



PAN AFRICAN
RESOURCES
PLC

ELIKHULU
SITE VISIT
31 JANUARY 2019

PROFITABLE • SUSTAINABLE • STAKEHOLDERS • GROWTH

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Statements in this report that address future financial performance, exploration activities, mining potential and future plans and objectives of Pan African Resources are forward-looking statements and forward-looking information that involve various risks, assumptions and uncertainties and are not statements of fact.

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PURPOSE STATEMENT – To exploit mineral deposits in a manner that creates value for our stakeholders and for the betterment of society in a safe and sustainable manner

Mission - To be a safe, low-cost and sustainable world-class gold producer



PRESENTATION SUMMARY



- Safety – A non-negotiable operational objective
- World-class gold producer – turning rehabilitation liabilities into profits
 - › Pan African Resources track record
 - › Elikhulu – From dream to reality
 - › Outlook – Pan African tailings operations



SAFETY

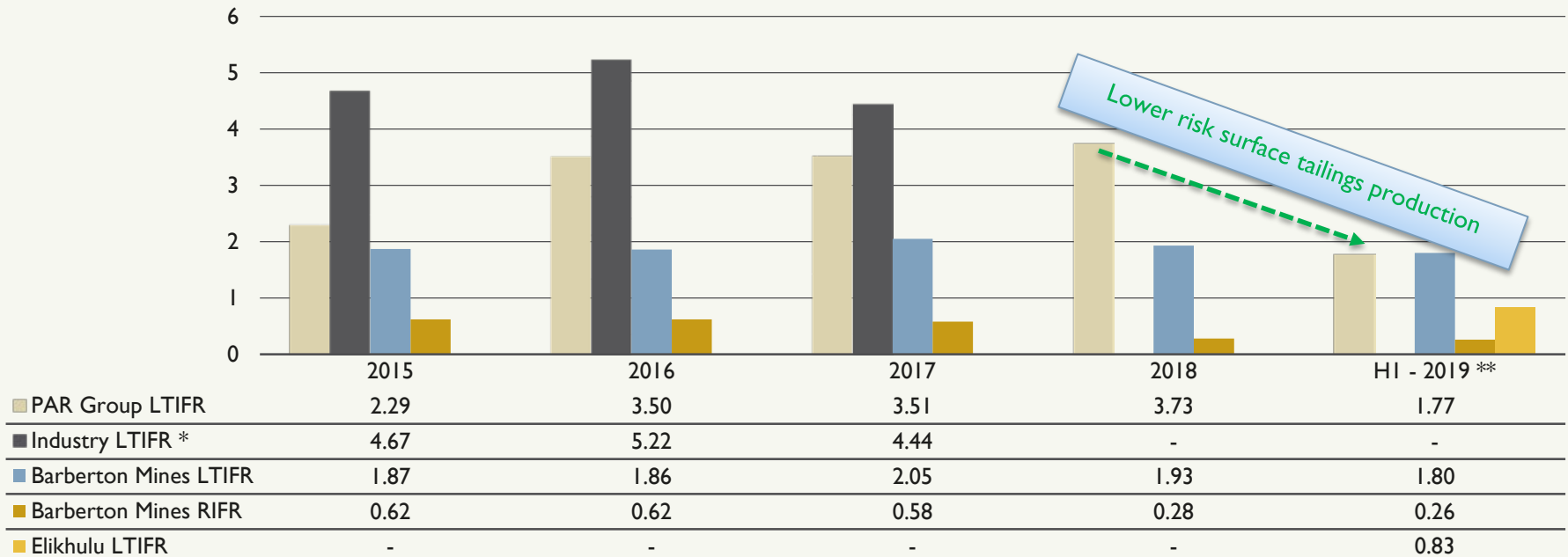
A Non-negotiable operational objective

SAFETY – A NON-NEGOTIABLE OPERATIONAL OBJECTIVE



Industry leading safety record

Per million man hours



* Industry rates not available for 2018 and 2019

** 2019 figures relate to the 6 months ended 31 December 2018

Notwithstanding the fact that injury rates are well below industry average, we continuously strive to improve our safety rates and achieve our aim of zero harm to our employees

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PRODUCER – TURNING
REHABILITATION LIABILITIES TO
PROFITS



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Pan African Resources' track record of delivering gold tailings retreatment projects

Project	Investment capital/ purchase price (ZARm)	Forecast payback period
BTRP	325	Paid back in 18 months
ETRP	174	Paid back in less than 3 years
Elikhulu	1,740*	Forecasting 4 years payback (Excl. ETRP expansion)

