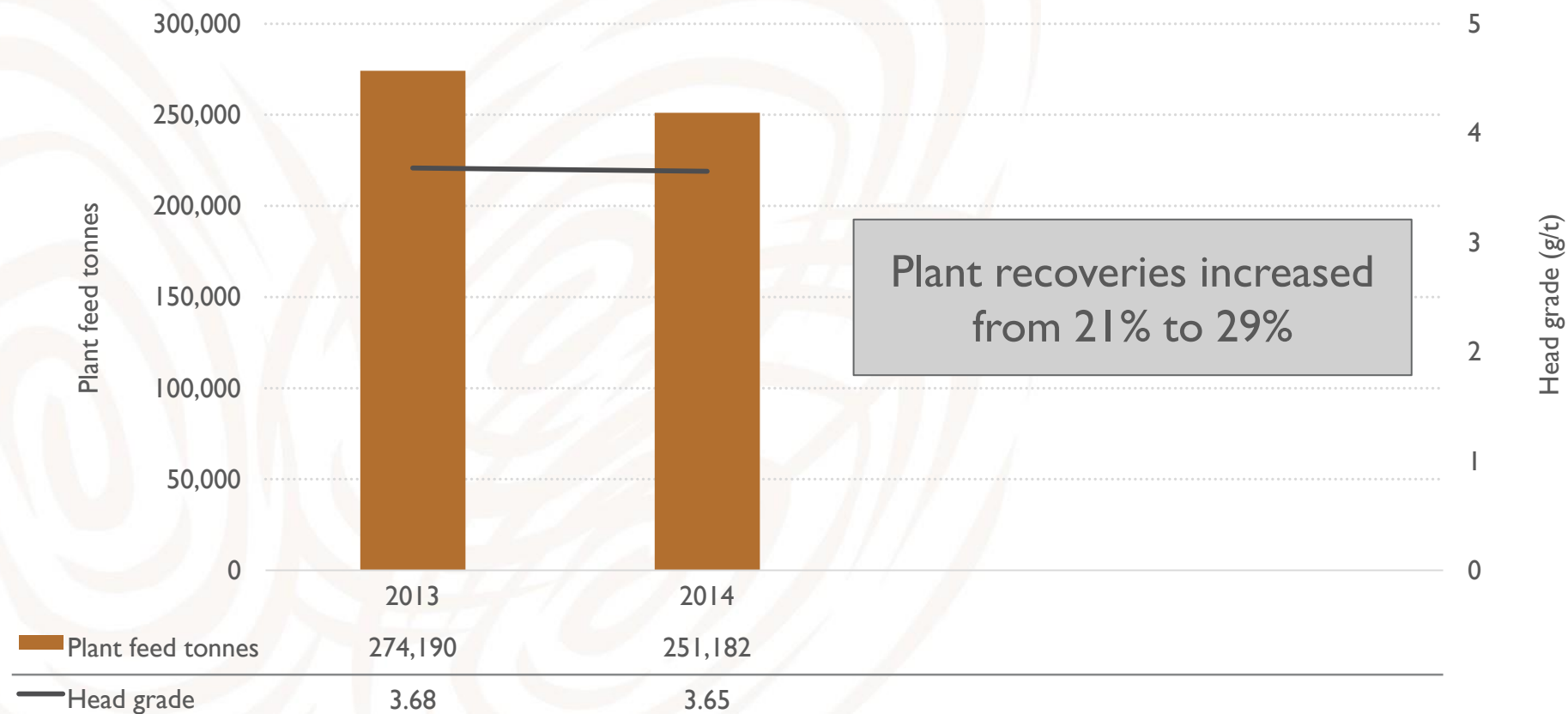
# PHOENIX PLATINUM

## OPERATIONAL SUMMARY

- Phoenix was both cash generative and profitable in the 2014 financial year
- PGE production increased by 11.2% to 7,204oz (2013: 6,480oz)
- Revenue increased by 22.1% to ZAR71.9 million (2013: ZAR58.9 million)
- Cash cost per ounce increased by 2.3% to ZAR7,723/oz (2013: ZAR7,551/oz)
- Life of mine increased to 28 years (2013: 20 years)
- Capital spend for the year was ZAR0.4 million (2013: ZAR2.2 million)

