PAN AFRICAN RESOURCES

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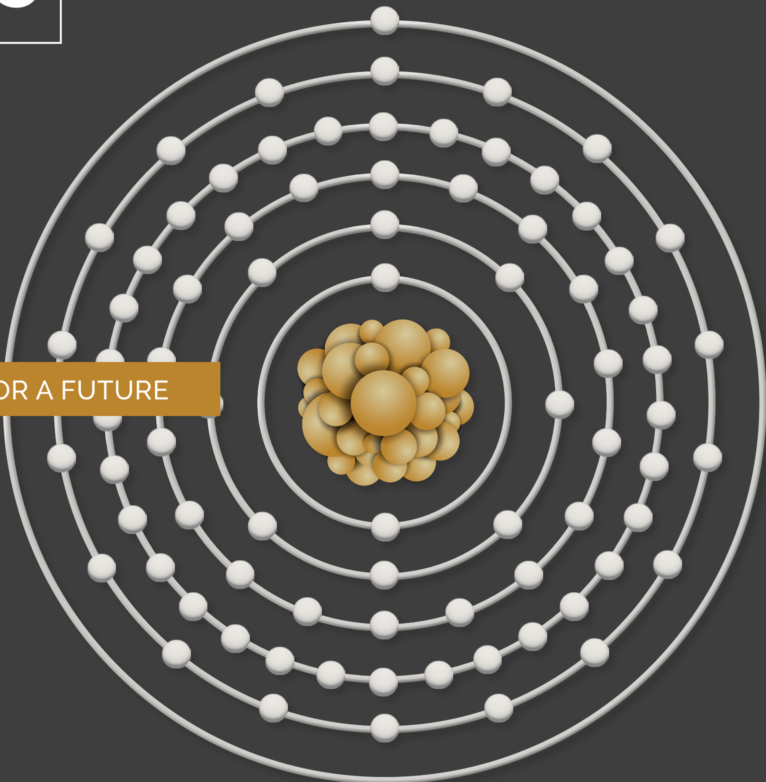


MINING FOR A FUTURE

2023

UNAUDITED INTERIM FINANCIAL RESULTS

for the six months ended 31 December

KEY FEATURES

(Key features are reported in United States dollar (US$) or South African rand (ZAR), to the extent relevant.)

PRODUCTION

- Gold production of 98,458oz (2022: 92,307oz), an increase of 6.7% relative to the six months ended 31 December 2022 (previous reporting period)
- The Group is well positioned to deliver into its 2024 financial year production guidance of between 180,000oz to 190,000oz of gold. Increased guidance may be considered in due course.

SAFETY

- Improvement in overall safety rates with a total recordable injury frequency rate (TRIFR) of 6.13 per million man hours for the year (2022: 8.54 per million man hours)
- Group surface operations reported no recordable injuries for the six months ended 31 December 2023 (reporting period) (2022: 5.14 per million man hours)
- Barberton Mines achieved 4 million fatality-free shifts during November 2023.

COSTS AND COST OUTLOOK

- Production costs were well managed, despite inflationary pressures, resulting in a reduction in all-in sustaining costs (AISC) per ounce for the reporting period to US$1,287/oz (2022: US$1,291/oz)
- The Group's operations, which account for more than 85% of the Group's gold production, produced at an AISC per ounce of US$1,149/oz (2022: US$1,139/oz)
- The Group's tailings retreatment operations (Elikhulu Tailings Retreatment Plant (Elikhulu) and Barberton Tailings Retreatment Plant (BTRP)) produced at an AISC of US$894/oz (2022: US$887/oz)
- Renewable energy generation and water recycling, together with other initiatives to increase the Group's future gold production, are expected to contribute to a decline in future real AISC
- The AISC per ounce guidance range for the 2024 financial year reduced to between US$1,325/oz and US$1,350/oz (assuming an exchange rate of US$/ZAR:18.50).

FINANCIAL

- Net cash from operating activities increased by 134.5% to US$27.2 million (2022: US$11.6 million)
- Profit for the period increased by 46.7% to US$42.4 million (2022: US$28.9 million)
- Headline earnings increased by 46.4% to US$42.6 million (2022: US$29.1 million)
- Earnings per share (EPS) and headline earnings per share (HEPS) increased by 46.1% to US 2.22 cents per share (2022: US 1.52 cents per share)
- Payment of a net dividend of US$18.3 million (2022: US$20.0 million) in December 2023, equating to a dividend yield of 5.9% (2022: 4.6%), at the last traded price on 30 June 2023
- Robust financial position at the end of the reporting period, with net debt of US$64.3 million (2022: US$53.7 million). The increase in net debt is primarily attributable to the capital expenditure of US$21.6 million incurred on the Mogale Tailings Retreatment project (MTR project)
- Liquidity remains healthy, with access to immediately available cash of US$31.3 million (2022: US$33.9 million) and undrawn facilities of US$86.4 million (2022: US$52.1 million) at the reporting period-end.

GROWTH PROJECTS

- MTR project
  - Steady-state production expected by December 2024
  - Capital expenditure in line with budget
  - Incremental annual production of approximately 50,000oz, at an expected AISC per ounce of approximately US$900/oz, over the 20-year life-of-mine (LoM) (including the Soweto Cluster tailings storage facilities (TSFs)
- Evander Mines' 8 Shaft 24, 25 and 26 Level underground expansion project is on track
  - Construction of phase 2 of the refrigeration plant on 24 Level is currently at an advanced stage, with completion anticipated during the 2024 financial year, as 25 Level mining operations commence
  - Equipping of the existing 17 Level underground ventilation shaft, with a hoisting capacity of up to 40,000tpm, is also expected to be completed during the 2024 financial year, improving efficiencies and eliminating the majority of the existing cumbersome conveyor system
- Dewatering of Evander Mines' 7 Shaft Egoli project is ongoing and once dewatered to below 20 Level, reserve delineation drilling will commence during the first quarter of the 2025 financial year to further define the ore payshoot and its grade variability
- At Barberton Mines, the consolidated Royal Sheba and Western Cross projects (Sheba Fault project) are earmarked to provide sustainable ore feed for the BTRP once existing reserves are depleted. The BTRP's current Mineral Reserves are adequate to maintain production for another two years albeit with a declining profile. A regional drilling campaign has also been initiated to identify other suitable material for processing.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) INITIATIVES

- Construction of Fairview Mine's 8.75MW solar plant is progressing with plant commissioning expected during June 2024
- Barberton Mines and Evander Mines handed over community Social and Labour Plan (SLP) infrastructure development projects, including new classrooms and science and computer laboratories, that will benefit some 2,800 community learners annually
- Commenced environmental rehabilitation at the MTR project sites, which is already positively impacting the environment and local living conditions.

SUDAN EXPLORATION

- On-the-ground exploration activities included geological mapping and sampling and target generation for planned drilling activities, with drilling expected to commence during the last quarter of the 2024 financial year.

The following tools will assist you throughout the report:

For further reading on our website at www.panafricanresources.com

Alternative performance measures (APMs)

This announcement contains inside information.

