



# EVANDER PRESENTATION

30 JANUARY 2020

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# OVERVIEW OF PRESENTATION



- Operational update for the six months ended 31 December 2019
  
- Introduction
  - › History of Evander Mines
  - › Ore Reserves
  
- Evander – Realising Potential
  - › Elikhulu - World class operation
  - › 8 Shaft Pillar - 3 years of attractive cash flows
  - › Egoli - Substantial production growth

# OPERATIONAL UPDATE FOR THE SIX MONTHS ENDED 31 DECEMBER 2019



Key highlights for the current reporting period:

- Pan African is on track to deliver the full-year production guidance of 185,000oz.
- Group gold sales increased by 14.7% to 92,941oz (2018: 81,014oz).
- The Evander 8 Shaft Pillar project development is progressing according to plan, with steady-state production planned from March 2020.
- Pan African's operations delivered a robust operational and commendable safety performance during the period.
- The group experienced no fatalities during the current reporting period (2018: no fatalities) and LTIFR improved to 1.69 (2018: 1.77)

An aerial photograph of a large industrial facility, likely a refinery or chemical plant, captured during the golden hour of sunset. The sky is filled with dramatic, dark clouds, with a bright glow of orange and yellow light near the horizon. The facility itself is a complex of structures, including several large, cylindrical storage tanks, a tall distillation column, and various processing units. A prominent feature is a large, lattice-structured crane or tower structure. In the foreground, there is a large, rectangular basin containing a bright green liquid, possibly a chemical product. The surrounding landscape is flat and open, with some sparse vegetation and a few small buildings visible in the distance. A white, rounded rectangular text box is overlaid on the upper right portion of the image, containing the text 'EVANDER' and 'Introduction' in a clean, sans-serif font.

EVANDER

Introduction

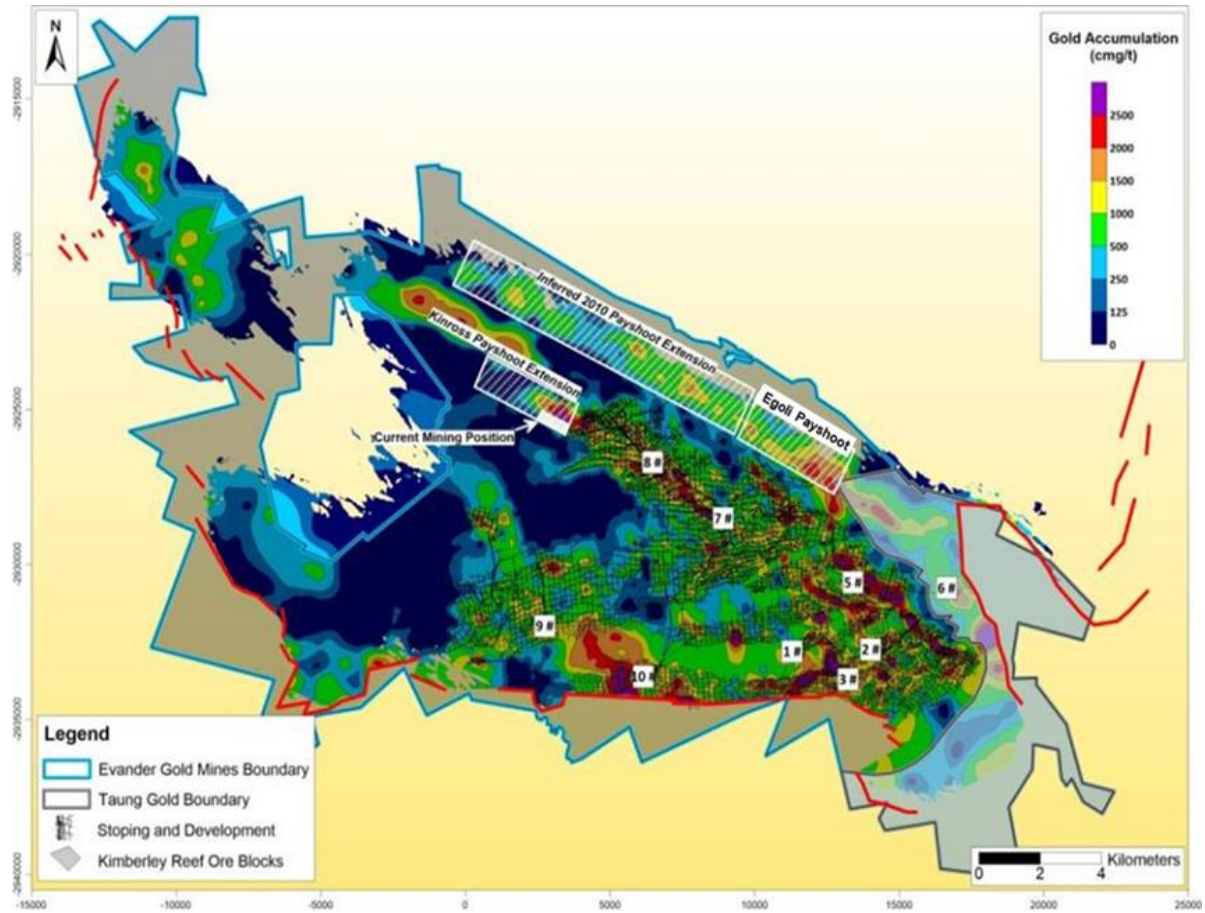
# EVANDER - HISTORY

- 1951 Evander goldfield discovered
- 1956 Sinking of first shafts (Winkelhaak 1 & 3 Shaft)
- 1958 (July) First gold pour  
Three other mining complexes developed afterwards namely:  
Leslie, Bracken and Kinross
- 1996 All four mining companies consolidated to form Evander Gold Mines Limited
- 1998 Harmony bought Evander
- 2013 (February) Pan African Resources acquired Evander - a world class ore body

## History of production

Operation	Tons Milled (Mt)	Grade (g/t)	Gold (Tonnes)	Gold produced (Moz)
Winkelhaak Mine	74.7	7.6	565	18
Kinross Mine	68.0	6.8	461	15
Leslie Mine	41.4	6.3	259	8
Bracken Mine	26.4	8.8	232	7
<b>Total</b>	<b>210.5</b>	<b>7.2</b>	<b>1,517</b>	<b>49</b>

# EVANDER - QUALITY HIGH GRADE OREBODY



## MINERAL RESERVES AS AT 31 JUNE 2019

Ops/Project	Tonnes (Mt)	Grade (g/t)	Gold (t)	Gold (Moz)
Elikhulu	170.6	0.27	46.2	1.48
Evander 8#	0.4	8.54	3.2	0.10
Egoli	4.1	6.64	27.4	0.88
Rolspruit	23.4	8.60	201.0	6.46
Evander South	-	-	-	-
Poplar	-	-	-	-
<b>TOTAL</b>	<b>198.5</b>	<b>1.40</b>	<b>277.9</b>	<b>8.9</b>

