



THE AFRICAN-FOCUSED PRECIOUS METALS PRODUCER

COMPANY PROFILE

Pan African Resources is a mid-tier African-focused precious metals producer with a production capacity in excess of 200,000oz gold and 12,000oz of PGEs per annum. The group's assets include:

- **Barberton Mines:** three gold mines and the BTRP in Mpumalanga
- **Evander Mines:** a gold mine and the ETRP in Mpumalanga
- **Phoenix Platinum:** a Chrome Tailing Retreatment Plant ("CTRP") in the North West province

Pan African Resources' growth strategy is aimed at identifying and exploiting mining opportunities at margins that create stakeholder value by driving growth in our earnings, cash flows, production and in our mineral reserve and resource base, and by capturing the full precious metals mining value chain.

The group is profitable and cash generative at current gold prices, with the ability to fund all on-mine sustaining capital expenditure internally and also meet its other funding and growth commitments.

DIVIDEND

The group paid a final dividend of ZAR258 million or GBP14.9 million (2013: ZAR240.3 million or GBP14.7 million) during December 2014 relating to the 2014 financial year, equating to ZAR0.1410 or 0.82 pence per share (2013: ZAR0.1314 or 0.80 pence per share).

Proposed final dividend for approval at the annual general meeting

In light of market uncertainties, the board has proposed a reduced dividend of ZAR210 million or GBP9.9 million (2014: ZAR258 million or GBP14.9 million), equating to ZAR0.11466 per share or 0.53958 pence per share (2014: ZAR0.1410 per share or 0.82 pence per share). This proposed final dividend is subject to approval at the annual general meeting which will take place on 27 November 2015. The reduced dividend is not a departure from the group's progressive dividend policy and the board will consider an interim dividend in the 2016 financial year.

Note 1

The GBP proposed dividend was calculated based on an exchange rate of ZAR21.25:1. The UK shareholders are to note that a revised exchange rate will be communicated prior to final approval at the annual general meeting. Therefore the proposed dividend is approximately 0.53958 pence per share.

PAN AFRICAN RESOURCES PLC

(Incorporated in England and Wales under the Companies Act 1985)
Registration number: 3937466 on 25 February 2000
Share code on AIM: PAF | Share code on JSE: PAN
ISIN: GB0005300496

Cobus Loots, CEO of Pan African Resources commented: "Despite a very difficult financial year, the board has proposed an attractive final dividend to shareholders. This proposed dividend demonstrates our confidence in the robust nature of our operations. Having implemented a number of corrective measures to resolve the issues that impacted on the 2015 financial year, the group is well positioned to deliver an improved performance in 2016. The successful commissioning of the ETRP, together with Phoenix Platinum's production and profitability ramp-up, confirms the group's ability to grow in a value-accretive manner and to continue to enhance stakeholder value. The group's existing cash flow generative mines and project pipeline enables us to execute our strategy of growing production with robust economics for the benefit of all our stakeholders."

SUMMARISED CONSOLIDATED RESULTS

Metric	For the year ended 30 June 2015		For the year ended 30 June 2014		Movement %	
	ZAR millions – GBP millions	ZAR millions – GBP millions	ZAR millions – GBP millions	ZAR millions – GBP millions	ZAR millions – GBP millions	ZAR millions – GBP millions
Revenue	2,539.4	141.1	2,608.8	154.6	(2.7%)	(8.7%)
Average gold price received	446,274	1,212	433,437	1,303	3.0%	(7.0%)
Cash costs	349,410	949	298,345	897	17.1%	5.8%
All-in sustaining cash cost	402,221	1,093	349,008	1,049	15.2%	4.2%
All-in costs	425,084	1,155	374,015	1,124	13.7%	2.8%
Adjusted EBITDA	512.1	28.4	745.5	44.2	(31.3%)	(35.7%)
Attributable earnings	210.2	11.7	452.1	26.8	(53.5%)	(56.3%)
Earnings per share ('EPS')	11.48	0.64	24.74	1.47	(53.6%)	(56.5%)
Headline earnings per share ('HEPS')	11.67	0.65	24.74	1.47	(52.8%)	(55.8%)
Net debt	321.1	16.6	101.0	5.6	(217.9%)	(196.4%)
Total sustaining capital expenditure	242.3	13.5	164.5	9.7	(47.3%)	(39.2%)
Total capital expenditure	352.0	19.6	363.0	21.5	(3.0%)	(8.8%)
Net asset value per share	149.5	8.0	152.4	8.7	(1.9%)	(8.0%)
Weighted average number of shares in issue	1,830.4	1,830.4	1,827.2	1,827.2	0.2%	0.2%
Average exchange rate	18.00	11.45	16.88	10.35	6.6%	10.6%
Closing exchange rate	19.30	12.29	18.01	10.59	7.2%	16.1%