SUMMARY OF SALIENT FEATURES

Salient features	Unit	Six months ended 31 December 2023	Six months ended 31 December 2022	Movement %
Gold produced[1]	oz	**98,458**	92,307	6.7
Gold sold	oz	**98,458**	90,439	8.9
Revenue	US$ million	**193.9**	156.5	23.9
Average gold price received	US$/oz	**1,961**	1,725	13.7
	ZAR/kg	**1,178,433**	960,947	22.6
Cash costs	US$/oz	**1,130**	1,106	2.2
	ZAR/kg	**678,941**	616,134	10.2
AISC (note 2 and detailed commentary)	US$/oz	**1,287**	1,291	(0.3)
	ZAR/kg	**773,384**	719,322	7.5
All-in costs (AIC)[2]	US$/oz	**1,607**	1,703	(5.6)
	ZAR/kg	**965,891**	948,832	1.8
Adjusted EBITDA[3]	US$ million	**75.2**	53.3	41.1
Attributable earnings – owners of the Company	US$ million	**42.6**	29.1	46.4
Headline earnings	US$ million	**42.6**	29.1	46.4
EPS	US cents	**2.22**	1.52	46.1
HEPS	US cents	**2.22**	1.52	46.1
Net cash from operating activities	US$ million	**27.2**	11.6	134.5
Net debt	US$ million	**64.3**	53.7	(19.7)
Total sustaining capital expenditure	US$ million	**11.6**	9.9	17.2
Total capital expenditure	US$ million	**64.9**	48.7	33.3
Net asset value per share	US cents	**17.09**	15.22	12.3
Weighted average number of shares in issue	million	**1,916.5**	1,916.5	–
Average exchange rate	US$/ZAR	**18.69**	17.33	7.8
Closing exchange rate	US$/ZAR	**18.30**	17.01	7.6

[1] *Gold produced in the previous reporting period included 1,418oz produced but not sold at period-end and 450oz gold equivalent platinum group metals ounces produced by Evander Mines' osmiridium circuit.*

[2] *The AISC per kilogramme and AIC per kilogramme include realised derivative mark-to-market fair value gains/losses and exclude unrealised derivative mark-to-market fair value gains/losses relating to the current gold mining operations. Refer to the alternative performance measures () summary report for the reconciliation of cost of production, as calculated in accordance with International Financial Reporting Standards (IFRS), to AISC and AIC.*

[3] *Adjusted EBITDA comprises earnings before interest, tax, depreciation and amortisation and impairment.*

CHIEF EXECUTIVE OFFICER'S STATEMENT

Cobus Loots, Pan African's chief executive officer, commented:

"Pan African delivered an excellent safety, production and financial performance for the reporting period, which positions the Group well to deliver on our production and cost guidance for the full financial year. We are deeply saddened by the fatality that occurred at Elikhulu after the reporting period, as outlined in the subsequent events section further in the announcement.

Despite inflationary pressures, the Group managed to curtail AISC, with unit costs benefiting from increased gold production, the Group's cost-conscious culture and the weaker US$/ZAR exchange rate.

The higher US$ gold price, improved production and cost and capital discipline contributed to the much-improved cash generation of US$27.2 million, an increase of more than 130% when compared to the previous reporting period. This cash flow generation has resulted in the Group's robust financial position, even after taking into account the MTR project's capital expenditure and the net dividend of US$18.3 million paid to shareholders in December 2023.

The Group's surface remining operations performed exceptionally well, with their sub US$900/oz AISC contributing significantly to Group production, cash flows and profits. The BTRP benefited from operational enhancements and the optimisation of the carbon-in-leach process, which reduced AISC by over 10% to US$650/oz, making it one of the world's lowest-cost gold producers. Our long-life MTR project, once commissioned later this calendar year, will also add meaningfully to the Group's surface production portfolio and its valuation. With the MTR project's incremental production of approximately 50,000oz per year, almost 50% of the Group's annual gold production will be sourced from low-cost, long-life surface remining operations.

In addition to being a compelling investment proposition, large-scale tailings retreatment operations provide much-needed economic stimulus and employment in defunct mining regions with challenging socio-economic conditions. Our 'beyond compliance' community development strategy, in collaboration with other critical role players, has a tangible and meaningful positive impact in the areas where we operate.

The introduction of continuous operations at Barberton Mines' Fairview and Sheba Mines has made a positive impact on production and further improvements will become evident once optimisation of the underground infrastructure is fully implemented. While Consort Mine has experienced geotechnical challenges, we believe that the contractor operating model is appropriate for the scale of this operation going forward. We are excited by the initial exploration results from drilling programmes being undertaken, using the latest geological software to unlock the seemingly unlimited potential of Barberton's orebodies, which have been in continuously mined for almost 140 years.

The development of Evander Mines' 24, 25 and 26 Level project is progressing well, with ramped-up mining operations at 24 Level already contributing to the replacement of ounces as mining from the 8 Shaft's pillar nears completion. The significant capital expenditure already spent on this project to improve and optimise the infrastructure will enable consistent and sustainable production of an average of 65,000oz annually from this operation in the long term, and allow it to maintain its status as one of the lowest-cost underground gold mines in Southern Africa.

Following the recommencement of our gold exploration activities in Sudan, steady progress has been made by our in-country team, with the mapping and sampling activities of shallow orebodies for the prioritisation of initial drill targets.

In the short term, our priority is to deliver into the production guidance for the 2024 financial year and commission the MTR project on schedule and within budget, which will elevate Pan African into the next tier of global gold producers.

We are well positioned to deliver on our operational and strategic objectives for the 2024 financial year, and if the current gold price tailwinds persist, shareholders can look forward to a continuation of the reporting period's excellent financial performance for the full financial year."

GROUP OPERATIONAL COMMENTARY

Safety

The Group's TRIFR improved by 39.3% to 6.13 (2022: 8.54) per million man hours and is currently tracking favourably for the cumulative 24.1% TRIFR reduction, targeted for 30 June 2029.

- The Group's lost-time injury frequency rate (LTIFR) remained stable at 2.54 (2022: 2.54) per million man hours
- The Group's reportable injury frequency rate (RIFR) improved to 1.04 (2022: 1.34) per million man hours
- Barberton Mines achieved an LTIFR of 2.57 (2022: 1.88) and a RIFR of 1.29 (2022: 0.63) per million man hours
- Elikhulu continued to achieve excellent safety results with an improvement in LTIFR and RIFR to 0.00 (2022: 1.28) and 0.00 (2022: 0.00) per million man hours, respectively
- Evander Mines' underground operations' LTIFR and RIFR improved to 3.71 (2022: 4.72) and 0.82 (2022: 3.76) per million man hours, respectively.

The Group's surface operations remained at the forefront of excellence with no recordable injuries reported at BTRP's and Elikhulu's operations for the period. Barberton Mines (underground operations and the BTRP) achieved 4 million fatality-free shifts during November 2023.

The Group continues to implement new safety initiatives to further improve safety performance, in pursuit of a zero-harm working environment.

OPERATIONAL PERFORMANCE

The Group produced 98,458oz (2022: 92,307oz) of gold for the reporting period, an increase of 6.7% relative to the previous reporting period. The Group's operations performed in line, or better than anticipated, with half-year production constituted as follows:

US$ thousand	Six months ended 31 December 2023	Six months ended 31 December 2022
Fairview Mine	**22,194**	19,041
Sheba and Consort Mines	**14,586**	12,981
BTRP	**9,864**	10,012
Elikhulu	**28,106**	25,830
Evander Mines – underground	**21,307**	19,173[1]
Evander Mines – surface sources	**2,401**	5,270
Total ounces produced	**98,458**	92,307

[1] *Includes gold equivalent production of osmiridium concentrate.*

UPDATE ON GROUP OPERATIONS, OPTIMISATION INITIATIVES AND GROWTH PROJECTS

Barberton Mines

Barberton Mines' underground operations produced 36,780oz (2022: 32,022oz), a 14.9% increase, with AISC per ounce decreasing by 9.1% to US$1,682/oz (2022: US$1,850/oz).

The Group is pleased to report that the transition to continuous operations has resulted in the ramping up of mining volumes from its Fairview and Sheba operations, with further production increases expected, positively impacting mining efficiencies and operating costs, as described more fully below.

Barberton Mines has implemented a number of key initiatives with the intent of maintaining sustainable production rates and to further optimise mining operations as outlined below.