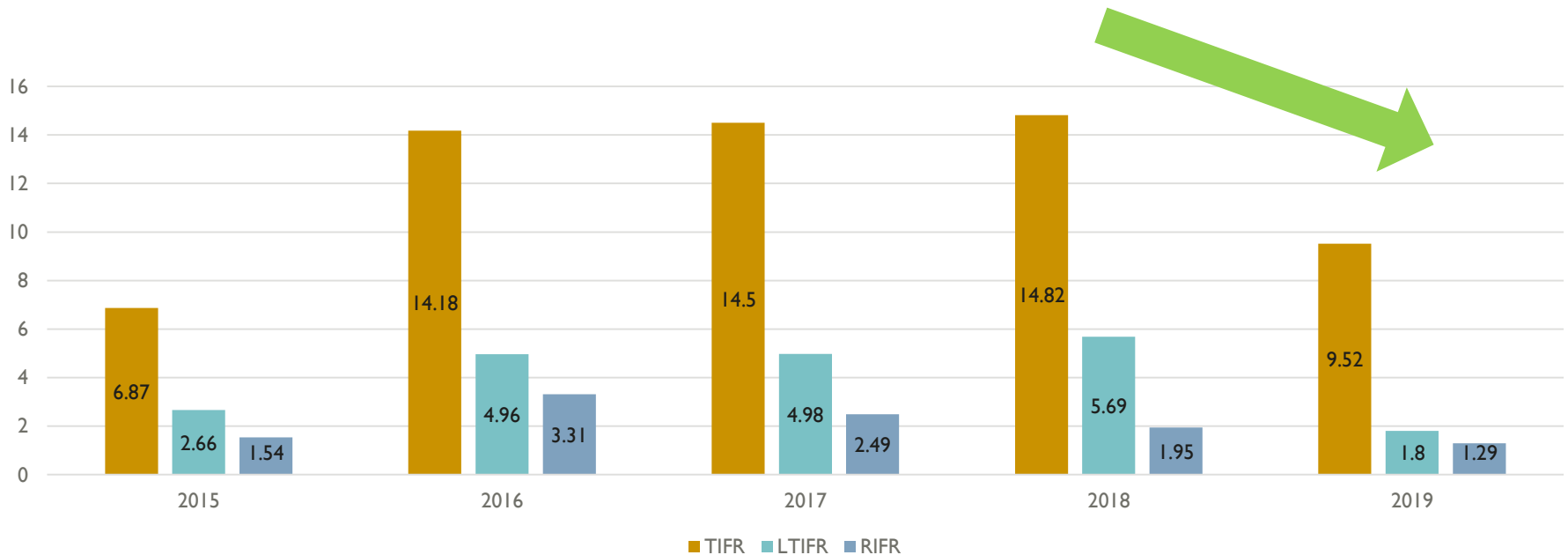
## MINERAL RESOURCES AS AT 31 JUNE 2019

Ops/Project	Tonnes (Mt)	Grade (g/t)	Gold (t)	Gold (Moz)
Elikhulu	203.6	0.29	58.4	1.89
Evander 8#	17.3	11.53	199.6	6.42
Egoli	9.6	9.69	93.3	3.00
Rolspruit	25.8	11.58	299.3	9.62
Evander South	21.7	7.66	166.1	5.34
Poplar	23.4	7.51	175.9	5.66
<b>TOTAL</b>	<b>301.4</b>	<b>3.29</b>	<b>992.6</b>	<b>31.9</b>



# EVANDER - SAFETY

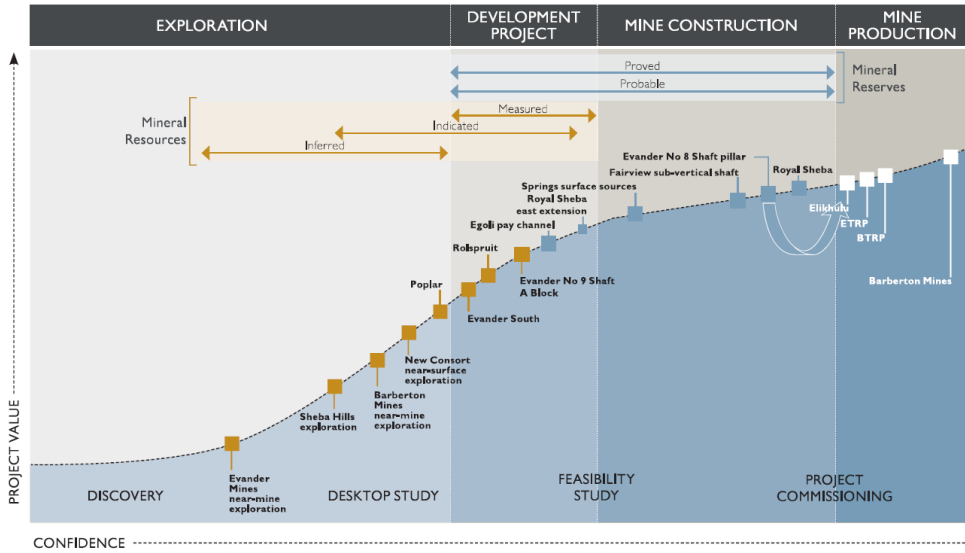
Substantial improvement in safety performance since the commissioning of the Elikhulu plant and cessation of large scale underground mining at 8 Shaft



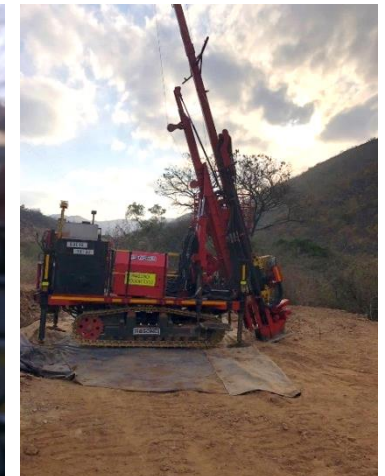
# DRILLING AND EXPLORATION

## Focus on organic growth opportunities

- Access to a robust pipeline of organic growth opportunities.
- These opportunities exist within the groups active mining rights and prospecting rights.



