

**BHEKISISA: One of the areas we're focusing on is Snake Park in Soweto. Community leaders there told me that they've engaged with you on Pan African's plans and involvement in the area.**

HETHEN HIRA, HEAD: INVESTOR RELATIONS, PAN AFRICAN RESOURCES PLC: Before we get into the questions regarding Pan African's plans for the area, I feel it imperative that we provide some context into the background of the area and how the legacy of these tailings came about and the unfortunate unsuccessful attempts at re-mining and rehabilitating the area, as well as the role of the authorities and various players that bring us to where we are today, and the way forward.

Some time during the early 2000's, an Australian entity by the name of Mintails acquired these tailings storage facilities (TSFs) with the intention to re-mine them and rehabilitate the land. The saga is well documented, but basically their plans failed and the Department of Mineral Resources and Petroleum (DMRP) had no recourse to any claims, as the granting of the authorisation to mine was not above board and there was no rehabilitation guarantee or environmental impact assessment in place.

Furthermore, these tailings deposits are very low grade i.e. 0.3 grams of gold per tonne (g/t) of material, of which 50% is recovered through processing, meaning a recovery of 0,15g/t. Mintails planned to process around 100,000 tons per month through their plant, which would not achieve the economies of scale.

We believe the entire operation was to defraud shareholders at the cost of degradation of the environment to the detriment of the local communities, and the country. There are still legal cases pending against these individuals who are hiding overseas.

In the meantime, these historic TSFs had been constructed with built-in safety features to prevent collapse and erosion and overflow into the surrounding areas through solution trenches and evaporation paddocks around their footprints to prevent flooding. This required a buffer zone around the TSF and no settlements are allowed on the TSF or within the buffer zone, which would affect the integrity of the TSF and could cause a dangerous situation to develop. The DMPR was to use the rehabilitation guarantees that was to have been paid by Mintails to maintain the integrity of the TSFs. Also, the local authorities and the department of human settlements have allowed informal settlements to encroach on these buffer zones and there is a constant battle by the surface owners to stop this practice.

Only in late 2020 did Pan African commence discussions to acquire the Mintails TSFs following the finalisation of the business legal proceedings with the liquidator of Mintails.

Pan African also engaged with the DMRP with regards to the outstanding rehabilitation funding requirement of some R400million, which they could not recover from Mintails.

Pan African secured the funding required for concurrent rehabilitation as well as some R2,5 billion for the construction of a new processing plant that has just been completed and commissioned.

This plant has the required throughput to process over 800,000 tons per month of tailings that would achieve the economies of scale.

Furthermore, Pan African has a track record of successfully building these reprocessing plants since 2012, when it built the first plant at Barberton and more recently at Evander, where its 1,2 million ton per month plant at the Elikhulu operation has been successfully operating since 2018.

Pan African invested into the area when there was a lack of interest from international investors and local companies due to the political situation in the country. However, the company successfully raised the finances and completed a feasibility study where the TSFs would be rehabilitated over a 20 year period (commenced in October 2024) and the plan is to systematically reprocess the TSFs and redeposit the material into the existing pits, which has the added benefits of removing the opportunities for illegal mining. Illegal miners do not mine TSFs due to the extremely low grades.

The Company is also looking at the feasibility of a second processing plant that will increase the rate of re-mining. As part of acquiring the mining licences and environmental impact authorisations (EIA), there had to be extensive engagements with local communities and authorities and other legitimate stakeholders, which is well documented and has been ongoing since 2022.

As part of the EIA we are required to undertake numerous pollution control measures which we are in the process of undertaking. Pan African is also remediating certain of the TSFs where breaches have occurred due to years of neglect to ensure the safety of surrounding communities and have also commissioned independent geotechnical investigations on the safety of the TSFs.

These independent reports, which have also been provided to the Church of England's Pensions Board representatives, show that there is no danger of the TSFs collapsing and no imminent danger to surrounding communities.

In summary, Pan African has acquired these TSFs with the intention to remine them profitably for the long-term benefit of our stakeholders. We are a publicly listed company since 2007 and listed on the Johannesburg and London Stock Exchanges. The Company has a large percentage of international shareholders and are held accountable to the highest Environmental Social and Governance standards, on which we report annually and which reports are available on our website.

Pan African was also one of the first SA companies to obtain a sustainability-linked green bond which has strict annual compliance requirements. The work we have undertaken to date has already started to show a positive impact, where apart from the rehabilitation work, we have created over 1600 employment opportunities and contributed to local organisations and envisage a positive long term impact for the region and the communities in the area.

**BHEKISISA: We've had a look at what Pan African Resources says about its plans for re-mining the tailings in the area — has there been any health impact study done by Pan African for this project? (The community battles with asthma, cancer, and birth defects — they say that prolonged exposure to dust and toxic chemicals from the tailings has led to widespread illness.)**

HETHEN HIRA, HEAD: INVESTOR RELATIONS, PAN AFRICAN RESOURCES PLC: As mentioned above, Pan African has only recently commenced work in the area. We have initiated dust fallout monitoring at Snake Park. A Radiological Public Health Assessment will be undertaken as part of the EIA process, which will most likely commence early next year.

(This process would have already started by now, however, it came to light that DRD has an existing application for the dumps, so we are in discussions with them to resolve this.)

We work closely with Mariette Lieferink from the Federation for a Sustainable Environment (FSE) who has a long history in the area and who has provided us with the risks and hazards pertinent to historic TSFs in the area and which assists in our planning.

**BHEKISISA: To what extent have you taken note of the work of the Bench Marks Foundation and their network of community monitors in the Snake Park area when it comes to decisions about re-mining the tailings?**

HETHEN HIRA, HEAD: INVESTOR RELATIONS, PAN AFRICAN RESOURCES PLC: The Benchmarks Foundation, as a stakeholder would have been invited to stakeholder engagement sessions as part of our EIA where we have informed stakeholders of our plans to apply for re-mining prior to work commencing.

There are also regular engagement and information sessions with community stakeholders with regards to the TSFs where the community monitors would know they have to attend – see attached presentation also.

The Foundation has brought attention to the plight of communities in the vicinity of Snake Park to the Church of England's (CoE) Pensions Board in February this year.

We have engaged with the CoE who had a follow-up visit to the site as recently as last month, and they were happy with our rehabilitation plans and rapid progress with rehabilitation. They also acknowledge that encroachment of informal settlements should be the responsibility of the municipality.

We have also provided the CoE with independent geotechnical reports on the TSFs and commitments to rehabilitate, and they were satisfied that the funding mechanisms and expertise is in place to achieve this.

**BHEKISISA: When exactly did the re-mining start and what are the plans (just in brief) for "stabilising" or "securing" that tailings dump which flooded in the last heavy rains in 2022?**

HETHEN HIRA, HEAD: INVESTOR RELATIONS, PAN AFRICAN RESOURCES PLC: Re-mining commenced in September 2024 as per my introduction.

We have completed clearing of solution trenches around the Snake Park TSF that were clogged through years of neglect and which will now alleviate the flooding, as excess water will be captured by evaporation paddocks in the TSF design.

**BHEKISISA: What is Pan African's assessment of the risk of flooding or breaking of its tailings dumps with extreme weather events in the areas it is re-mining on the West Rand?**

HETHEN HIRA, HEAD: INVESTOR RELATIONS, PAN AFRICAN RESOURCES PLC: Pan African has commissioned independent geotechnical reports that confirm there is no risk of any of the TSFs collapsing, as mentioned previously.