Increased reserve delineation drilling to further improve orebody definition, optimise resource models and increase confidence in the Mineral Reserves

- Drilling of 5,986m (2022: 2,250m) of the high-grade Main Reef Complex (MRC) mining platforms, with a total of 12,255m planned for the 2024 financial year (2023: 10,618m)
- Diamond core drilling into the Sheba high-grade Zwartkoppie (ZK) orebody of 2,370m was completed (2022: 2,122m)
- Exploration drilling of 1,390m during the reporting period (2022: 1,117m) at Consort, as part of the Mineral Resources growth strategy aimed at locating resources to potentially replace lower-grade surface sources
- Exploration drilling of the South Wall Adit mining block, which forms part of the Sheba Fault project, to improve Sheba Mine mining flexibility while reducing the need for lower-grade surface material to fill plant capacity.

Infrastructure improvements and mining efficiencies:

- Introduction of emulsion explosives, during January 2024, to improve ore fragmentation and reduce the cost of explosives going forward
- Planned installation of an advanced centralised blasting system, by the end of the 2024 financial year at Fairview Mine, which will enable best-practice blasting operations
- The grout plant at Fairview was completed to enable the pumping of cement underground, as opposed to using the shaft's capacity to transport cement in bulk.

Increased lateral development:

- Completed geological drilling which resulted in increased lateral development within the ZK orebody to open more ground for the continuation of down-dip mining
- Development into the up-dip area of the Western Cross orebody has progressed well, with drill platforms being developed for drilling of the orebody down-dip.

Fairview Mine

Gold production for the reporting period increased by 16.6% to 22,194oz (2022: 19,041oz), following the implementation of continuous operations that resulted in improved underground run-of-mine volumes. Fairview produced an average of 10,174tpm (2022: 8,986tpm) during the reporting period, compared with approximately 8,800tpm produced in the ramp-up phase from March to June 2023.

Exploration continues to be focused on the down-dip extensions of existing orebodies, specifically the MRC orebody. Diamond core drilling completed during the reporting period has confirmed the down-dip extensions of the high-grade MRC, Rossiter and Hope Reef orebodies.

The Group also engaged the services of consultants to produce a deformation and structural model for the MRC orebody, which will assist in the identification of additional exploration targets.

Mining is underway on the 258, 259 and 260 Platforms within the high-grade MRC orebody. Development has commenced towards the down-dip extension (261 Platform) in preparation for production towards the end of the 2024 financial year.

Optimisation of the Rossiter Reef mining methodology has improved production, allowing for reduced dilution and improved ore grades and enabling Rossiter ore to supplement the higher-grade MRC ore.

Steady progress has also been made with the projects intended to reduce 3 Decline's logistical constraints and further improve available hoisting time, including:

- A further review of the proposed chairlift installation project, from 42 to 64 Level, has also identified an opportunity to rehabilitate connected ramp infrastructure adjacent to the 3 Decline from 38 to 70 Level. This refurbishment and ancillary work is planned to be completed by the end of the 2024 calendar year and will facilitate the transport of employees and material to the deeper mining areas
- The associated infrastructure for the grout backfilling for 11 Level mining has been completed, which will complete the system up to the 260 Platform in the MRC orebody.

Fairview Mine has a remaining LoM of 20 years.

Sheba Mine

Sheba Mine produced 11,139oz (2022: 9,359oz), an increase of 19.0% compared to the previous reporting period. The average run-of-mine tonnes increased to 8,661tpm (2022: 7,306tpm) despite the challenges faced with Eskom power outages, which resulted in damaged mine electrical infrastructure and associated production downtime during the reporting period. The implementation of the continuous operations enabled run-of-mine tonnages to be maintained and more development to be completed for mining of the below-mentioned resource areas.

The improved production is attributed to the extraction of the MRC orebody and three higher-grade ZK ore blocks, as well as the South Wall Adit. Additionally, production from the higher-grade Verster and Thomas Reefs at the Edwin Bray Adit supplemented the ore feed to the processing plant.

Development continues in the MRC orebody, where the establishment of three additional platforms will further increase mining flexibility and sustain ore feed to the plant.

Sheba Mine has a current remaining LoM of eight years.

Consort Mine

Geotechnical challenges encountered on the 42 and 43 Level mining areas, during the initial stages of Prince Consort Shaft's equipping, limited the contractor's access to higher-grade mining areas. While these issues are resolved, a revised mine plan to access lower-grade mining areas on 17 and 37 Levels has been implemented, which should lead to an improved performance during the second half of the 2024 financial year.

Consort Mine has a remaining LoM of nine years.

Barberton Tailings Retreatment Plant

The BTRP's gold production during the reporting period remained fairly consistent at 9,864oz (2022: 10,012oz) at an AISC per ounce of US$650/oz (2022: US$725/oz).

The BTRP processed 0.433Mt of tailings material (2022: 0.441Mt) and achieved an improved overall recovery of 51.1% (2022: 48.7%), with a recovered grade of 0.71g/t (2022: 0.71g/t). Additional feed source, included historical tailings material from the Fairview top area and other low-grade tailings material excavated from the Fairview solar plant site.

The BTRP has access to near-term surface sources that will provide for a further two years of production, albeit at a reduced production profile, during which time the Sheba Fault project will be developed for the BTRP's longer-term supply.

Sheba Fault project

Studies are currently being progressed to optimise the mining and transport of the Sheba Fault project's sources to the BTRP. Progress to date includes:

- Optimisation work undertaken on the current eight-year Royal Sheba LoM plan, with estimated production of approximately 235,000oz of gold at an average mining grade of 3g/t, and the potential for further extension as the orebody remains open at depth
- The Western Cross orebody is open at depth and currently only mined above the South Wall Adit elevation at Sheba Mine. This 10m-wide orebody is lower-grade (3g/t to 4g/t), free-milling and is amenable to bulk mining, similar to that planned at the Royal Sheba project, and will further supplement feed material to the BTRP. Drilling is planned for the 2025 financial year to update the geological model, confirm available Mineral Resource blocks and update the feasibility study.

Elikhulu

Elikhulu produced 28,106oz (2022: 25,830oz) during the reporting period and processed 7.170Mt of tailings material (2022: 7.164Mt) with an improved overall recovery of 34.9% (2022: 32.3%) and a recovered grade of 0.12g/t (2022: 0.11g/t).

The operation successfully completed construction of phase 2 of the enlarged Elikhulu TSF on time and within budget. This modern TSF was constructed in line with the latest global management standards for tailings facilities, ensuring sufficient capacity for future remining operations.

Elikhulu remains one of the lowest-cost surface remining operations in Southern Africa, with a remaining LoM of 10 years.

Evander Mines underground

Evander Mines' underground operations performed well during the reporting period, with an 11.1% increase in gold produced of 21,307oz (2022: 19,173oz), as mining at 24 Level successfully replaced mining volumes from the 8 Shaft pillar, consistent with the mine plan. The 8 Shaft pillar contributed approximately 20% of the reporting period's production, with the remaining production coming from the 24 Level mining activities. Steady-state production from 24 Level is expected to be approximately 35,000oz per annum. Once development of 25 Level is completed in the 2026 financial year, Evander Mines' underground production is forecast to increase to an average of approximately 65,000oz per annum for the eight-year LoM.

- As detailed earlier in this announcement, a number of critical capital projects are at an advanced stage, the commissioning of which will be important for the future efficiency of this operation. Good progress is being made with phase 2 of the refrigeration plant, which is on track for commissioning during the 2024 financial year
- Continuous maintenance on the ageing conveyor belt infrastructure is still being done to ensure consistent ore delivery to the processing plant. The use of these conveyors will be significantly reduced once the ventilation shaft has been commissioned.

Dewatering of the Egoli project's 3 Decline has reached 20 Level, where permanent pumping infrastructure will be installed together with a drilling platform for long-inclined borehole drilling into the resource block to improve reserve delineation.