Financial Year	Total (metres)	Number of holes	Total Expenditure (ZAR million)
FY18	13 483	259	10.9
FY19	19 970	231	31.6





EVANDER

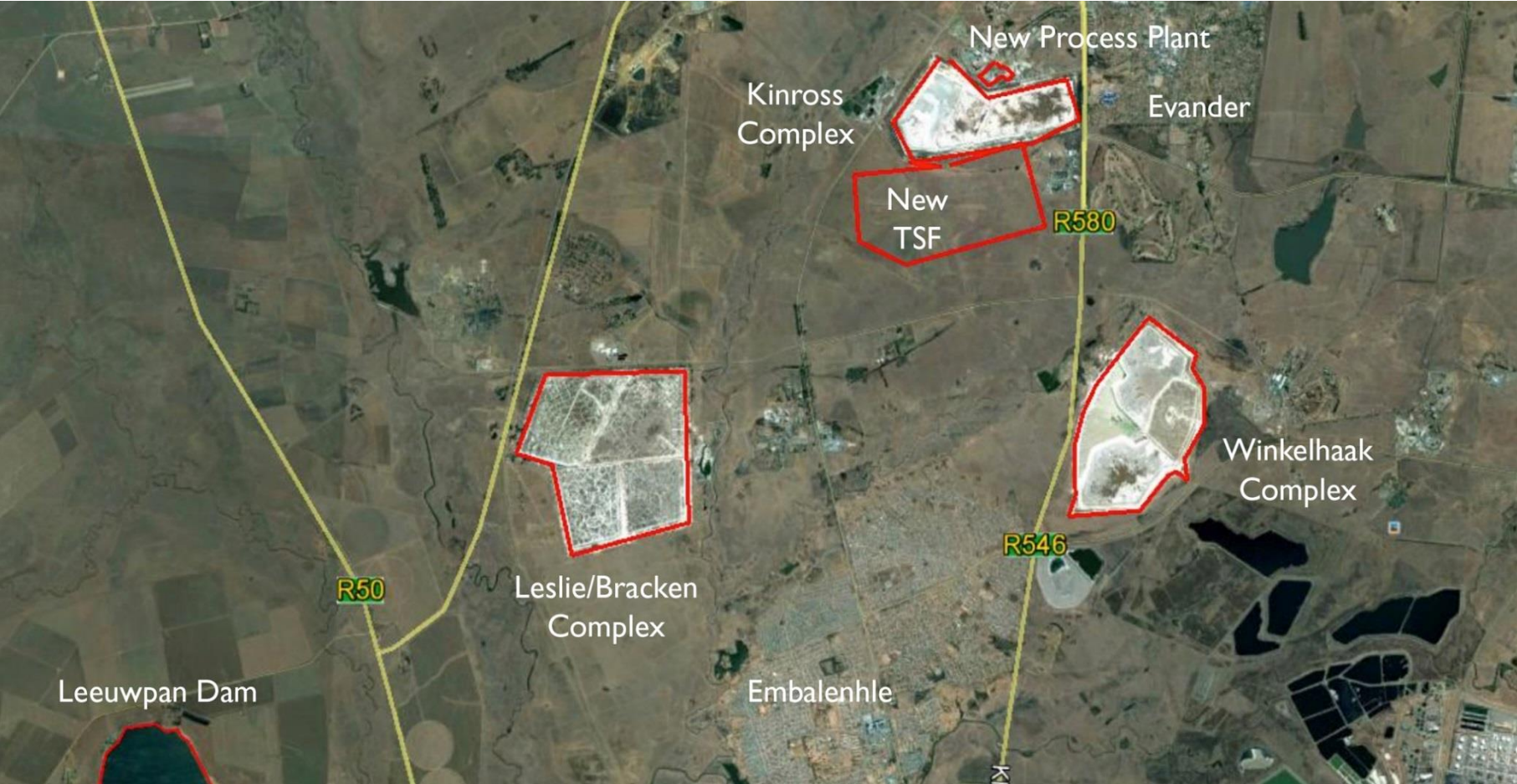
Realising Potential

A wide-angle photograph of an industrial facility, likely a refinery or chemical plant, during sunset. The sky is a mix of orange, yellow, and blue. In the foreground, there's a fence and a dirt area. To the left, there are large white storage tanks and a complex network of pipes and scaffolding. A tall crane stands prominently in the center. To the right, there are several large green buildings with white horizontal stripes. The overall scene is illuminated by the warm light of the setting sun and some artificial lights from the facility.