* Estimated capital spend excluding IFRS related cost re-allocations

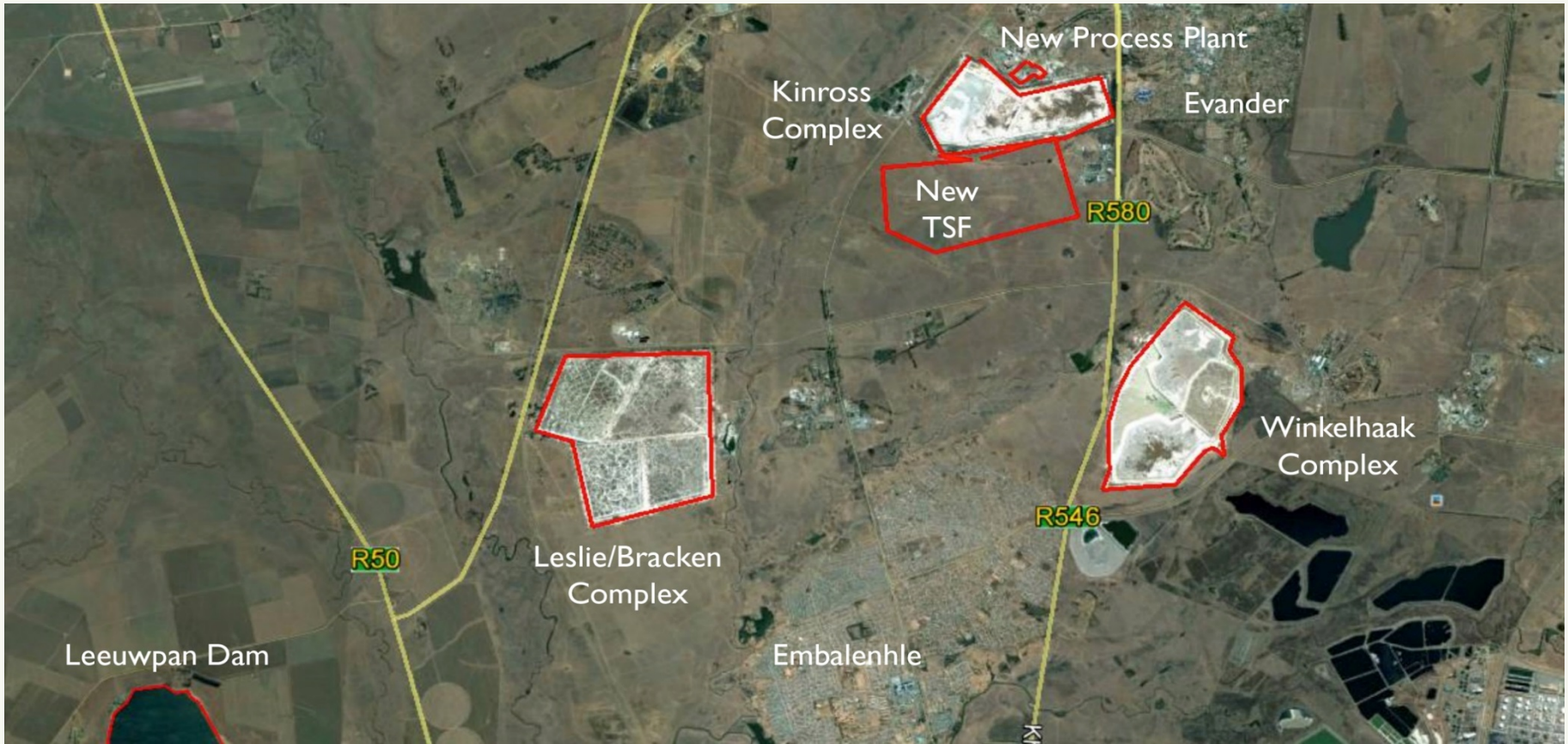


Image: Barberton Tailings Retreatment Plant

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Elikhulu – From dream to delivery