Additionally, remnant mining areas have been identified on 15 and 16 Levels at Evander Mines' 7 Shaft, with mining being conducted utilising three crews. The potential to expand further into additional remnant blocks identified within 7 Shaft's mining levels will be considered once more extensive trade-off studies are concluded.

MTR project

Construction of the fully funded ZAR2.5 billion (US$135.1 million[1]) MTR project commenced in July 2023 and is progressing on time and within budget with the majority of capital expenditure already contracted. Steady-state production of approximately 50,000oz per year at an AISC per ounce similar to that of Elikhulu is anticipated from December 2024 for the 20-year LoM (remining both the Mogale and Soweto Cluster TSFs).

To date, over 200 local community members have been employed at the MTR project, while a number of local businesses (small and medium enterprises) have been involved as project suppliers.

Concurrent rehabilitation programmes have commenced and approximately 27ha has been rehabilitated during the reporting period, including a key wetland which will improve the underground water quality. Additionally, the Group is on track to meet the rehabilitation sustainability key performance indicator (KPI), as contained in the Domestic Medium-term Note (DMTN) programme.

MTR's capital expenditure is outlined below.

	US$ million
Year ended 30 June 2023 (actual)	8.8
Reporting period (actual)	21.6
Six months ending 30 June 2024 (forecast)	54.4[1]
Six months ending 31 December 2024 (forecast)	47.1[1]
Total	**132.8**

[1] *At an assumed exchange rate of US$/ZAR:18.50.*

MINERAL RESOURCES AND MINERAL RESERVES

There have been no material changes to the Group's Mineral Resources and Mineral Reserves statements since the 30 June 2023 financial year.

For more detail on the reported Mineral Resources and Mineral Reserves, the annual Mineral Resources and Mineral Reserves report for the year ended 30 June 2023 is available on our website at **www.panafricanresources.com**

GROUP AISC

The Group's AISC per ounce has decreased by 0.3% to US$1,287/oz (2022: US$1,291/oz). This cost reduction excludes estimated electricity savings, at current rates, of US$1.3 million from Evander Mines' 9.9MW solar plant, which would further reduce the Group's AISC per ounce to US$1,274/oz. The AISC reduction resulted from diligent cost control, improved gold production as well as the weaker US$/ZAR exchange rate prevailing during the reporting period.

The AISC was impacted by the following:

- The depreciation of the average US$/ZAR exchange rate by 7.8% to US$/ZAR:18.69 (2022: US$/ZAR:17.33) positively impacted the Group's AISC in US$ terms
- Barberton Mines' underground AISC per ounce decreased by 9.1% to US$1,682/oz (2022: US$1,850/oz), primarily due to an 18.4% increase in gold sold. In rand terms, the total AISC increased by 16.1% to ZAR1,156.2 million (2022: ZAR996.0 million), impacted by the following:
  - An increase in contractor costs following the implementation of the contractor mining model at Consort Mine
  - Salaries and wages increasing by 19.0% due to an increase in the employee headcount following the implementation of continuous operations at Fairview and Sheba Mines. The annual salary increase was approximately 6%
  - A decrease in sustaining capital expenditure of 26.0%
- The BTRP's AISC per ounce decreased by 10.3% to US$650/oz (2022: US$725/oz) following a 3.4% increase in gold sold and a 4.1% increase in recoveries to 51% (2022: 49%). In rand terms, the total AISC remained stable at ZAR119.9 million (2022: ZAR119.9 million)
- Elikhulu's AISC per ounce increased by 3.4% to US$979/oz (2022: US$947/oz). The AISC in rand terms increased by 21.3% to ZAR514.4 million (2022: ZAR423.9 million), mainly as a result of:
  - above-inflationary reagent cost increases of 20.0%
  - an increase in electricity costs of 34.3% due to increased pumping distances following the commissioning of the Leslie/Bracken pump station, combined with above-inflationary increases in Eskom's electricity rates
- Evander Mines' underground AISC per ounce increased by 16.7% to US$1,228/oz (2022: US$1,052/oz). The AISC in rand terms increased by 43.3% to ZAR489.1 million (2022: ZAR341.3 million), primarily as a result of a 16% decrease in costs capitalised to the 24, 25 and 26 Level underground expansion project in the reporting period.

The expected AISC per ounce for the 2024 financial year is between US$1,325/oz and US$1,350/oz, assuming an exchange rate of US$/ZAR:18.50.

GOLD PRICE HEDGING

The Group's senior bank debt facilities require that the gold price is hedged on a two-year rolling basis, with the intent of locking in cash flow (available for debt service) of ZAR300 million to reduce the Group's exposure to diverse movements in the gold price.

The Group currently has the following gold price hedges in place:

- Synthetic gold forward sale transaction: An obligation to sell 4,846oz of gold per month, for 24 months commencing in March 2023, at a fixed price of ZAR1,025,000/kg (US$1,723 oz[1]), and received an upfront premium of US$21.6 million[1] (ZAR400 million). The effective price at which the Group sold the 3,617kg of gold, over the 24 months, is ZAR1,135,604/kg (US$1,909/oz[1]).
- Zero-cost collars:

	July 2023 to December 2023[2]	July 2023 to December 2023[2]	January 2024 to June 2024	January 2024 to June 2024
Notional quantity	2,150oz per month	2,150oz per month	1,666oz per month	1,666oz per month
Total notional quantity	12,900oz	12,900oz	9,996oz	9,996oz
Cap price	ZAR1,312,070/kg US$2,206/oz[1]	ZAR1,341,459/kg US$2,255/oz[1]	ZAR1,375,407/kg US$2,312/oz[1]	ZAR1,407,879/kg US$2,367/oz[1]
Floor price	ZAR1,100,000/kg US$1,849/oz[1]	ZAR1,100,000/kg US$1,849/oz[1]	ZAR1,100,000/kg US$1,849/oz[1]	ZAR1,100,000/kg US$1,849/oz[1]

[1] *Converted at an exchange rate of US$/ZAR:18.50.*
[2] *The gold price during the reporting period was within the collar ranges of the zero-cost collars.*

GROUP CAPITAL EXPENDITURE BUDGET

The Group continues to reinvest in its assets and growth projects to ensure sustainability, with total capital expenditure for the reporting period increasing by 33.3% to US$64.9 million (2022: US$48.7 million).

The capital budget for the year ending 30 June 2024 comprises:

Operation	Sustaining capital US$ million[1]	Expansion capital US$ million[1]
Barberton Mines	15.7	8.9
Elikhulu	2.3	12.4
Evander Mines underground (including the Egoli and 24, 25 and 26 Level projects)	–	39.9
MTR project	–	76.0
Total	**18.0**	**137.2**

[1] *Budgeted capital converted to US$ at an exchange rate of US$/ZAR:18.50.*

Major expansion capital items for the 2024 financial year include:

- Barberton Mines' chairlift expansion at a cost of US$4.1 million
- Completion of phases 2 and 3 of Elikhulu's TSF footprint extension at a cost of US$12.4 million
- 8 Shaft's 24, 25 and 26 Level project and equipping costs for Evander Mines' 7 Shaft infrastructure at a cost of US$31.2 million
- The MTR project's plant initial construction costs of US$76.0 million.

With the completion of Elikhulu's TSF extension during the 2024 financial year, this operation's capital expenditure will revert to previous sustaining capital levels.

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE

To ensure the Group continues to deliver stakeholder value, we remained focused on making meaningful contributions to ESG matters, while taking further steps to reduce our environmental footprint and positively impact our social landscape. The Group acknowledges the importance of protecting the environment and maintaining its social licence to operate by delivering long-term and sustainable value creation. To achieve this, we continue our focus on our 'beyond compliance' ESG approach.