# ELIKHULU

A world class operation

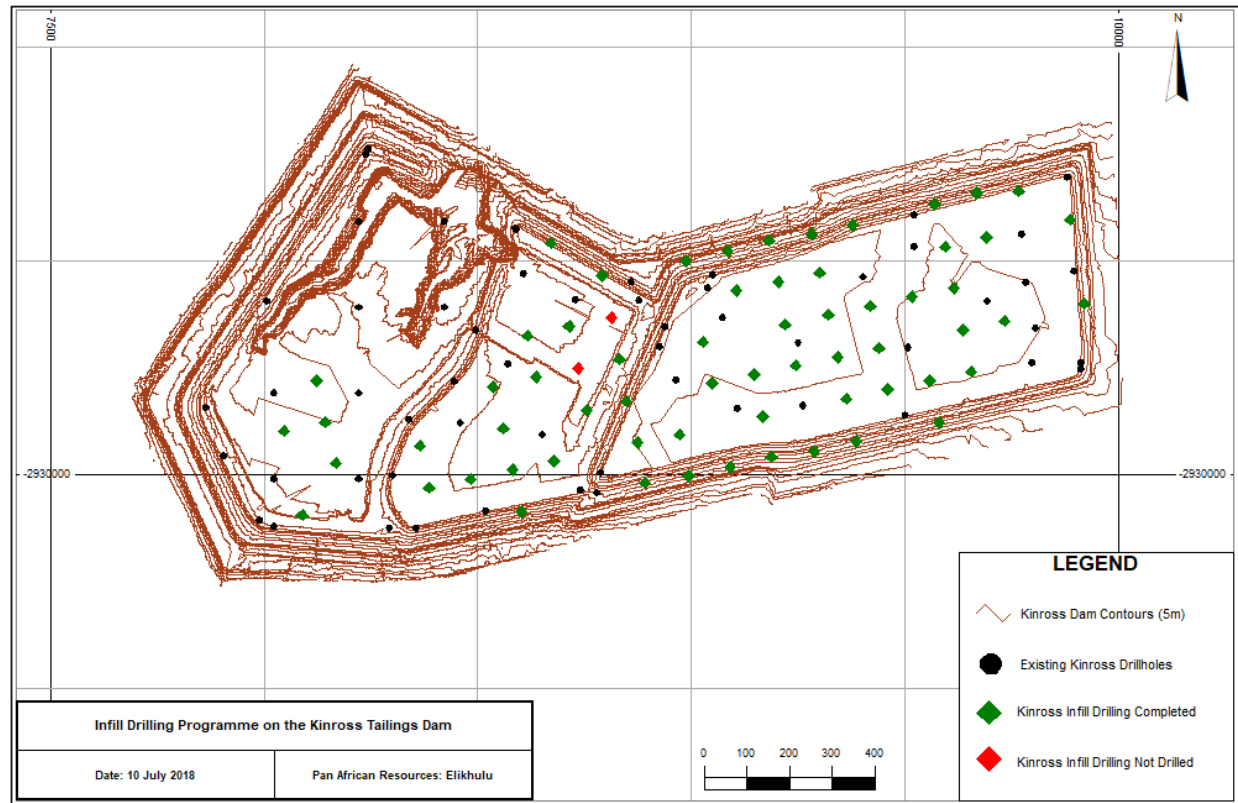
# ELIKHULU PROJECT



# ELIKHULU - INFILL DRILLING PROGRAMME

## Infill Drilling on the Kinross Dam

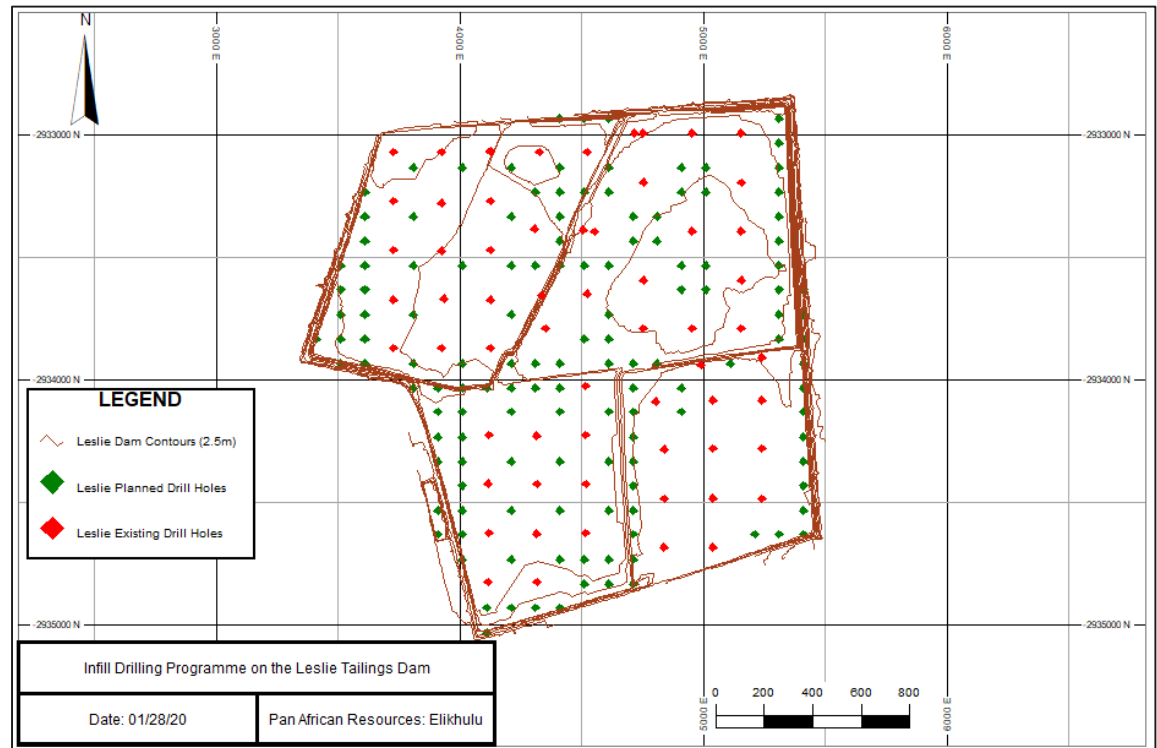
- A total of 63 holes drilled (1,827m);
- Drilling grid of 100m x 100m, well within the modelled variogram range of 345m;
- Yielding a Proven Mineral Reserve at >90% confidence in short term planning;
- The additional drilling resulted in a reconciliation discrepancy of 6% and less; and
- Drilling completed on the 24<sup>th</sup> of May 2018 (less than 2 months of active drilling).



# ELIKHULU - INFILL DRILLING PROGRAMME

## Infill Drilling on the Leslie/Bracken Dam

- A total of 136 sonic drill holes panned (2,796m);
- Drilling grid of 100m x 100m, well within the Measured Mineral Resource classification criteria;
- The resultant holes will convert the Mineral Resource to a Proven Mineral Reserve at >90% confidence in short term planning;
- Drilling tenders to be compiled within the next quarter with drilling commencing in FY21.



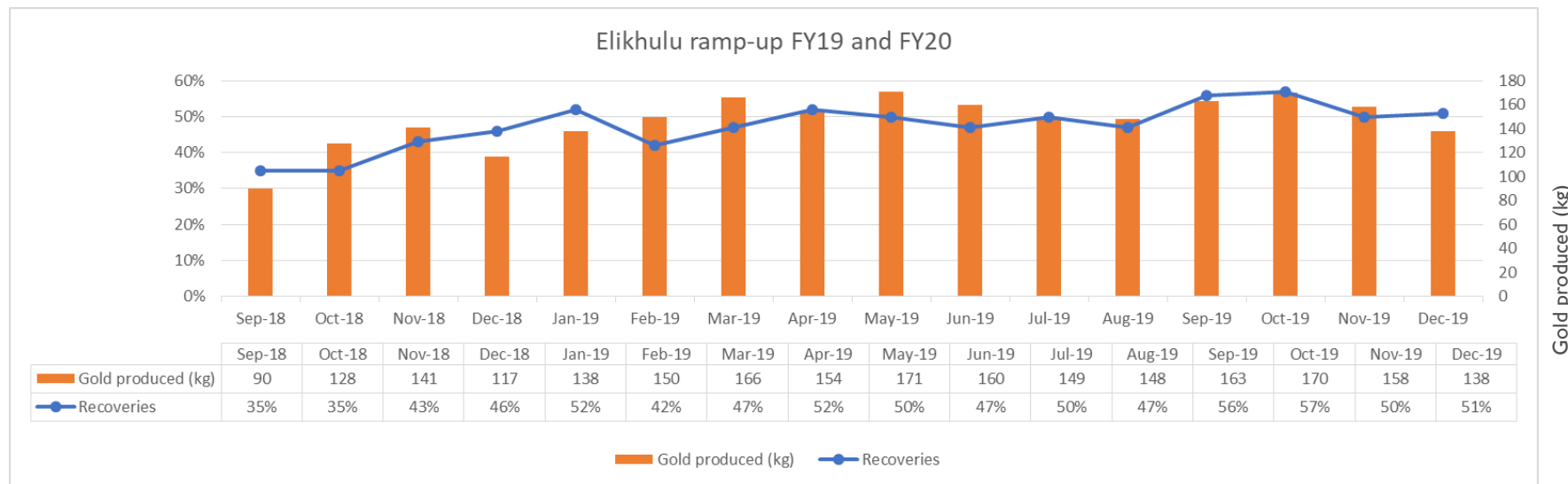
# ELIKHULU TAILINGS RETREATMENT PLANT



## Summary

- Commissioned in September 2018, initial capital outlay approximately at R1.74 billion (~USD124 mil) forecast payback period of 4 years (excludes original feasibility costs and capitalised borrowing costs)
- Gold Produced: 46,201oz FY19 forecasting 65,000oz for FY20
- AISC: R269,442/kg (USD587/oz) – FY19
- Head grade: 0.3g/t achieved
- Average recovery: 49%
- LOM: 13 years