GOLD SOLD



REVENUE



HEADLINE EARNINGS



ALL-IN COSTS PER KILOGRAM



PROPOSED FINAL DIVIDEND

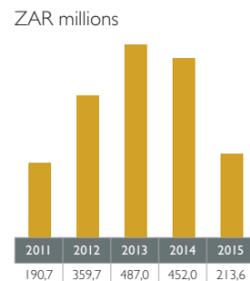


Equating to **ZAR210 million**
(2014: ZAR258 million)

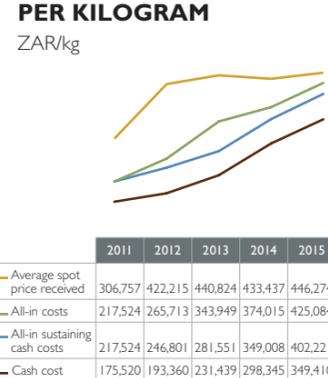
GOLD SOLD



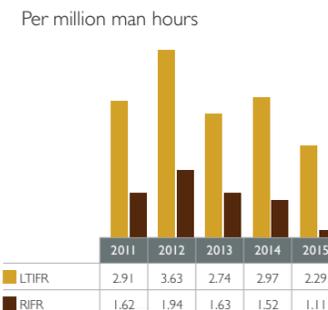
HEADLINE EARNINGS



REVENUE AND COSTS PER KILOGRAM



ACCIDENT RATE



OPERATIONS

Barberton Mines

- Remains one of the lowest cost producers in the gold industry with an all-in cost of ZAR337,317/kg versus an average gold price received of ZAR446,274/kg.
- Decrease in gold sold to 105,776oz (2014: 111,623oz), production was negatively affected by an oil contamination within the BIOX® plant and Section 54 safety stoppages issued by the Department of Minerals Resources ("DMR"), which resulted in the loss of 11 production days.
- Average underground head grade of 10.9g/t (2014: 11.5g/t).
- Barberton Tailings Retreatment Plant ("BTRP") gold sold increased by 6.1% to 24,283oz (2014: 22,885oz).
- BTRP recoveries maintained at 57% (2014: 56%).

Evander Mines

- Evander Tailings Retreatment Plant ("ETRP") construction completed ahead of schedule and within budget with steady state production achieved by the end of February 2015. The ETRP was the third surface tailings retreatment plant successfully commissioned by the group, and in addition to underground mining expertise, Pan African Resources is now firmly established as a tailings re-mining operator.
- Gold sold decreased by 8.5% to 70,081oz (2014: 76,556oz) largely due to the lower grade mining cycle and Section 54 safety stoppages issued by the DMR, which resulted in the loss of nine production days.
- Provisional economic assessment of the Evander South project, an attractive mining opportunity whereby the Kimberley reef can potentially be exploited at shallow depths, commencing at 300 metres below surface. Evander South has estimated mineral resource of 4.9Moz (20.1Mt @ 7.7g/t).
- Provisional economic assessment of the Elikhulu tailings project (1.2 million tonnes per month tailings project)

Phoenix Platinum

- PGE ounces sold increased by 42.2% to 10,245oz (2014: 7,204oz).
- Phoenix Platinum profitability and cash generation increased significantly during the period under review.
- Adjusted EBITDA increased to ZAR27.7 million (2014: ZAR16 million).
- Overall plant recoveries increased significantly to 44% (2014: 29%).

FOR FURTHER INFORMATION

This short-form announcement is the responsibility of the directors and is only a summary of the information in the full announcement. Any investment decisions should be based on the full announcement published on SENS and is also available on our website www.panafricanresources.com or at our registered offices for inspection, at no charge, during office hours. Copies of the full announcement may be requested by emailing: eking@paf.co.za.

Cobus Loots
Chief Executive Officer

Deon Louw
Financial Director

17 September 2015