The sustainability projects pursued by the Group include energy and water management, biodiversity and conservation, education infrastructure, skills development and bursaries, youth and women employment and health and wellness programmes.

A sustainability-linked DMTN bond, the Task Force on Climate-related Financial Disclosures reporting framework and ESG disclosures provide assurance and monitor our progress. Our commitment to sustainability and ESG management is entrenched into our Company values and business model. Some of our highlights for the reporting period are presented below.

Environment

Pan African's renewable energy roadmap to decarbonisation is ongoing, with new renewable energy projects to be commissioned

The Group's renewable energy strategy is in place to achieve its sustainability targets, with these projects measurably reducing the Group's carbon emissions while stabilising the electricity supply to our operations and realising cost savings that contribute to lowering our overall AISC in the long term.

The renewable energy strategy includes:

- Steady-state renewable solar energy generation at Evander Mines, where a 9.9MW solar plant was commissioned in May 2022
  - The solar plant has provided 12,584MWh of renewable energy during the reporting period and generates approximately 24% of Elikhulu's energy requirements, significantly reducing our reliance on the national electricity grid
  - Electricity cost savings of approximately US$1.3 million realised, at current tariffs, reducing Group AISC by some US$13/oz[1]
  - A renewable energy mix for the reporting period of 6.2%, reducing our carbon footprint by approximately 11,433tCO_2e.

[1] Savings not included in AISC.

- Commencement of Barberton Mines' construction of an 8.75MW solar plant, with commissioning scheduled for June 2024
  - This plant is expected to deliver cost savings of approximately ZAR26 million (US$1.4 million at a prevailing exchange rate of approximately US$/ZAR:18.50) in year one, with an average saving of ZAR40 million (US$2.2 million) per year over the life of the plant, further reducing overall Group AISC
- A power purchase agreement with Sturdee Energy Proprietary Limited for the off-site provision of 40MW wheeled power to any of the Group's operations over a period of up to 15 years, with construction expected to commence during 2024
- A potential 10MW-capacity solar plant at the MTR project.

Pan African aims to achieve a renewable energy mix of 30% by 2030 and 50% by 2035. We continue to aggressively investigate further opportunities to source renewable energy from wind energy, hydropower and battery storage solution providers.

Water management – water retreatment plant at Evander Mines

In March 2023, the Group commissioned a 3Mℓ per day-capacity water retreatment plant and distribution system at Evander Mines. The plant is now providing potable water to Elikhulu's processing plant and Evander Mines' 8 Shaft underground infrastructure, which both reduces our environmental footprint and supports the local municipality's efforts to ensure adequate water supply to users in the area.

The plant's operations have resulted in water use-related savings of more than US$250,000 during the reporting period, with estimated annual savings of US$500,000.

Additional studies are underway to assess whether the Group can further enhance its water sustainability performance, including:

- the treatment of water from Barberton Mines' processing plants and TSFs
- treating polluted water from underground sources for the MTR project's processing plant water requirements.

Biodiversity management, conservation and land rehabilitation

We consider environmental preservation as one of our top ESG priorities and continue to actively participate in, and contribute to, programmes aimed at promoting biodiversity and conservation. Consistent with this biodiversity approach, we have established land rehabilitation targets to 2029 for our MTR project. The MTR project contributed 27ha to the Group's annual rehabilitation plans and is on target to achieve its sustainability-linked bond target of 105ha.

The rehabilitation liabilities related to Barberton Mines and Evander Mines of US$8.7 million are fully funded. The rehabilitation liabilities related to the MTR project of US$2.4 million will be funded over the life of the project.

The Group continues its collaboration with the Mpumalanga Tourism and Parks Agency for the preservation of biodiversity in the Barberton Nature Reserve and annual sponsorship of rhino orphans at the Care for Wild Rhino Sanctuary.

Social

Pan African has dedicated community engagement teams at each of our operations to support our host communities, focusing on sustainable socio-economic development and improving the lives of these stakeholders. We take community development seriously and, through our ongoing structured engagement with legitimate stakeholders, support initiatives that have long-term benefits and become self-sustaining, without reliance on continued mine funding.

Healthcare, education, skills development, youth and women employment and economic development programmes, especially for local small businesses, are catalysts to realising these socio-economic gains and are therefore prioritised by our operations. The results of these initiatives have been impactful and positive.

Corporate social investment and local economic development

During the reporting period, Pan African invested US$1.4 million (2022: US$0.7 million) in corporate social investment and local economic development initiatives and bursaries, including the following:

- School infrastructure projects to complete current SLP commitments. The Group is compliant with its approved SLP compliance requirements:
  - Barberton Mines handed over the Sheba and Ngwenya Primary Schools to the Department of Basic Education. Up to 35 local contracting companies were used and 285 local jobs were created during construction. These schools will benefit over 1,600 learners annually
  - Evander Mines completed the building of the computer and science laboratories at the Thomas Nhlabathi High School and Thistle Grove Combined School. Both projects, which include the purchase of computers and laboratory equipment, were handed over to the Department of Basic Education in November 2023 and will benefit over 1,200 learners annually
- 'Beyond compliance' tertiary learner development programme
  - Barberton Mines initiated a high school development programme in January 2022, granting full scholarships to 25 high-achieving students in need of financial assistance from local communities around Barberton
    - The programme aims to improve the readiness of high school students for university studies
    - It is intended that these students study towards mining-related fields, which will improve the local skills base required for the Group's operations
- 'Beyond compliance' job creation – Barberton Blueberries project
  - The Barberton Blueberries project was initiated by the Group in response to high local unemployment rates and poverty in the local communities. Twenty-five permanent employment positions and almost 200 seasonal jobs have been created with total salaries of US$0.2 million (2022: US$0.2 million) paid during the reporting period. This has reduced the demand for jobs that previously led to operational disruptions and protests
- Enterprise and supplier development
  - Barberton Mines established and funded an enterprise supplier development programme for small local businesses. Once compliant, these small businesses will be included in Barberton Mines' vendor database
- Socio-economic development at the MTR project
  - The MTR project area is located close to Mogale City, a densely populated area situated on the outskirts of Johannesburg. The area is characterised by widespread illegal mining activity in adjacent abandoned underground workings

- Mining also left a legacy of historical TSFs that were not properly rehabilitated, leading to significant environmental pollution through dust storms and groundwater contamination. To remediate the situation and improve the economic and environmental sustainability of the area, the Group has:
  - engaged with legitimate community stakeholders to understand the socio-economic environment and communicate the MTR project's benefits in terms of local job creation, skills and local economic development. Approximately 500 jobs will be created during the construction phase and some 450 direct employees will be required during the 20-year life of the operation. Currently, 90% of on-site employees are locals, and the procurement of goods and services from local companies is prioritised, to the extent possible
  - commenced with the clean-up of the historical spillage sites and remediation of wetlands, as well as the removal of alien vegetation
  - improved security measures through collaboration with security companies and law enforcement, with the aim of eradicating illegal mining opportunities. The rehabilitation of old workings and deposition of remined material into historical workings will significantly reduce or eliminate opportunities for illegal mining activities.

Governance

To enhance the strength of the Group's ESG reporting, we have embarked on implementing an ESG reporting, performance and disclosure assurance strategy. An independent gap analysis was undertaken by PricewaterhouseCoopers and 10 KPIs, which have been assured, were detailed in the 2023 ESG report.

In November 2023, the Group won the Integrated Reporting Excellence Award in the JSE Limited Small Cap category at the Chartered Governance Institute of South Africa Awards. The recognition highlights the Group's commitment to transparent and comprehensive reporting, showcasing our dedication to going beyond traditional norms.