	Original feasibility	Actual achievement
Commissioning date	December 2018	September 2018 ✓
Average recovery rate	47.8%	49.0% ✓
Average AISC**	R293,580	R269,442 ✓



\* Impacted by ETRP move into Elikhulu

\*\* Nominal AISC to 30 June 2019 - original feasibility cost of R250,602 in October 2016 (Original feasibility excluded management fees – actual results includes management fees)





## EVANDER 8 SHAFT PILLAR

3 Years of attractive cash flows

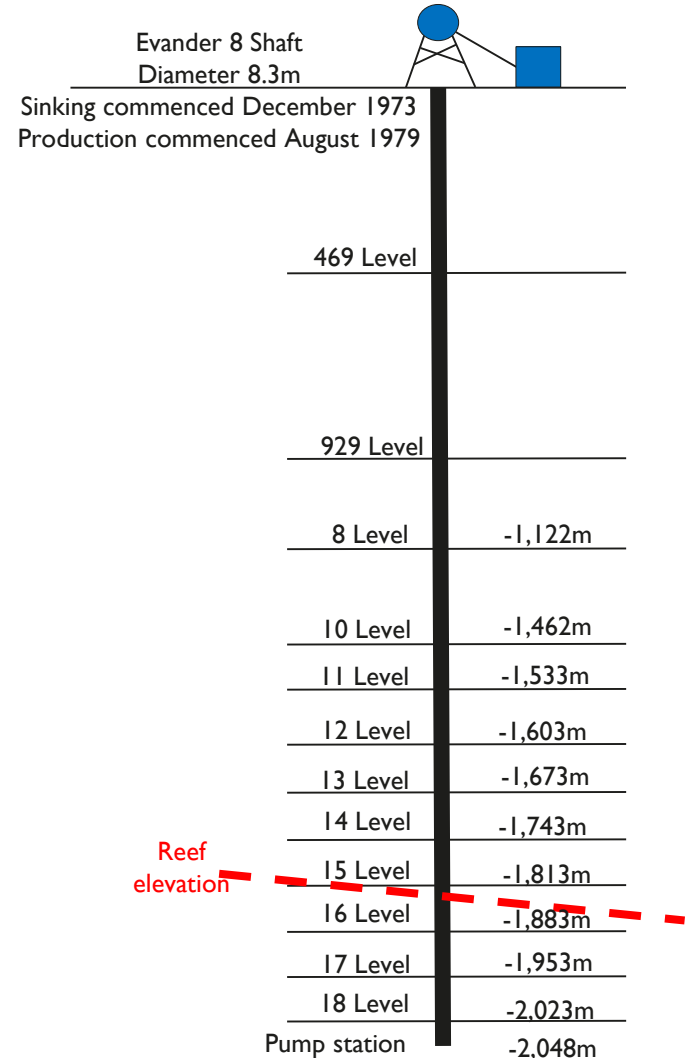
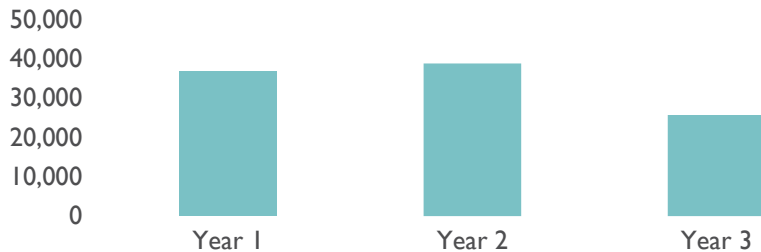
# EVANDER 8 SHAFT PILLAR PROJECT



## Summary

- Pillar access development completed, secondary development and ledging operations ongoing
- Build up to 9 Stopping crews by Q4 FY20
- Pillar to be mined at a rate of 11.5ktpm at an average grade in excess of 7g/t during steady state
- Estimated cost of sub \$/1,000oz
- Estimated production of >30koz per annum for 3 years

## LoM production profile (oz)



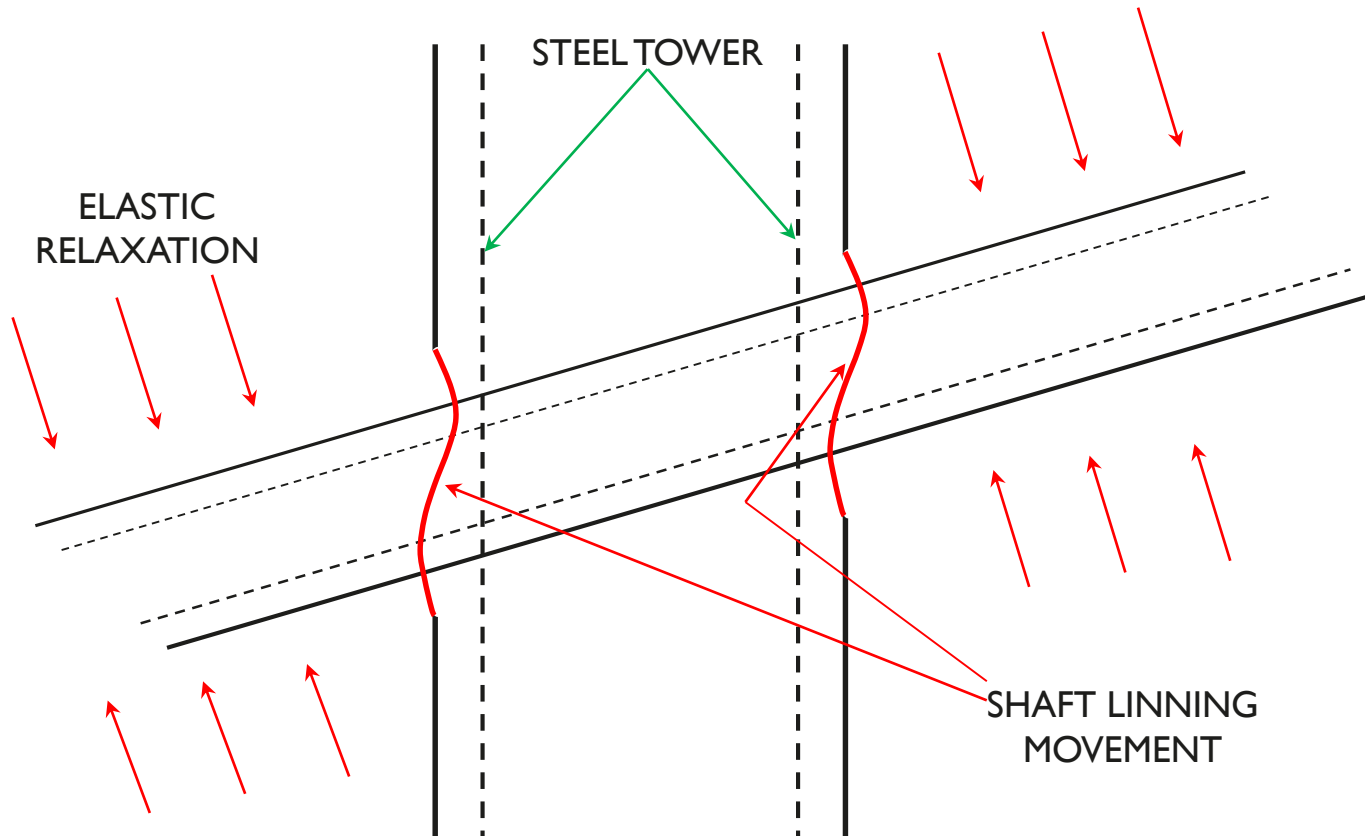
# EVANDER 8 SHAFT PILLAR PROJECT - SUPPORT TYPES