Site map

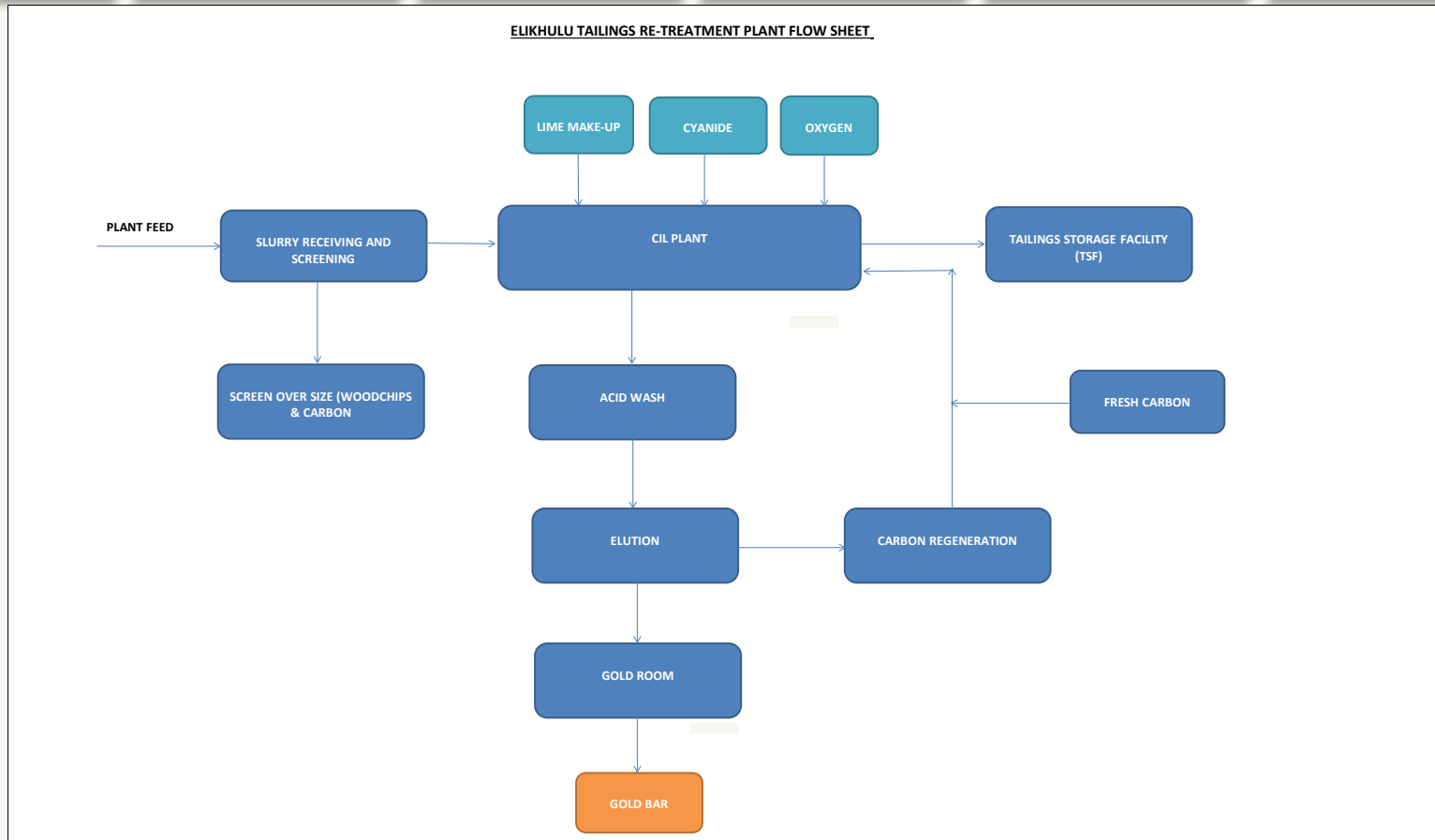


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Elikhulu – From dream to delivery

Plant flow sheet



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Elikhulu – From dream to delivery

Progress update

- Phase IA construction completed on time and on budget
 - Construction completion - beginning of August 2018
 - First gold produced - August 2018
 - Steady state throughput achieved - October 2018
- Expansion to incorporate ETRP tonnage into Elikhulu
 - Upgraded plant to treat 1.2 million tons per month
 - Additional 2 CIL tanks and tailings system for the 200 kt/month
 - One CIL tank and additional tailings system to Winkelhaak - completed in December 2018
 - Second CIL tank to be completed in February 2019
- Phase IB of the TSF to be completed by end April 2019

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Elikhulu – From dream to delivery

Contributions to successful project implementation

- Involvement of owners team
 - Selection of the best team, who have been involved in previous PAR projects
 - Entire team involved during the DFS stages, leading to minimal changes during execution
- Better control of project scope minimising scope creep
- Owners team full authority to make project decisions within approved scope and costs thereby minimising “red-tape” and improving turnaround time
- Project executed on “target price” contracting philosophy
 - Sharing of risks and benefits
 - Adequately incentivised the EPC contractor to save costs and early completion

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Elikhulu – From dream to delivery

Success story

- Despite challenges encountered during construction, the plant and phase IA of TSF were completed in less than 12 months
- 2.5 million man-hours, 2,000 tonnes of steel and 40,000m³ of concrete
- Project spent more than R162 million on 67 local community contractors
- PAR spent over R5 million on community development initiatives
 - Over R2.4 million invested in local schools
 - Over R1.5 million invested in business incubation program – about 10 local businesses are benefiting
 - Over R1 million invested in local waste management initiative