Following the issue of our sustainability-linked bond in December 2022, the Group met its KPI targets for 2023. The KPIs that were assured included the Group's renewable energy mix and Group TRIFR. The assurance of the third KPI, the MTR project percentage land rehabilitation, will commence in 2024 following the MTR project's commissioning.

EXPLORATION

Gold exploration programme in Sudan

Pan African Resources Minerals Co Limited, a subsidiary of the Group, is the holder of five exploration concessions in the Red Sea state of Sudan, located near the key coastal city of Port Sudan.

During September 2022, the Group successfully commissioned the first commercial fire assay multi-element analytical laboratory in Sudan. This laboratory is used to analyse all exploration samples collected from the exploration concessions and enables the quick turnaround of critical assay results, essential for informative decision-making during the exploration phases.

Following the military-led coup d'état on 25 October 2021, all expatriate employees of the Group were safely extracted from Sudan. During August 2023, the Group initiated the return of the expatriate workforce to recommence with exploration activities, which gained momentum during September 2023 and focused on stream sediment sampling, soil sampling and trench sampling on the Kishi and Turkish Ridge targets in Block 12A North and the Sataib target in Block 12A South.

Sampling over the Kishi target includes 296 drainages, 394 soil and 41 surface channel samples. These samples retrieved anomalous grades of up to 97,270ppm copper (or 9.7%), 0.5g/t gold, 208ppm cobalt and 4.4% nickel. The sampling clearly illustrates an anomalous area for both gold and copper that will be investigated further. This area stretches over 2km by 750m and illustrates similar characteristics to volcanic massive sulphide deposits.

A further 113 grid drainage and soil samples were collected over the Turkish Ridge target. The assays from these samples identified anomalous areas with grades up to 7.3g/t gold and 180ppm copper. The anomalous area has a surface extent of approximately 500m by 250m.

Additionally, 314 samples were analysed over the Sataib target in Block 12A South. Sampling was mainly conducted as stream sediment and soil samples, while 46 of the samples were collected from trenches across the mineralised veins. This target is the only prospect tested with active artisanal mining focused on narrow high-grade veins with workings extending over 1km on strike and multiple subparallel veins occurring over a zone in excess of 300m. Sampling results of up to 22.8g/t gold were retrieved from the Sataib samples and drilling is expected to commence during the last quarter of the 2024 financial year.

No Mineral Resources or Mineral Reserves are currently reported for any of the identified targets.

OUTLOOK AND PROSPECTS

Our primary focus remains on safely delivering high-quality ounces consistent with our production guidance and successfully executing capital projects that will sustain and increase future gold production.

For the remainder of the 2024 financial year, our focus areas include:

- monitoring the Group's optimisation and improvement initiatives, intended to increase production and manage cost escalations
- executing capital projects designed to sustain and increase our future gold production profile to approximately 250,000oz per year
- ensuring adequate liquidity to fund the Group's capital programmes
- continuing to progress the Group's ESG initiatives, with a focus on maintaining our social licence to operate in our host communities
- maintaining the focus on generating sustainable shareholder returns.

SUBSEQUENT EVENTS

It is with regret that we announce that an Elikhulu employee passed away following an accident on 1 February 2024. We are deeply saddened by this incident and our sincere condolences and support have been extended to the family, friends and colleagues of the deceased. The health and safety of our employees is our number one priority and we continue to reassess and reinforce all safety protocols, procedures and standards in our ongoing daily quest to achieve zero harm for all our employees.

APPRECIATION

I would like to extend my gratitude to our management teams and every staff member and contractor who contributed to the success of the operations during the reporting period. The guidance and support from the board members are also invaluable in ensuring the continued success of the Group. Working together in this dedicated and committed manner will ensure that we are 'mining for a future'.

FINANCIAL PERFORMANCE

Exchange rates and their impact on results

All subsidiaries of the Group are incorporated in South Africa, with the exception of the exploration project located in Sudan. The functional currency for the South African subsidiaries is the rand and the functional currency for the Sudan exploration project is the Sudanese pound. The Group's South African business is conducted in rand, and the accounting records are maintained in the same currency, except precious metal product sales, which are conducted in US$ prior to conversion into rand. The ongoing review of the operational results by executive management and the directors of the Company is also performed in rand.

During the reporting period, the average US$/ZAR exchange rate was US$/ZAR:18.69 (2022: US$/ZAR:17.33) and the closing US$/ZAR exchange rate at 31 December 2023 was US$/ZAR:18.30 (2022: US$/ZAR:17.01). The period-on-period change in the average rate and the closing exchange rate of 7.8% and 7.6%, respectively, must be considered when comparing period-on-period results.

The following commentary analyses the reporting period and the previous reporting period results in US$, and pertinent rand figures are disclosed in the body of this commentary.

Analysing the Group's financial performance

Revenue

Revenue increased during the reporting period by 23.9% to US$193.9 million (2022: US$156.5 million) predominantly due to an increase in gold sold of 8.9% to 98,458oz (2022: 90,439oz) and an increase in the US$ gold price received of 13.7% to US$1,961/oz (2022: US$1,725/oz).

Cost of production

The majority of costs incurred by the Group are in rand, which is the Group's functional currency. Accordingly, when translated to US$, variances may arise due to fluctuations in the US$/ZAR exchange rate. The Group's cost of production, excluding depreciation, increased by 11.4% to US$110.6 million (2022: US$99.3 million).

Cost of production primarily consists of:

- **mining and processing costs** (representing 41.9% of the total cost of production) increased by 11.3% to US$46.3 million (2022: US$41.6 million) or by 20.1% in rand terms largely due to inflation-related cost increases and an increase in contractor costs following the implementation of a contractor mining model at Consort Mine
- **salaries and wages** (representing 24.8% of the total cost of production) increased by 5.8% to US$27.4 million (2022: US$25.9 million) or by 14.3% in rand terms. The average annual salary increase for the Group was approximately 6.0%; the salary and wages increase in excess of the annual salary increase resulted from an increase in Barberton Mines' employee headcount following the implementation of continuous operations
- **electricity costs** (representing 14.6% of the cost of production) increased by 8.1% to US$16.1 million (2022: US$14.9 million) or by 16.6% in rand terms. The increase resulted from a 9.6% regulatory increase and an increase in electricity consumption at Evander Mines, following the commissioning of the Leslie/Bracken pump station, the water retreatment plant and phase 1 of the 8 Shaft's refrigeration plant
- **engineering and technical costs** (representing 10.2% of the cost of production) increased by 17.7% to US$11.3 million (2022: US$9.6 million) or 27.4% in rand terms primarily as a result of inflation-related cost increases and repairs and maintenance on shaft winders and compressors, as well as a decrease in costs capitalised to Evander Mines' 24 Level project
- **solar and agricultural costs** increased to US$0.6 million from US$0.4 million.

Depreciation and amortisation

The Group's depreciation and amortisation costs associated with the cost of production decreased by 6.3% to US$10.4 million (2022: US$11.1 million). The mining operations' depreciation charge is calculated based on actual production in relation to the estimated available Mineral Reserve tonnes to be mined over the life of the operations.

The 7.8% depreciation of the average US$/ZAR exchange rate compared to the previous reporting period contributed to the overall decrease in US$ terms. In rand terms, the depreciation and amortisation costs increased by 1.1%.

Other income and expenses

Other income increased by 18.8% to US$1.9 million (2022: US$1.6 million), largely due to a US$0.4 million increase to US$1.2 million (2022: US$0.8 million) in the fair value gain on the environmental rehabilitation obligation fund.

Other expenses increased by 75.0% to US$9.1 million (2022: US$5.2 million) largely due to an increase in costs associated with the Group's employee incentive schemes to US$2.8 million (2022: US$0.3 million) and an increase in Evander Mines' community and corporate social investment projects spend to US$0.7 million (2022: US$0.1 million).