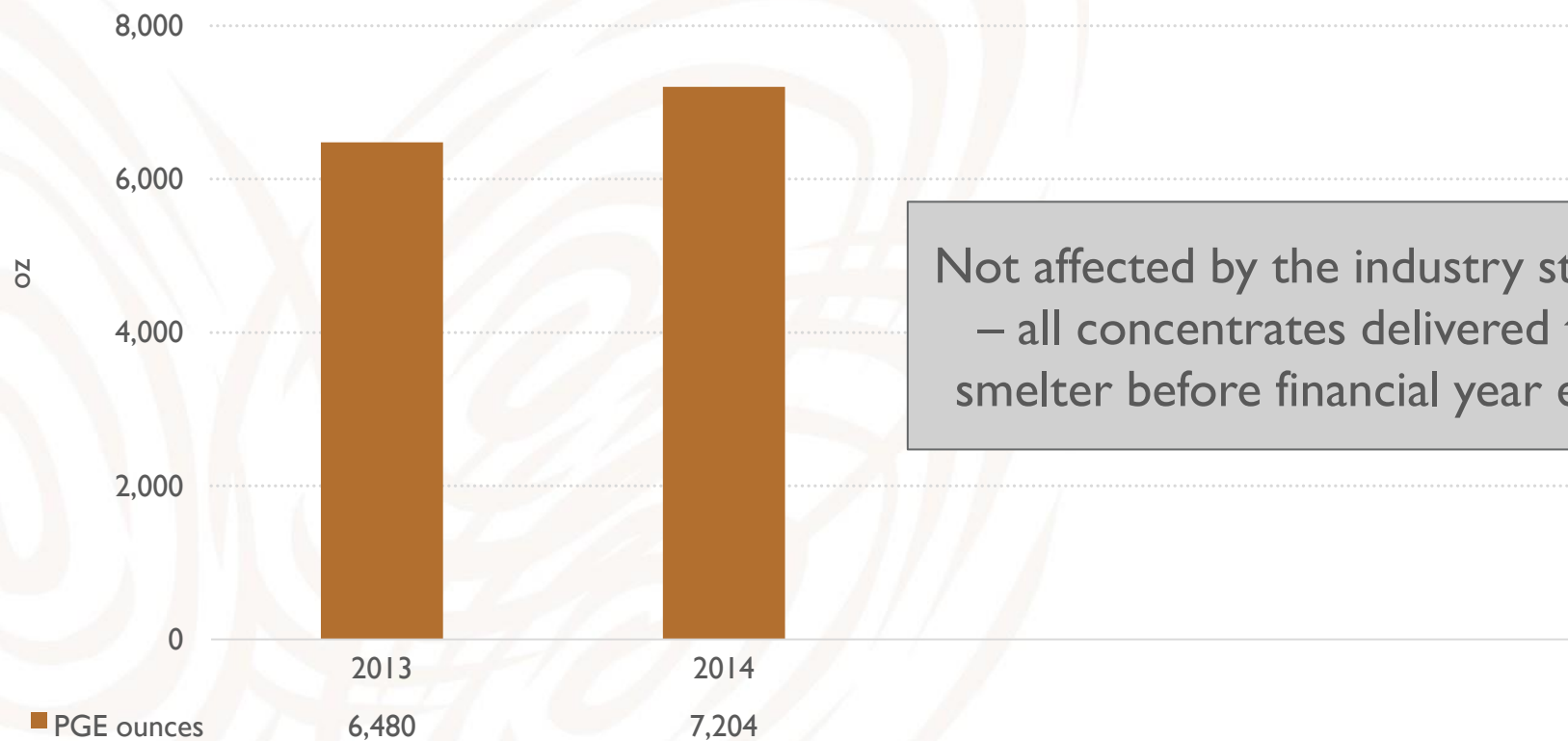
# PHOENIX PLATINUM

## PRODUCTION STATISTICS



# PHOENIX PLATINUM

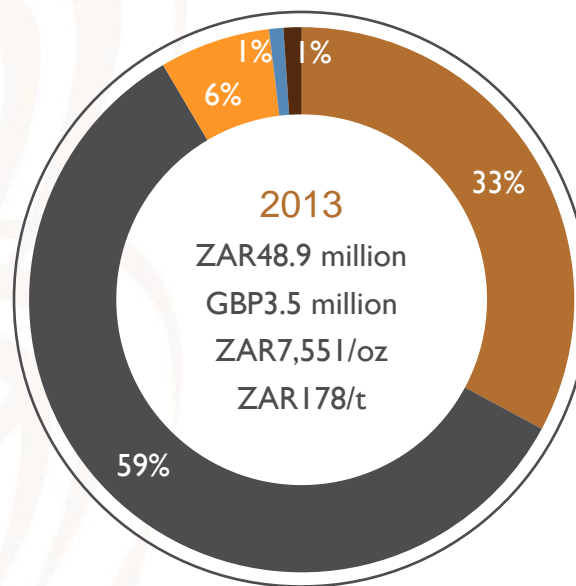
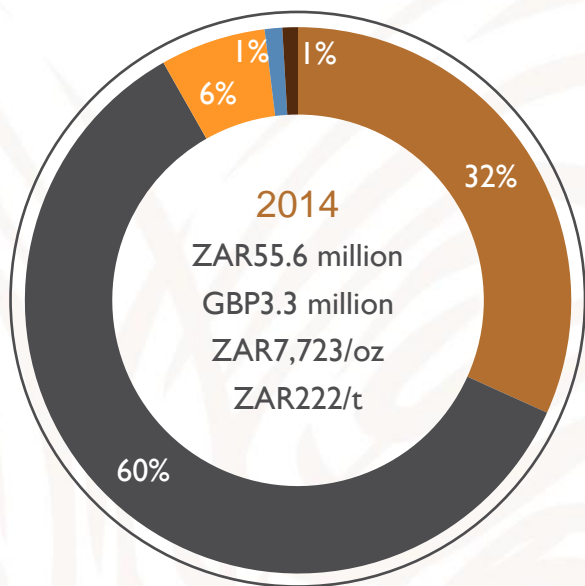
## PGE SOLD



Not affected by the industry strike  
– all concentrates delivered to  
smelter before financial year end

# PHOENIX PLATINUM

## CASH COST BREAKDOWN



■ Salaries and wages    
 ■ Processing    
 ■ Electricity    
 ■ Administration    
 ■ Security



# OUTLOOK

SUSTAINABLE

# PERFORMANCE AGAINST 2014 TARGETS

- Direct all efforts to reducing the severity of accidents at all operations ✘
- Focus delivery on:
  - Profitable ounces (volume, grade and costs) ✔
  - Sustain cost profiles ✔
- Mitigate the impact of the lower grade mining cycle at Evander:
  - Manage and engineer risks associated with infrastructure Ongoing
  - Target incremental ounces:
    - Reclamation section at No 7 Shaft (sweepings and vamping) ✔
    - Extend the life of surface sources ✔
    - Prefeasibility study on the ETRP ✔
    - Evaluate the re-opening of No 3 decline section (access to 2010 Pay Channel) ✔
- Complete production build-up phase and stabilise BTRP production ✔
- Deliberate on progressing the major opportunities at Evander with a “steady as you go” approach Ongoing
- Produce tangible returns for our shareholders (maintain dividend) ✔

# OUTLOOK: FOR THE NEXT 12 MONTHS

1. Continue all efforts to reduce the severity of accidents at all operations