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Elikhulu – From dream to delivery

Ahead of schedule and on budget

	Date	Status
• Detail engineering commences	Quarter 4 2016	✓
• Procurement commences	Quarter 2 2017	✓
• Environmental and Social Impact Assessment approval	Quarter 3 2017	✓
• Issue of Integrated Water Usage Licence	Quarter 3 2017	✓
• Construction commences	Quarter 3 2017	✓
• Construction completed	Quarter 3 2018	✓
• Process plant cold commissioning completed	Quarter 4 2018	✓
• Process plant hot commissioning completed	Quarter 4 2018	✓
• Commercial production achieved	Quarter 4 2018	✓
• Phase 2 hydraulic mining – Leslie TSF commences	Quarter 4 2021	
• Phase 3 hydraulic mining – Winkelhaak TSF commences	Quarter 3 2026	

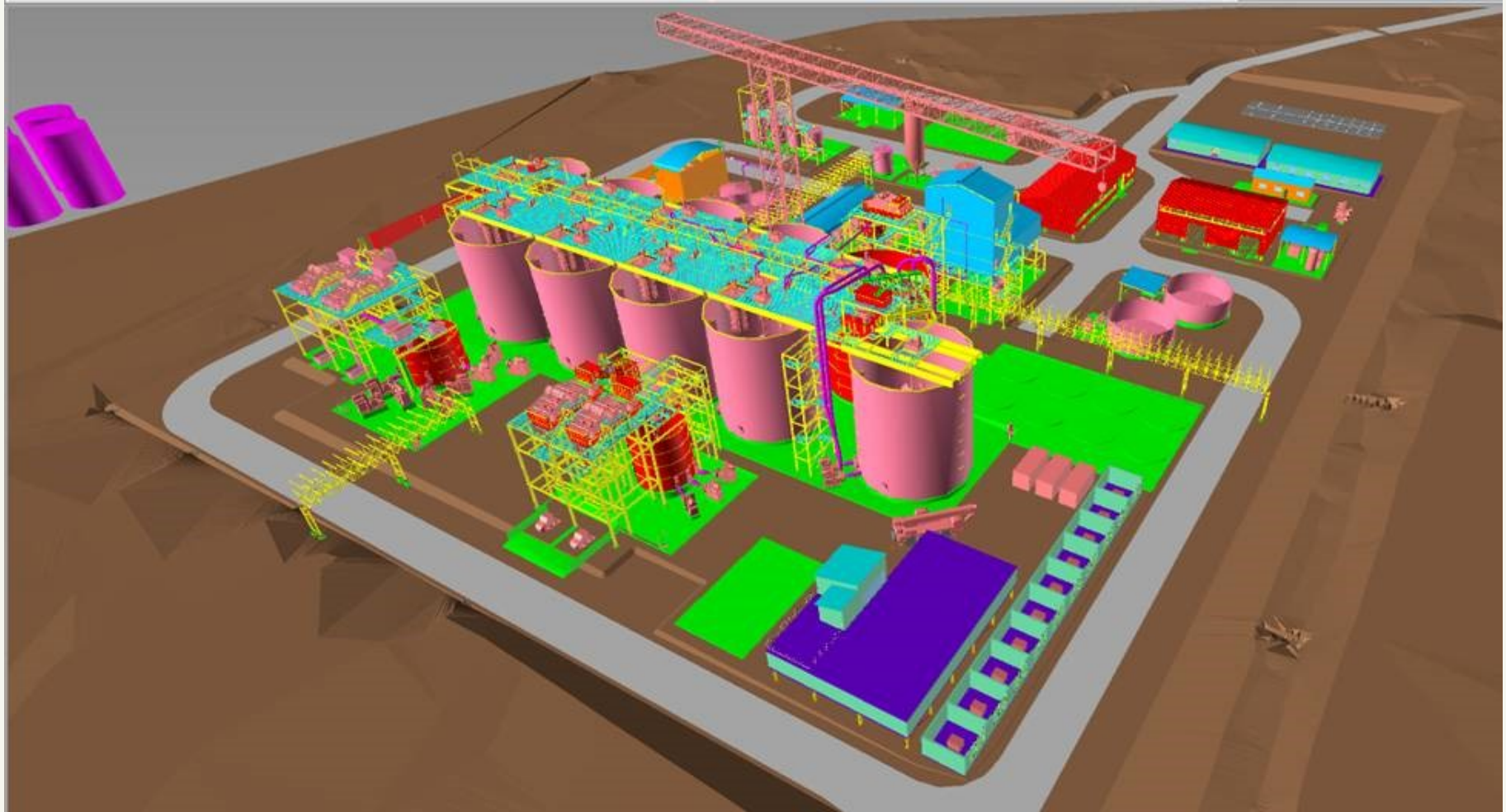
Note: The above timeline refers to calendar years