Finance costs

Finance costs increased by 64.7% to US$5.6 million (2022: US$3.4 million) largely attributable to the increase in the Group's borrowing activities to fund its capital expenditure programmes. Specifically, finance costs associated with the Group's borrowings increased by 77.8% to US$4.8 million (2022: US$2.7 million).

Tax

The income tax expense for the year increased to US$17.2 million (2022: US$10.1 million), resulting in an effective tax rate of 28.9% (2022: 25.8%). The increase is due to:

- an increase in the current tax charge to US$6.4 million (2022: US$0.7 million) largely attributable to an increase in the Group's taxable profit
- an increase in the deferred tax expense to US$10.8 million (2022: US$9.4 million).

EPS and HEPS

EPS and HEPS increased by 46.1% to US 2.22 cents per share (2022: US 1.52 cents per share). EPS and HEPS are calculated by applying the Group's weighted average number of shares of 1,916.5 million shares outstanding (2022: 1,916.5 million shares) to attributable earnings and headline earnings.

Debt and cash flows

Net debt increased by 19.7% to US$64.3 million (2022: US$53.7 million), and net senior debt increased by 20.4% to US$60.1 million (2022: US$49.9 million).

Net cash flows from operating activities increased by 134.5% to US$27.2 million (2022: US$11.6 million), during the reporting period, impacted by an 8.9% increase in the Group's gold sold, an increase in the average rand gold price received of 22.6% to ZAR1,178,433/kg (2022: ZAR960,947/kg) and a net dividend payment of US$18.3 million (2022: US$20.0 million).

Net cash used in investing activities increased by 25.2% to US$64.5 million (2022: US$51.5 million) largely due to capital expenditure on property, plant and equipment of US$64.8 million (2022: US$48.7 million), consistent with the Group's capital expenditure programmes.

Net cash from financing activities decreased by US$15.5 million to US$33.0 million (2022: US$48.5 million) largely due to a US$43.9 million decrease in the proceeds from borrowings, offset by a US$28.6 million decrease in the repayment of borrowings. In December 2022, the Group issued its inaugural sustainability-linked bond of US$47.3 million.

DIRECTORSHIP CHANGES AND DEALINGS

No directorship changes took place during the reporting period.

The following dealings in securities by directors took place during the reporting period:

- Cobus Loots and LTS Ventures Proprietary Limited, as an entity associated with him, entered into the following share transactions:
  - Acquisition of 136,000 ordinary shares at ZAR3.60 per share on 27 October 2023 by LTS Ventures Proprietary Limited
  - Transfer of 3,000,000 ordinary shares between stock holding accounts for nil consideration by LTS Ventures Proprietary Limited.

  Cobus Loots held 5,184,504 indirect beneficial shares representing 0.2332% of the Company's issued share capital, a direct beneficial interest of 1,873,982 ordinary shares representing 0.0843% of the Company's issued share capital and 314,280 open contracts for differences.

- Deon Louw entered into the following share transaction:
  - Acquisition of 134,748 ordinary shares at a volume-weighted average price of ZAR3.66 per share on 26 October 2023.

  Deon Louw held 3,122,349 indirect beneficial shares representing 0.1405% of the Company's issued share capital and a direct beneficial interest of 1,122,860 ordinary shares representing 0.0505% of the Company's issued share capital.

There were no further dealings in the Company's securities by directors up to the date of the release of this announcement. None of the direct or indirect beneficial interests held by the directors in the share capital of the Company are subject to security, guarantee, collateral or otherwise.

JSE LIMITED LISTING

The Company has a dual primary listing on the JSE Limited (JSE) and the Alternative Investment Market (AIM) of the London Stock Exchange (LSE), as well as a sponsored Level 1 American Depository Receipt (ADR) programme in the United States of America (USA) through the Bank of New York Mellon (BNY Mellon).

The Group's interim results have been prepared and presented in accordance with and contain the information required by International Accounting Standard (IAS) 34: *Interim Financial Reporting*, as well as the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Pronouncements as issued by the Financial Reporting Standards Council.

The interim results contain the minimum information required by IAS 34. The accounting policies are in accordance with IFRS and are consistent with those applied in the 2023 consolidated annual financial statements.

SECONDARY LISTING ON THE A2X MARKET

Pan African's ordinary shares commenced trading on the A2X Market (A2X) exchange with effect from Monday, 13 December 2021.

Pan African will retain its primary listings on AIM and the JSE and its Level 1 ADR programme in the USA. Its issued share capital has been unaffected by the secondary listing on A2X and its ordinary shares are available to be traded on the AIM, JSE, ADR and A2X markets.

A2X is a licensed stock exchange authorised to provide a secondary listing venue for companies and is regulated by the Financial Sector Conduct Authority and the South African Reserve Bank's Prudential Authority, in terms of the Financial Markets Act, 19 of 2012.

AIM LISTING

The financial information for the period ended 31 December 2023 does not constitute statutory accounts as defined in sections 435(1) and 435(2) of the UK Companies Act 2006 (Companies Act 2006).

The Group's interim results have been prepared in accordance with IFRS and International Financial Reporting Interpretation Committee interpretations, with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

ADR PROGRAMME

In July 2020, Pan African established a sponsored Level 1 ADR programme on the over-the-counter (OTC) market in the USA, with BNY Mellon being the appointed depository.

Each depository receipt in the ADR programme represents 20 ordinary shares in Pan African and trades under the symbol PAFRY.

In 2020, to enhance the Company's visibility and provide better access to prospective USA retail investors, the ADR programme was upgraded and approved for listing on the OTCQX Best Market in the USA. To qualify for trading on the OTCQX, which is the highest tier of the OTC market, Pan African has complied with the necessary requirements, including the required financial standards, corporate governance requirements and compliance with applicable securities laws. The Company's ordinary shares trade under the symbol PAFRF on the OTCQX.

FORWARD-LOOKING INFORMATION

Any forward-looking information contained in this report is the sole responsibility of the directors and has not been reviewed or reported on by the Group's external auditors.

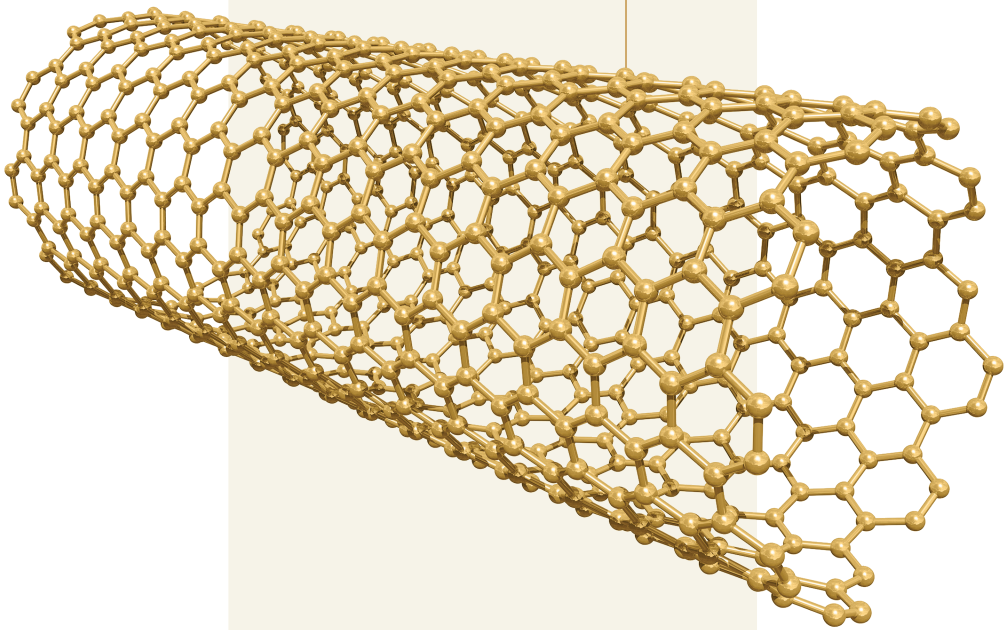
The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 as it forms part of UK Domestic Law by virtue of the European Union (Withdrawal) Act 2018. Upon the publication of this announcement via the Regulatory Information Service, this inside information is now considered to be in the public domain.