- RYHP – rapid yielding hydraulic prop
- Camlock jacks
- Roof bolts
- Pseudo – pillar
  
- Additional precautionary measures
  - › Central blasting system
  - › Closure monitoring system
  - › Ground movement monitoring system



# EVANDER 8 SHAFT PILLAR PROJECT

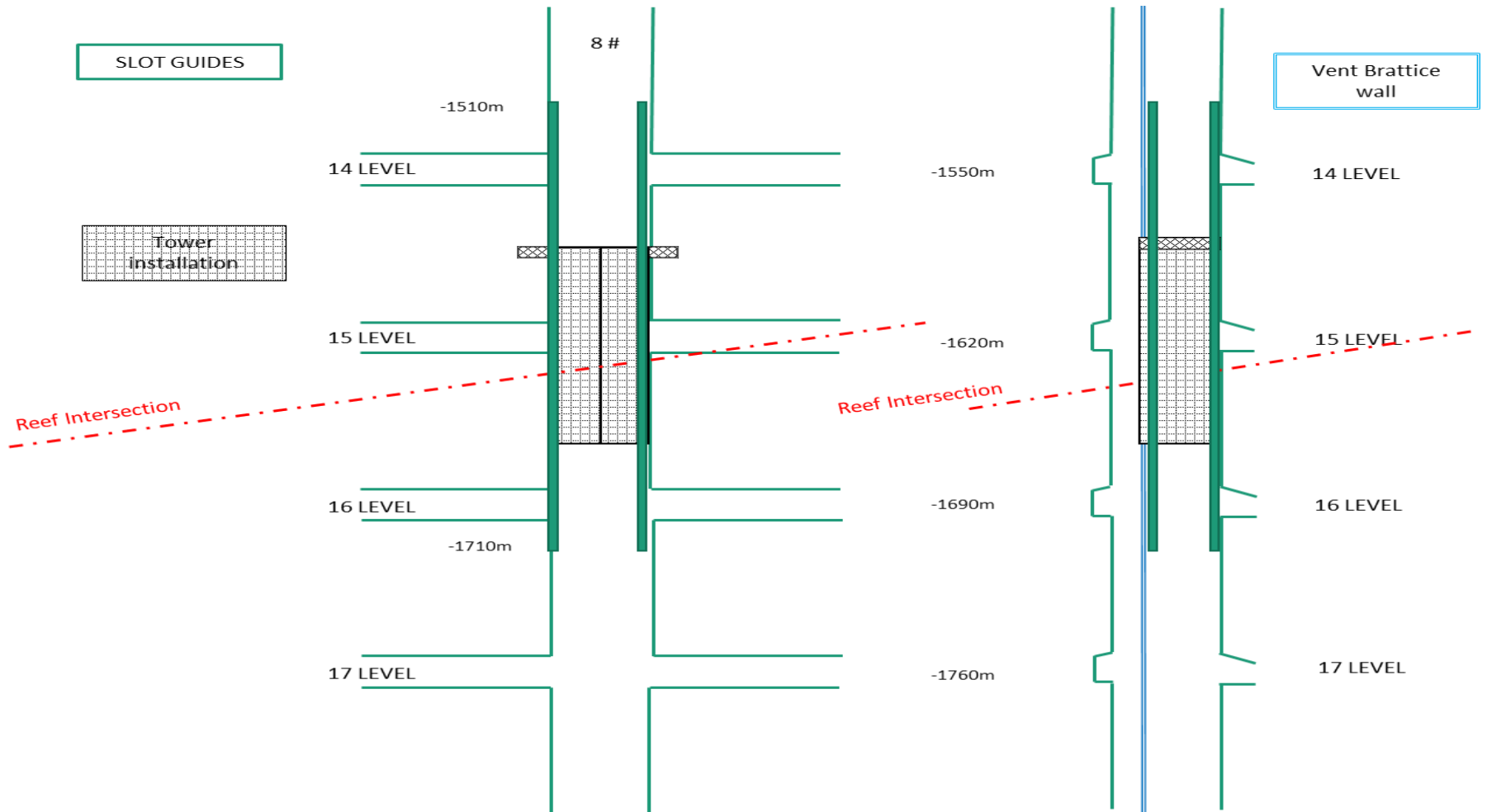
## SHAFT MOVEMENT – SIMPLISTIC SCHEMATIC



SECTION THROUGH SHAFT/REEF INTERSECTION

# EVANDER 8 SHAFT PILLAR PROJECT

## SHAFT TOWER - SCHEMATIC



# EVANDER 8 SHAFT PILLAR PROJECT

## KEY MILESTONE UPDATE



- Grout plant commissioned - Completed
- Main beam at I4 level installed - Completed
- RYHP hydraulic props - Implemented
- Cutting of brattice wall - Completed
- Sealing of brattice wall - Completed
- Complete tower installation - Expected completion end February 2020
- 5 crews currently mining at outside perimeter of the pillar – core to be mined after completing the tower