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Elikhulu – From dream to delivery

Original design



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Elikhulu – From dream to delivery

Actual completed plant

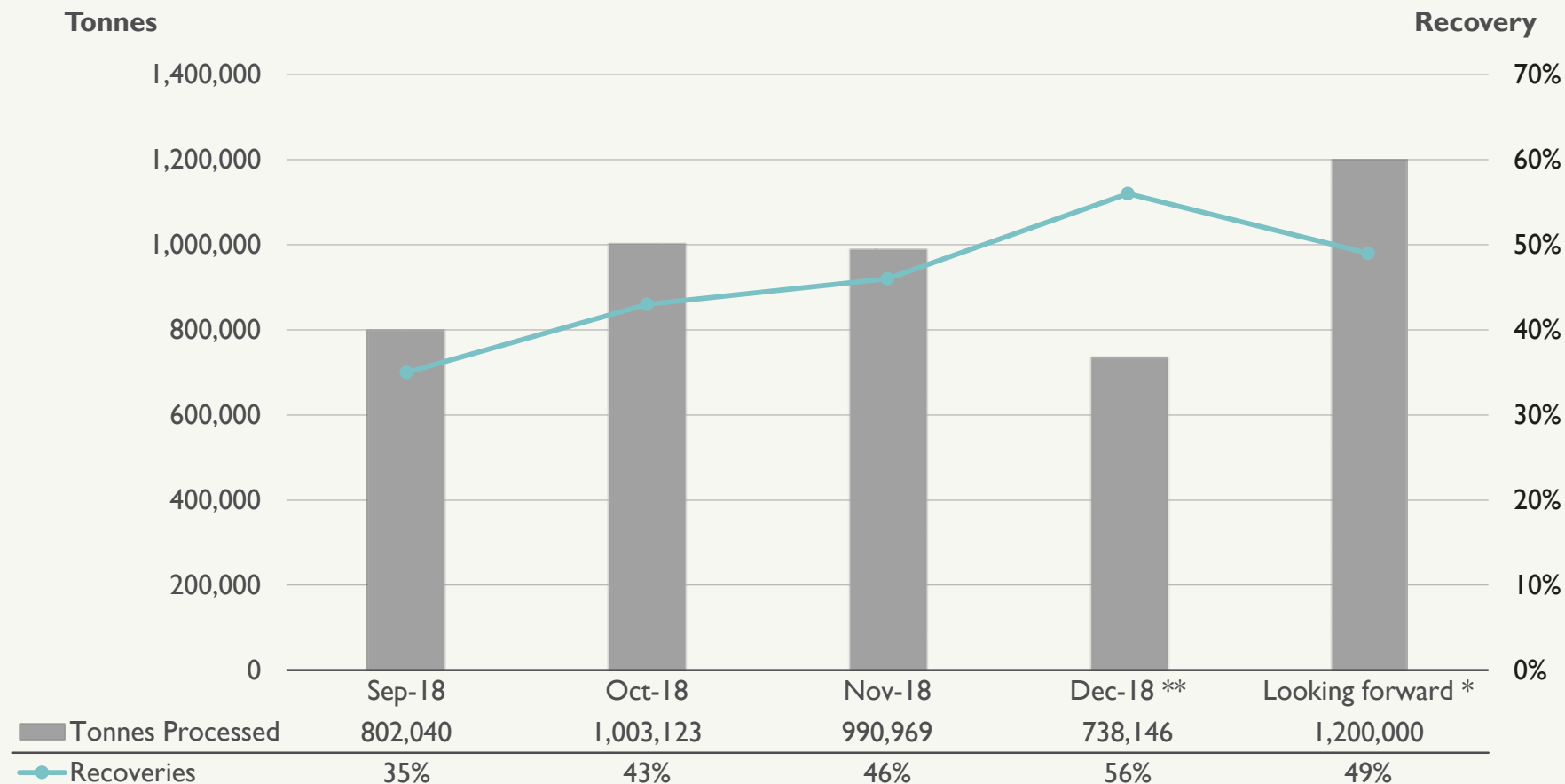


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Elikhulu – From dream to delivery

