

OPERATIONAL PERFORMANCE REVIEW

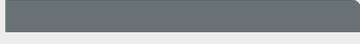
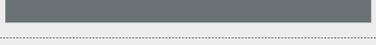
Barberton Mines

- Three underground gold mines: Fairview Mine, Sheba Mine and New Consort Mine
- BTRP

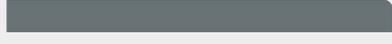
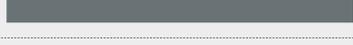
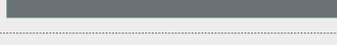
BARBERTON MINES		2021	2020
	Employees	1,767	1,829
	Contractors	1,068	834
	Life-of-mine	20 years	20 years
	A low-cost, high-grade operation comprising three underground mines: Fairview, Sheba and New Consort. Located in the Barberton Greenstone Belt. Acquired 74% of the shareholding in 2007 and the remaining 26% shareholding in 2009.		
	Production (tonnes milled)	325,017	337,404
	Produced (oz/annum)	84,826	68,129
	Capacity (oz/annum)	110,000	110,000
	Tonnage (capacity per annum)	432,000	432,000
	Sustaining capital	US\$14.5 million	US\$11.8 million
	Mineral Resources	24.3Mt at 4.83g/t (3.5Moz)	24.0Mt at 4.77g/t (3.7Moz)
	Mineral Reserves	14.5Mt at 3.48g/t (1.62Moz)	15.5Mt at 3.33g/t (1.66Moz)
	Recovered grade	8.1g/t	6.3g/t
	Cash cost 	US\$1,074/oz	US\$1,110/oz

Refer to  APMs on pages 222 to 229.

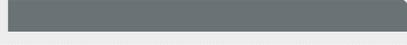
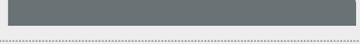
Gold sold (oz)

2021		103,065
2020		88,264
2019		99,363
2018		90,629
2017		98,508

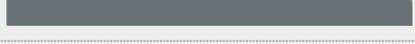
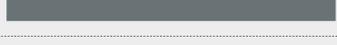
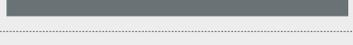
Tonnes milled and processed – tailings operations

2021		946,293
2020		958,106
2019		1,114,923
2018		858,967
2017		821,691

AISC (US\$/oz)

2021		1,380
2020		1,242
2019		1,078
2018		1,124
2017		942

Tonnes milled and processed – mining operations

2021		325,017
2020		337,404
2019		293,264
2018		237,831
2017		246,915

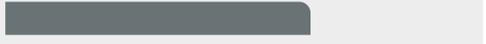
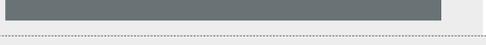
BARBERTON TAILINGS RETREATMENT PLANT		2021	2020
	Employees	72	74
	Contractors	270	127
	Life-of-mine	3 years ¹	6 years
	Construction commenced in April 2012. Inaugural gold pour and steady-state production from June 2013. Located at Barberton Mines.		
	Production (tonnes milled)	946,293	958,106
	Produced (oz/annum)	18,293	20,135
	Capacity (oz/annum)	25,000	25,000
	Tonnage (capacity per annum)	1,200,000	1,200,000
	Sustaining capital	US\$0.1 million	US\$0.1 million
	Mineral Resources	21.9Mt at 1.21g/t (0.8Moz)	20.7Mt at 1.26g/t (0.8Moz)
	Mineral Reserves	6.6Mt at 1.61g/t (0.34Moz)	8.8Mt at 1.70g/t (0.5Moz)
	Recovered grade	0.6g/t	0.7g/t
	Cash cost ²	US\$933/oz	US\$786/oz

¹ The life of BTRP decreased from six years to three years due to mining depletions, a decrease in the recoveries achieved at the operation, as well as bringing forward processing of feedstock to maintain current production levels.

Refer to  APMs on pages 222 to 229.

Recovered grade – mining operations

(g/t)

2021		8.1
2020		6.3
2019		8.0
2018		9.6
2017		9.0

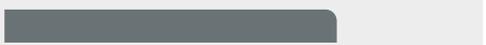
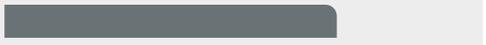
Capital expenditure¹

(US\$ million)

2021		27.1
2020		18.9
2019		16.2
2018		16.4
2017		14.2

Recovered grade – tailings operations

(g/t)