# EVANDER EGOLI PROJECT

Substantial production growth



# EVANDER EGOLI PROJECT - OVERVIEW

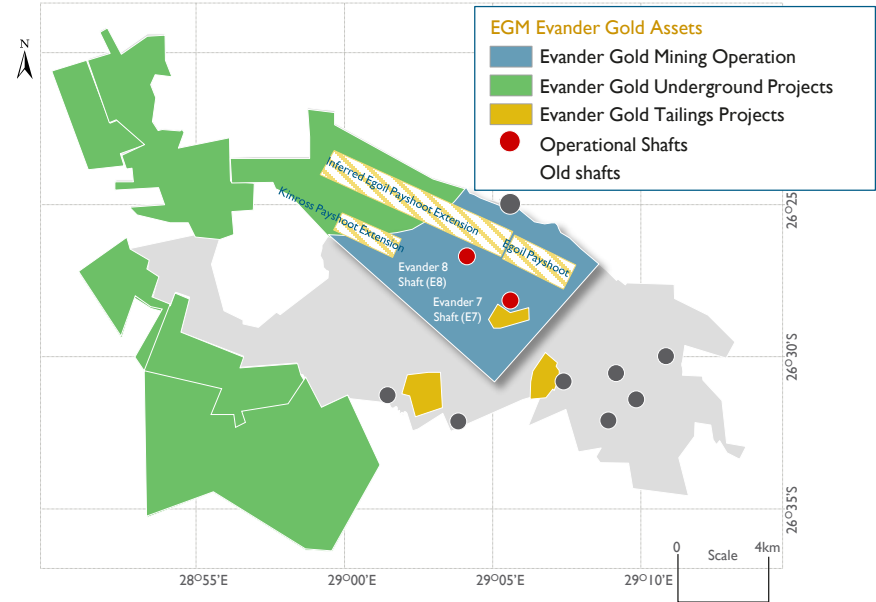


## Background & History

- Harmony Gold Mining Company previously exploited Evander Mines' 7 Shaft, with development towards the Egoli Project.
  - › Due to financial constraints and a re-assessment of capital expenditure priorities, it halted all development on Evander Mines' shafts, other than 8 Shaft, in 2009.
  - › This resulted in the controlled flooding of the development ends and 7 Shaft's 3 decline from 22 Level up to 18 Level.
- Following dewatering, only standard footwall and on-reef development would need to be completed, with the associated engineering infrastructure, before mining could commence.
- Pan African inherited the Egoli Project after acquiring Evander Mines from Harmony in May 2013.

The Egoli Project will result in new material underground gold production from Evander Mine at a relatively low capital cost and low operating costs, using Evander Mines' established shaft and current metallurgical processing facilities.

## Location



Egoli Reserves as at 30 June 2019	Category	Tonnes million	Contained gold		
			Grade g/t	Tonnes (Gold)	Moz
			Proved	0.6	4.21
Mineral Reserves	Probable	3.5	7.06	24.8	0.80
	<b>Total</b>	<b>4.1</b>	<b>6.64</b>	<b>27.43</b>	<b>0.88</b>

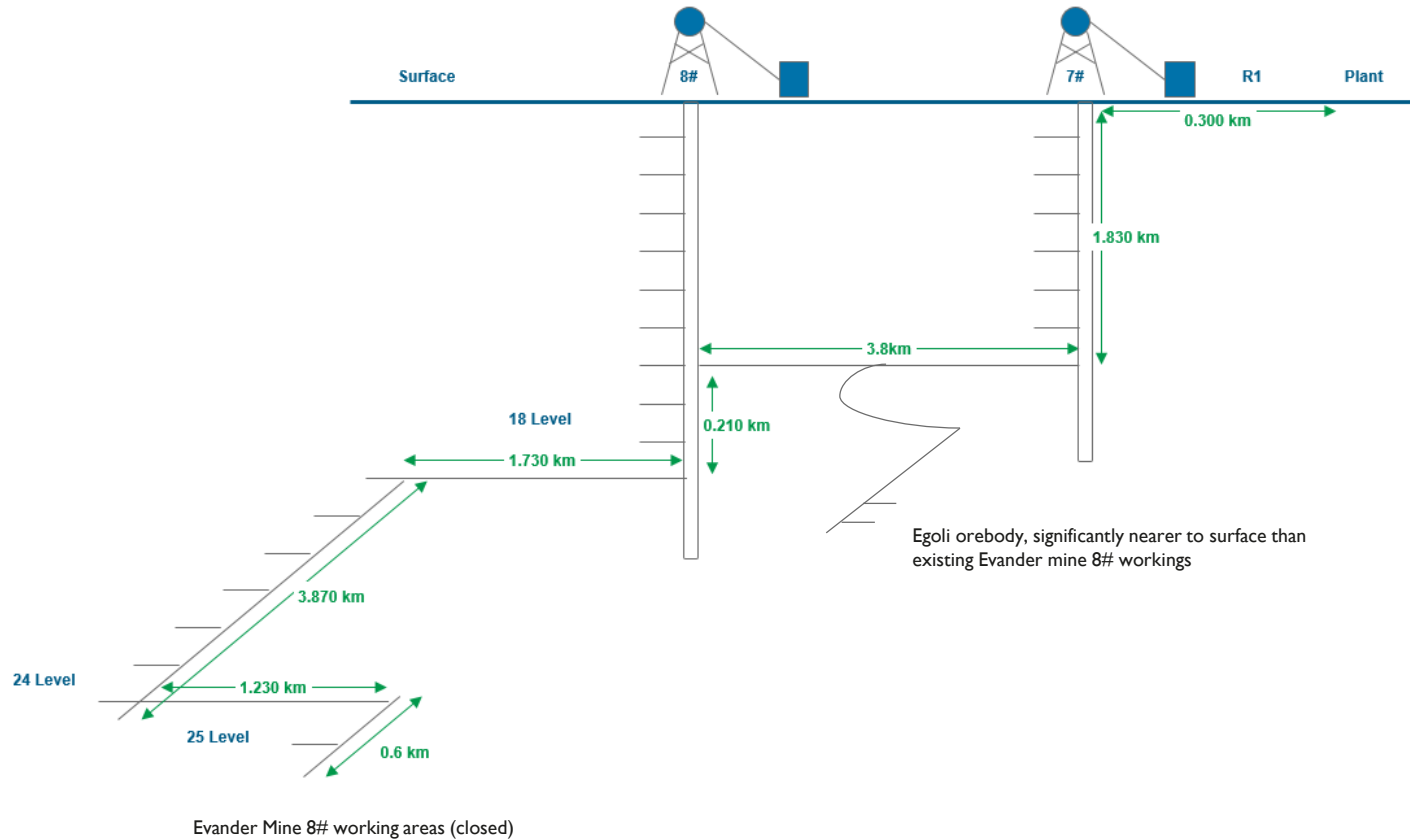
Egoli Resources as at 30 June 2019	Category	Tonnes million	Contained gold		
			Grade g/t	Tonnes (Gold)	Moz
			Measured	0.4	8.60
Mineral Resources	Indicated	2.9	9.85	28.9	0.93
	Inferred	6.3	9.68	60.6	1.95
	<b>Total</b>	<b>9.6</b>	<b>9.69</b>	<b>93.33</b>	<b>3.00</b>



# EVANDER EGOLI PROJECT - SCHEMATIC

- The Egoli Project is an ore body approximately 2.5 - 3km in tramming distance from 7 Shaft.
- › 7 Shaft is currently operational and is utilised by Evander Mines for hoisting run-of-mine material to the Kinross metallurgical plant.
- › This compares favourably with the 8 Shaft mining area, which is approximately 13km in tramming distance from 7 Shaft.
- Following dewatering, standard footwall development, further deepening of the decline and on-reef development would need to be completed, with the associated engineering infrastructure, before mining could commence.