Year to date production



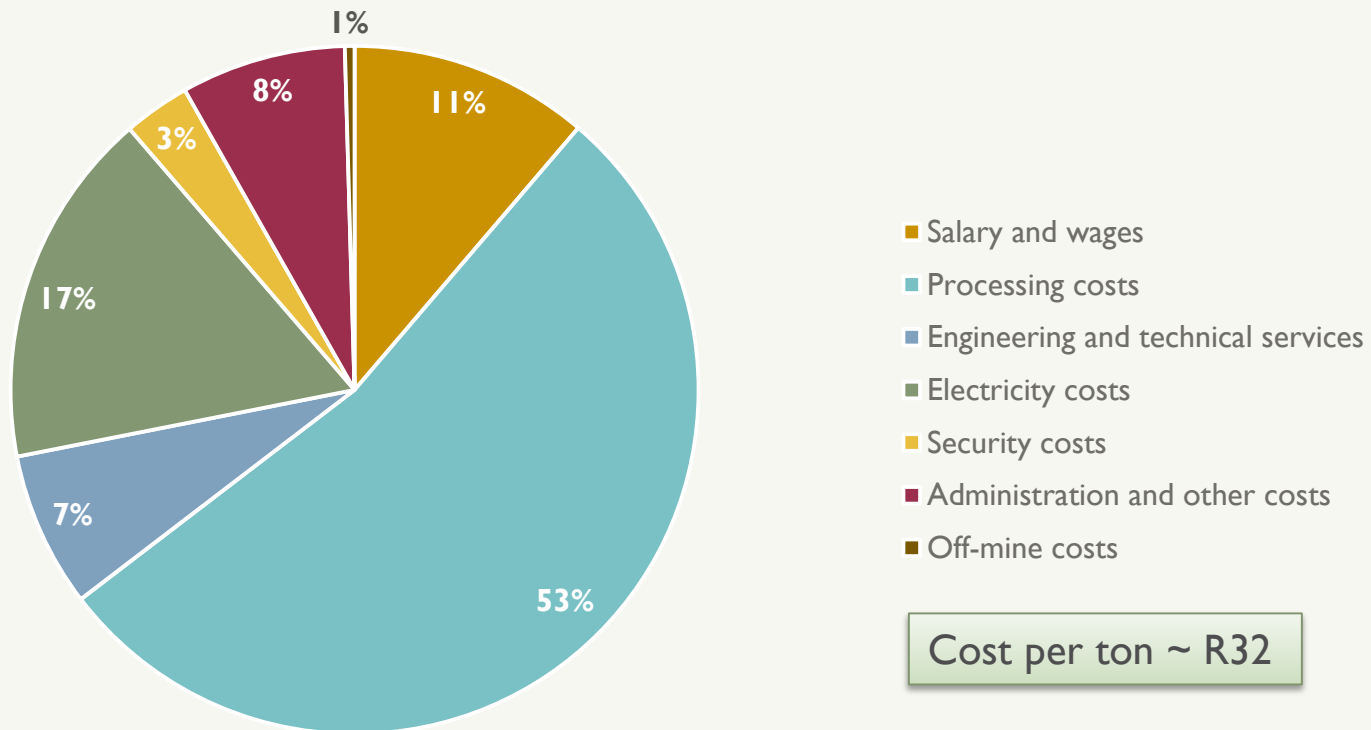
* Indicative Elikhulu steady-state production including the ETRP expansion from February 2019 onwards with recoveries as per definitive feasibility study

** Tonnage impacted by the ETRP move into Elikhulu combined with adverse weather conditions

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Elikhulu – From dream to delivery
Operating cost as per definitive feasibility study