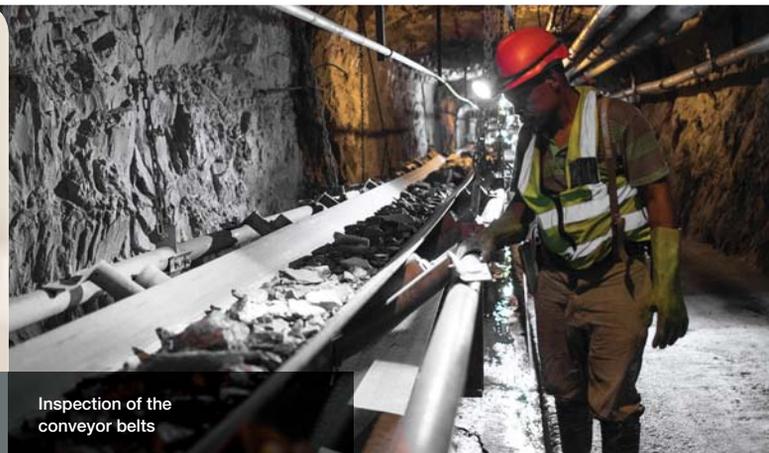
2021		0.6
2020		0.7
2019		0.7
2018		0.6
2017		1.0

BARBERTON MINES IS A LONG-LIFE, HIGH-MARGIN, HIGH-GRADE GOLD PRODUCER WITH AN EXCELLENT LONG-TERM SAFETY RECORD. THE RENEWAL OF BARBERTON MINES' MINING RIGHTS FOR A FURTHER 30 YEARS (TO 2051) IS AN ENDORSEMENT OF OUR MINING PLANS TO SUCCESSFULLY CONTINUE WITH MINING OPERATIONS LONG INTO THE FUTURE.

¹ Converted to US\$ at the average exchange rate prevailing for the respective period.



JAN THIRION
General manager



Inspection of the conveyor belts

HIGHLIGHTS

Safety

TRIFR and LTIFR (per million man hours) improved to 6.21 (2020: 8.01) and 1.07 (2020: 1.11), respectively
One fatality was reported for the year under review
180 COVID-19 cases were reported for the 2021 financial year

Sales and production

Gold sales and production increased by 16.8% to 103,065oz (2020: 88,264oz)

Cost of production

AISC per ounce increased by 4.9% to US\$1,303/oz (2020: US\$1,242/oz)
Mining operations' AISC per ounce increased by 0.4% to US\$1,380/oz (2020: US\$1,375/oz)
BTRP's AISC per ounce increased by 19.0% to US\$946/oz (2020: US\$795/oz)
Production costs increased by 18.4% to US\$108.2 million (2020: US\$91.4 million) including: <ul style="list-style-type: none"> • Engineering and technical service costs increased by 33.9% to US\$7.9 million (2020: US\$5.9 million) • Salaries and wages increased by 19.1% to US\$44.9 million (2020: US\$37.7 million) • Electricity costs increased by 16.5% to US\$12.0 million (2020: US\$10.3 million) • Mining and processing costs increased by 15.8% to US\$32.3 million (2020: US\$27.9 million)

Capital expenditure

Total capital expenditure increased by 43.4% to US\$27.1 million (2020: US\$18.9 million) comprising: <ul style="list-style-type: none"> • sustaining capital expenditure of US\$14.6 million (2020: US\$11.9 million) • expansion capital expenditure of US\$12.5 million (2020: US\$7.0 million)

OVERVIEW OF OPERATIONS

The Fairview, New Consort and Sheba underground operations that constitute the Group's Barberton Mines complex have been operating for over 130 years and Sheba Mine is recorded as one of the oldest working gold mines in the world.

These flagship mines are high-grade operations that have the capacity to produce approximately 80,000oz of gold per year, with an established safety record.

BARBERTON MINES HAS A LIFE-OF-MINE ESTIMATED AT 20 YEARS PER THE CURRENTLY IDENTIFIED MINERAL RESOURCES AND MINERAL RESERVES REPORT.

In June 2021, the DMRE granted the renewal of the Company's Barberton Mines mining rights for a period of 30 years. Official notification of the grant of the renewal in terms of section 24 of the Mineral and Petroleum Resources Development Act, 28 of 2002 was received by the Group on 1 June 2021, and comprises renewals of the mining rights for Fairview, New Consort and Sheba Mines (all of the Group's Barberton Mines mining rights). The renewal applications submitted by Pan African included detailed technical reports and mine works programmes that support mining at the Barberton Mines operations for the 30-year renewal period.

Fairview Mine is the birthplace of BIOX®, an environmentally friendly process of releasing gold from the surrounding sulphide (refractory) minerals, using organisms that perform this process naturally and with excellent recoveries consistently in the region of 98.8%. The plant at Fairview Mine is still used as the training facility for all BIOX® plants globally.