**Egoli project diagram – shaft infrastructure and mining area at 8 Shaft**



# EVANDER EGOLI PROJECT – REALISING POTENTIAL



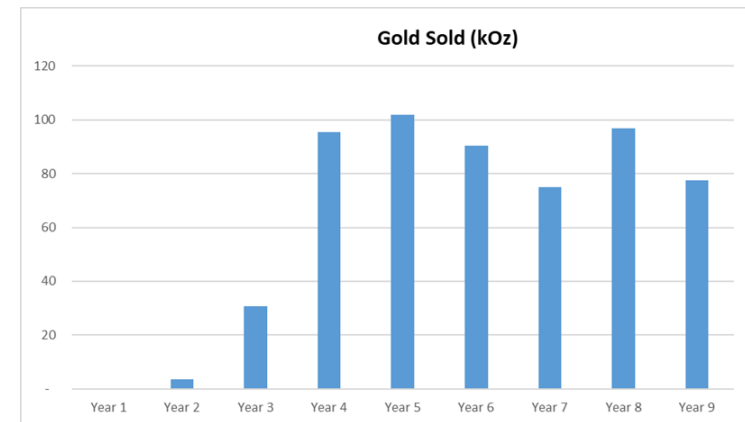
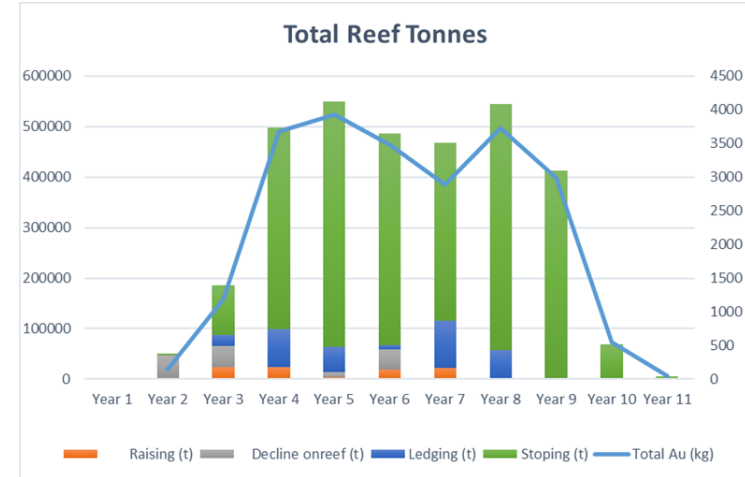
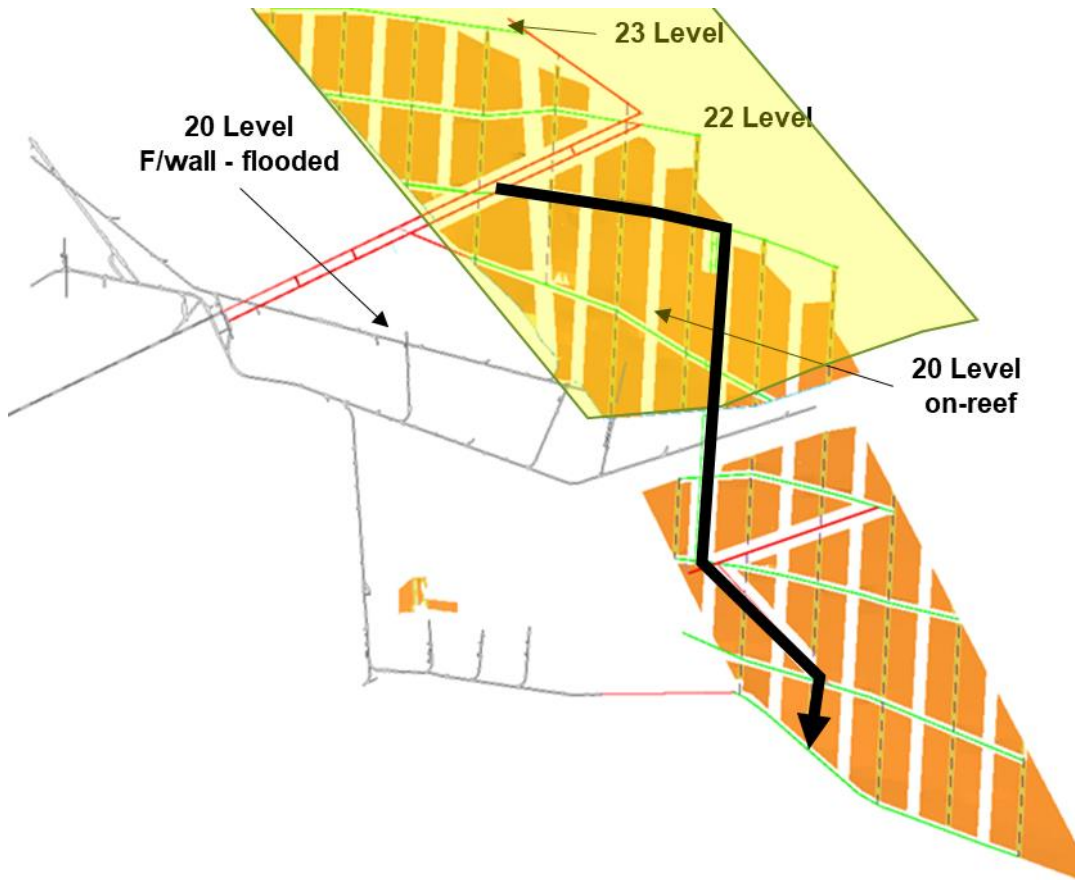
## Egoli vs Evander’s 8 Shaft before closure

Key metric	Egoli	8 Shaft
Depth	1,900m	~2,500m
Access	Directly from 7 Shaft (twin shaft system) with 1 decline	Vertical access via 8 Shaft, mid-shaft hoisting, cross tramming to 7 Shaft via series of declines
Tramming/travelling distance	3km from shaft	13km from shaft
Transfer points	6	20
Waste and reef	Separate waste and reef handling	Waste and reef combined – limits ability to develop and dilutes grade
Head grade (g/t)	6.64	5.7
Mine call factor	85%	73.5%
Employees	~1,200 employees	1,800 employees and 500 contractors

# EVANDER EGOLI PROJECT – REALISING POTENTIAL



Potential to increase production levels and LOM as measured and indicated blocks are extended





THANK YOU