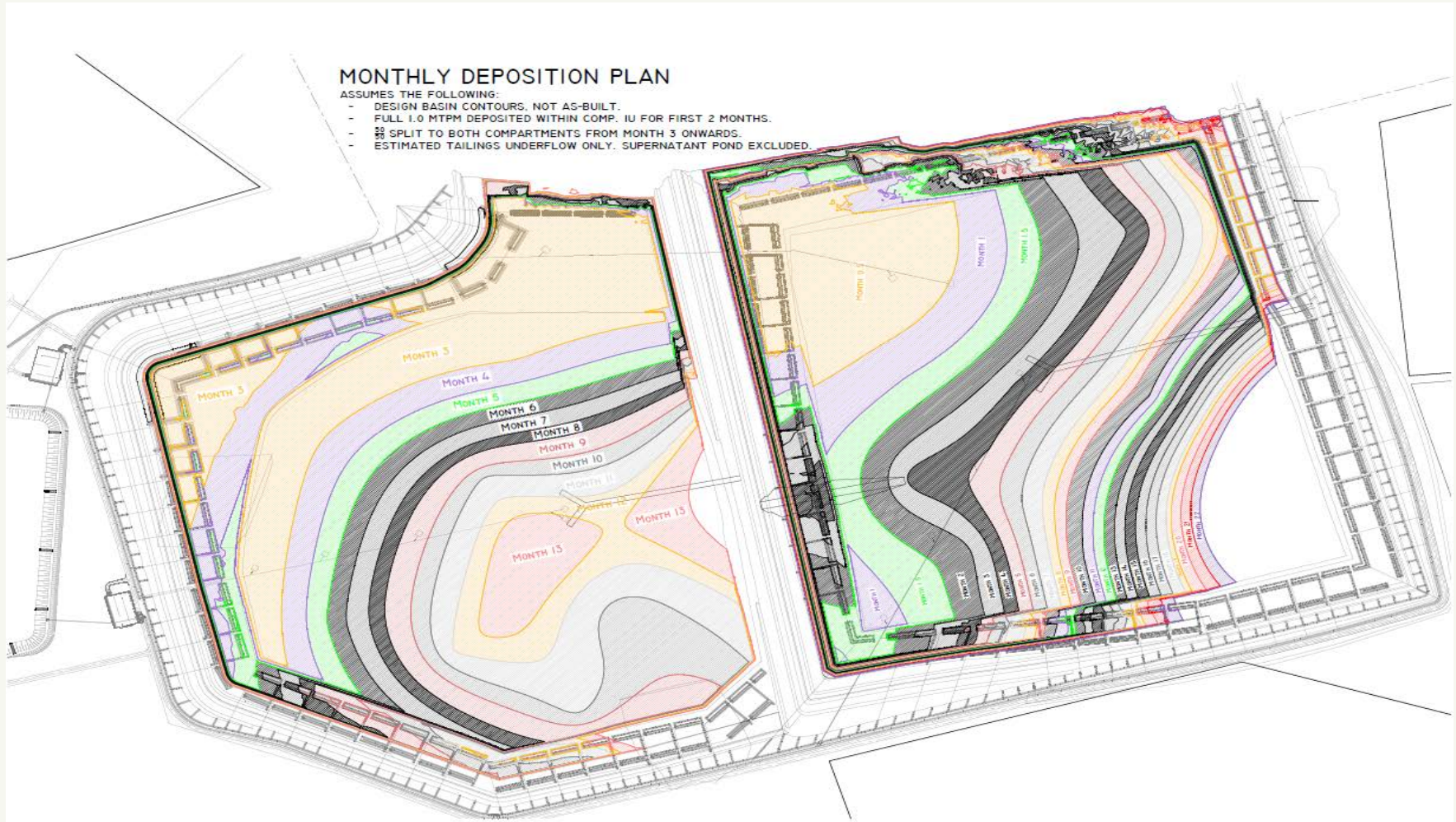
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Elikhulu – From dream to delivery *Monthly deposition plan*

MONTHLY DEPOSITION PLAN

ASSUMES THE FOLLOWING:

- DESIGN BASIN CONTOURS, NOT AS-BUILT.
- FULL 1.0 MTPM DEPOSITED WITHIN COMP. 1U FOR FIRST 2 MONTHS.
- SPLIT TO BOTH COMPARTMENTS FROM MONTH 3 ONWARDS.
- ESTIMATED TAILINGS UNDERFLOW ONLY. SUPERNATANT POND EXCLUDED.



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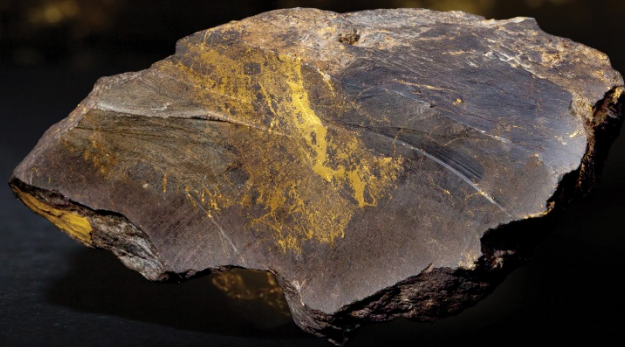
Elikhulu – From dream to delivery
Tailings dam extension



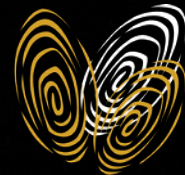
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Elikhulu – From dream to delivery
Leeuwpan