2. Focus on delivery:
  - Volumes and grades at operations
  - Improve cash cost profiles
3. Ameliorate the effects of a lower grade mining cycle at Evander
  - Establish mining areas on 25 level and move stoping crews as availability arises
  - Manage risks associated with infrastructure
  - Target incremental ounces at Evander
4. Identify additional tonnages to extend the LOM of surface sources
5. Commission the ETRP at Evander
6. Maintain dividends to our shareholders

# OUR INVESTMENT CASE

# PAN AFRICAN RESOURCES PLC

## OUR INVESTMENT CASE

- Group remains profitable with attractive margins, despite lower gold price environment
- Long life quality assets
  - Significant profit and cash flow upside once Evander Mines re-enters higher grade mining cycle
- Industry leading dividend yield, with new progressive dividend policy
- Near term organic growth projects to increase production and margins
- Substantial resource base provides future optionality to investors
- Strong statement of financial position will provide underpin for further accretive growth

# PAN AFRICAN RESOURCES PLC

## DIVIDEND COMPARISON

**Investment case:** Leading dividend payers in the gold space

	2014	2013	2012	2011
Caledonia Mining Corporation	7.9%	6.4%	5.1%	n/a
Pan African Resources PLC	5.6%	6.2%	n/a	4.1%
Petropavlovsk PLC	0.8%	5.8%	2.5%	1.3%
Highland Gold Mining Ltd	7.2%	5.4%	2.3%	0.9%
AngloGold Ashanti Ltd	0.2%	1.7%	1.2%	0.8%



PAN AFRICAN  
RESOURCES  
PLC

THANK YOU

