Safe, high-margin and long-life South-African focused gold producer with a production capacity of approximately 200,000oz of gold per annum

Pan African owns and operates a portfolio of safe, high-quality, high-margin South African operations: Barberton underground (target output 80koz Au pa), the Barberton Tailings Retreatment Plant, or BTRP (~20koz), Elikhulu Surface Tailings Retreatment Plant, or Elikhulu (~60koz) and Evander 8 Shaft Pillar (~30koz)

Barberton Mines
Profitable, long life, high-grade operation comprising three underground mines: Fairview, Sheba and New Consort

Elikhulu
USD120m tailings retreatment project which exploits historically generated gold tailings deposited on Kinross, Leslie/Bracken and Winkelhaak TSFs. Commenced production in 2018. Re-mined tailings will be deposited in an up to date new TSF with a smaller footprint, with rehabilitation and sustainable land use benefits

Near-term organic growth Egoli Project
The Egoli Project is a long life, low cost brownfield project, that will capitalise on the Evander Mines’ existing established infrastructure during its development and exploitation. This synergy has materially reduced Egoli's upfront capital investment, and contributed to its compelling and robust economic returns. The project has an initial life of mine (LOM) of 9 years, with annual gold production of approximately 72koz at an average head grade of 6.61g/t. Additional geological and operational upside exists when the Inferred Resources are accessed as underground development proceeds, potentially increasing LOM to 14 years.

Evander Mines’ 8 Shaft Pillar
Feasibility study completed to mine the Evander 8 Shaft pillar and high grade areas in proximity to the pillar. Steady state production since June 2020 following delays due to COVID-19
2020 COMPANY PERFORMANCE

Financial performance

25.9%
Revenue up 25.9% to US$273.7 million (2019: US$217.4 million)

51.9%
Net senior debt* down 51.9% to US$62.0 million (2019: US$129.0 million); aim to be CF positive in 12-18 months

52.3%
Net adjusted EBITDA up 52.3% to US$86.5 million (2019: US$56.8 million)

Operational performance

4.1%
Gold production up 4.1% to 179,457oz (2019: 172,442oz) – despite loss of production days due to COVID-19; above group guidance

Resilience through COVID-19 Pandemic

• Production levels affected far less than peers due to a larger proportion of surface activities, less labor-intensive operations; Group remained cashflow positive during the lockdown period
• During the South-African lockdown, Pan African’s group surface mining operations operated at 70% of normal capacity; now back to 100% capacity
• Output for FY20 at surpassed guidance of 176,000oz; production guidance for 2021 of 190,000oz

$1,078/oz
Group AISC $1,078/oz - excluding realized hedge losses. Targeting AISC of $1,000/oz in FY2021

FY2020 DIVIDENDS ZA 14.0 cents per share
(2019: ZA 2.0 cents per share) – or approximately US 0.84 cents per share (2019: US 0.15 cents per share); target dividend pay-out ratio of 40% of net cash generated by operating activities. Dividend yield of 3.8% calculated at 30 June 2020 JSE closing price of ZAR3.70/share

LOOKING INTO 2021

Continue to produce safely and sustainably into FY2021 Group production guidance of c.190,000 oz.

Continuing our ESG journey through project implementation and compliance monitoring.

Reduce Group AISC to US$1000/oz through focused asset optimisation.

Balance sheet deleveraging and increasing dividends to shareholders.

Maintain our industry leading safety record.

ROBUST PROJECT PIPELINE

Pan African is being very rigorous in assessing their investment options and will only invest in projects that are robust across a range of economic metrics, including relatively low gold prices

INVESTOR RELATIONS CONTACTS

Hethen Hira, Pan African Resources
+27 11 243 2900
Hhira@paf.co.za

Laine Yonker, Edison Group
+1 646-653-7035
lyonker@edisongroup.com

www.panafricanresources.com