OUTLOOK – PAN AFRICAN TAILINGS OPERATIONS

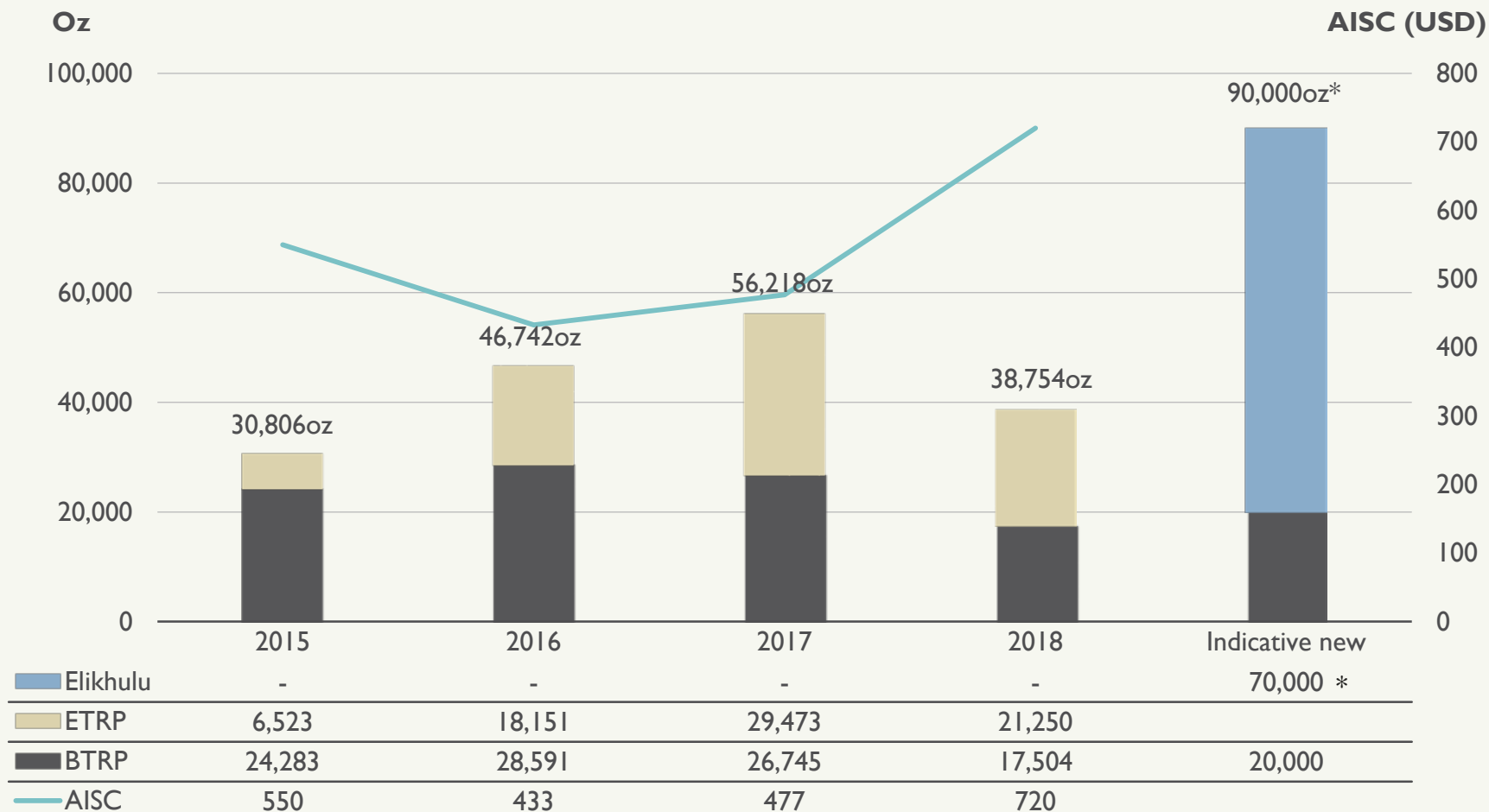


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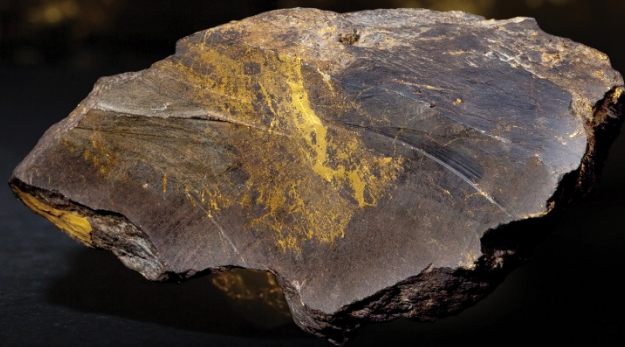
OUTLOOK



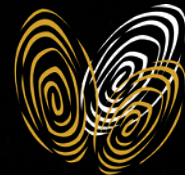
Group gold production from surface sources



* Indicative production from surface sources going forward with Elikhulu at steady-state production, including ETRP throughput and Elikhulu AISC at below USD600/ounce @ USD:ZAR 1:14.00



THANK YOU



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