Barberton Mines improved flexibility at its Fairview operation through accelerated underground development programmes at the high-grade MRC and Rossiter orebodies, which were successfully implemented during the past year. This has resulted in increased face length availability, where over 200m of high-grade face length is now accessible. Four large platforms (256, 257, 258 and 358 Platforms) are currently available for mining in the MRC orebody and three within the Rossiter orebody, improving flexibility.



Drilling of blast holes
for mining advance

The design and development of the subvertical shaft project at Fairview Mine is progressing as planned and should be completed over a period of two years, after which it is expected to produce an additional 7,000oz to 10,000oz per annum.

At New Consort Mine's PC Shaft Level 42, the extraction of the first target block was successfully initiated. This block is characterised by extreme high-grade mineralisation of more than 300g/t and the occurrence of visible gold. This was the first target block of a total of 36 exploration targets that have been identified at New Consort Mine using modern exploration techniques, and which will be explored systematically by the Group over the next three years.

Mining of the Thomas orebody at Sheba Mine has assisted Sheba Mine's production profile for the 2021 financial year. The focus has now shifted to accessing high-grade cross-fractures within the ZK orebody on the newly accessed 37 Level.

Project Dibanisa aims to connect the underground infrastructure of Fairview and Sheba Mines, allowing all underground production from Sheba Mine to be transported to the surface using the existing Fairview Mine infrastructure and processed at the Fairview metallurgical plant. This will create capacity for the Sheba Mine infrastructure (ZK Shaft and Sheba metallurgical plant) to be utilised for the development and treatment of the Royal Sheba orebody, thereby significantly reducing the capital requirements for the project.

The BTRP surface operation was commissioned by the Group in 2013 and is located within Fairview Mine's mining right footprint area. BTRP was designed to treat 100,000t of tailings per month and adds low-cost and low-risk ounces to our production profile, with production of 18,239oz (2020: 20,135oz) for the 2021 financial year at an AISC of US\$946/oz (2020: US\$795/oz). The remaining life-of-mine is estimated at three years. Additional feed sources are being investigated, including the possible conversion of BTRP to a hard rock plant, to increase the life of BTRP. In the coming years, production at the BTRP is expected to be supplemented with ore from Barberton Mines' Royal Sheba orebody, where development is in progress.

CHALLENGES

The adverse impact on gold production from community unrest remains a challenge. One production day was lost in the current financial year as a result of community unrest activities, an improvement on the three days lost in the previous year. The improvement can be attributed to enhanced security measures

and sustained community engagement and awareness efforts by the Group, including through social media channels and community engagement forum meetings with representative groups.

The Group continues its awareness programmes that inform stakeholders about the importance of mining, its contribution to the local economy and the dangers of illegal mining to sustainability and the livelihoods of all stakeholders.

Illegal mining continues to adversely affect operations and the safety and security of our employees which, in turn, impacts revenues and security costs. The Group's risk and security executive introduced new integrated security strategies and joint collaborative efforts with national law enforcement agencies, which are bearing tangible results.

The geological complexity of Barberton Mines' orebodies, as experienced and expected in the mineralisation style of our Mineral Resources and Mineral Reserves, also present operational challenges. Greenstone belt shear zone-hosted gold deposits are characteristically variable in metal content and mineralised extents, along both strike and down-dip. As a result of this variability, the Group increased the available mining face length of the high-grade platforms in the Fairview MRC 11-block and Rossiter orebodies during the financial year through highly intensive exploration methods. Along with the increase in the available strike length of the high-grade panels, the width of the platforms has also been optimised. These enhancements were made without impacting the grade of the ore being extracted from these platforms. The fourth high-grade platform in Fairview Mine's MRC 11-block was accessed in May 2021 and development towards the down-dip 259 Platform is progressing according to plan. The availability of these additional high-grade platforms greatly enhanced mining flexibility at Fairview and resulted in improved production levels which are expected to be sustained in the coming years.

FOCUS FOR 2022

Our focus remains on the continued improvement of our safety performance, delivering quality ounces consistent with our production guidance from Barberton Mines of approximately 100,000oz per annum and advancing value-accretive growth opportunities within our orebodies.

The Group has a demonstrable record of replenishing its Mineral Resources through effective brownfield exploration and is looking to organic growth projects, such as the Royal Sheba project, to further enhance the sustainability and longevity of the Group's operations.

Our primary focus areas for the 2022 financial year are:

- reducing underground unit costs
- optimising Barberton Mines' infrastructure utilisation by advancing the Royal Sheba project and Project Dibanisa
- extending and optimising the Mineral Reserve definition drilling programmes
- identifying additional exploration targets using modern geophysical techniques
- improving sustainability of the operation's tailings deposition by extending the Fairview TSF
- completing the bankable feasibility study for a solar photovoltaic renewable energy plant that will result in reduced carbon emissions and operating costs while also ensuring a reliable electricity supply.