Cobus Loots
Chief executive officer

14 February 2024

2,000

gold atoms per nanoparticle



The crystal structure of gold reveals that there are four atoms per unit cell and approximately 500 unit cells per nanoparticle.

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the six months ended 31 December 2023

PRIMARY STATEMENTS

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

OTHER ITEMS

Pan African is a sustainable, safe, high-margin and long-life gold producer.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2023

US$ thousand	Notes	Unaudited 31 December 2023	Unaudited 31 December 2022	Audited 30 June 2023
ASSETS				
Property, plant and equipment		**463,780**	379,209	395,247
Goodwill		**16,584**	17,842	16,117
Intangible assets – excluding goodwill		**283**	260	265
Deferred tax assets		**587**	339	428
Long-term inventory		**6,132**	5,836	5,992
Environmental rehabilitation obligation fund		**23,472**	22,838	21,627
Total non-current assets		**510,838**	426,324	439,676
Inventory		**11,772**	11,946	9,567
Trade and other receivables		**18,822**	14,594	15,182
Current tax asset		**763**	3,397	1,292
Derivative financial asset		**151**	624	451
Restricted cash		**10**	2,719	–
Cash and cash equivalents		**31,298**	33,937	34,771
Total current assets		**62,816**	67,217	61,263
Total assets		**573,654**	493,541	500,939
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	10	**38,002**	38,002	38,002
Share premium		**235,063**	235,063	235,063
Retained earnings		**330,285**	273,938	306,004
Reserves		**(275,127)**	(255,060)	(283,946)
Equity attributable to owners of the Company		**328,223**	291,943	295,123
Non-controlling interests		**(772)**	(307)	(527)
Total equity		**327,451**	291,636	294,596
Environmental rehabilitation obligation		**11,143**	11,150	10,085
Borrowings	8	**89,395**	67,258	42,485
Lease liabilities		**2,553**	3,563	2,849
Contract liability	4.2	**1,821**	–	7,081
Other financial liability		**540**	–	–
Share-based payment obligations		**3,576**	2,175	1,884
Deferred tax liabilities		**77,651**	60,783	64,573
Total non-current liabilities		**186,679**	144,929	128,957
Trade and other payables		**42,049**	36,255	52,072
Borrowings	8	**375**	15,241	10,868
Lease liabilities		**717**	641	634
Contract liability	4.2	**10,929**	–	10,621
Other financial liability		**307**	–	–
Share-based payment obligations		**1,824**	3,244	2,404
Derivative financial liability		**248**	122	55
Current tax liabilities		**3,075**	1,473	732
Total current liabilities		**59,524**	56,976	77,386
Total equity and liabilities		**573,654**	493,541	500,939

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the period ended 31 December 2023

US$ thousand	Notes	Unaudited six months ended 31 December 2023	Unaudited six months ended 31 December 2022
Revenue	4	**193,947**	156,489
Cost of production		**(121,060)**	(110,404)
Gross profit		**72,887**	46,085
Other income		**1,877**	1,638
Other expenses		**(9,108)**	(5,248)
Royalty costs		**(1,242)**	(468)
Net income before finance income and finance costs		**64,414**	42,007
Finance income	5	**760**	456
Finance costs	5	**(5,594)**	(3,464)
Profit before tax		**59,580**	38,999
Income tax expense	6	**(17,223)**	(10,063)
Profit for the period		**42,357**	28,936
Other comprehensive income/(loss)			
Items that may be reclassified to profit or loss			
Foreign currency translation reserve movement		**8,800**	(12,374)
Items that may not be reclassified to profit or loss			
Investment measured at fair value through other comprehensive income movement		**–**	1,799
Tax thereon		**–**	(1,359)
Other comprehensive income/(loss) for the period, net of tax		**8,800**	(11,934)
Total comprehensive income for the period		**51,157**	17,002
Profit/(loss) attributable to:		**42,357**	28,936
Owners of the Company		**42,581**	29,072
Non-controlling interests		**(224)**	(136)
Total comprehensive income/(loss) attributable to:		**51,157**	17,002
Owners of the Company		**51,356**	17,138
Non-controlling interests		**(199)**	(136)
Basic and diluted earnings per share (US cents)		**2.22**	1.52
Weighted average number of shares in issue (thousand)		**1,916,504**	1,916,504
Diluted average number of shares in issue (thousand)		**1,916,504**	1,916,504

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period ended 31 December 2023

US$ thousand	Unaudited six months ended 31 December 2023	Unaudited six months ended 31 December 2022
Shareholders' equity at the beginning of the period	**294,596**	294,609
Other comprehensive income/(loss)	**8,800**	(11,934)
Profit for the period	**42,357**	28,936
Dividend paid	**(21,227)**	(23,168)
Reciprocal dividend – PAR Gold[1]	**2,925**	3,193
Total equity	**327,451**	291,636

[1] *Reciprocal dividend – PAR Gold Proprietary Limited (PAR Gold) refers to the intra-Group transaction which relates to the dividend paid on the treasury shares held by PAR Gold in the Company – refer to note 10. PAR Gold holds 13.8% (2022: 13.8%) of the issued share capital of the Company.*

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the period ended 31 December 2023

US$ thousand	Unaudited six months ended 31 December 2023	Unaudited six months ended 31 December 2022
Cash flows from operating activities		
Net cash from operating activities before dividend, tax, royalties and net finance costs	**55,649**	38,597
Dividend paid	**(21,227)**	(23,168)
Reciprocal dividend received	**2,925**	3,193
Income tax paid	**(5,307)**	(4,361)
Royalties paid	**(913)**	(911)
Finance costs paid	**(4,676)**	(2,229)
Finance income received	**760**	456
Net cash from operating activities	**27,211**	11,577
Cash flows from investing activities		
Additions to property, plant and equipment	**(64,773)**	(48,659)
Proceeds from disposal of property, plant and equipment	**47**	13
Acquisition of subsidiary, net of cash acquired	**–**	(2,885)
Repayment of loan receivable	**–**	255
Receipts from the environmental rehabilitation obligation fund	**1**	–
Decrease/(increase) in restricted cash	**232**	(2,672)
Proceeds from disposal of investment – other	**–**	2,485
Net cash used in investing activities	**(64,493)**	(51,463)
Cash flows from financing activities		
Proceeds from borrowings	**48,265**	92,171
Repayment of borrowings	**(14,794)**	(43,415)
Repayment of lease liabilities	**(307)**	(278)
Repayment of other financial liability	**(137)**	–
Net cash from financing activities	**33,027**	48,478
Net (decrease)/increase in cash and cash equivalents	**(4,255)**	8,592
Cash and cash equivalents at the beginning of the period	**34,771**	26,993
Effect of foreign exchange rate changes	**782**	(1,648)
Cash and cash equivalents at the end of the period	**31,298**	33,937

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the period ended 31 December 2023

1. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

These condensed consolidated interim financial statements for the half-year reporting period ended 31 December 2023 have been prepared in accordance with UK-adopted IAS 34: *Interim Financial Reporting*. The accounting policies applied in compiling the condensed consolidated interim financial statements are consistent with those applied in preparing the Group's annual financial statements for the year ended 30 June 2023.

The financial information set out in this announcement does not constitute the Company's statutory accounts for the period ended 31 December 2023.

The results have been prepared and presented in accordance with the framework concepts and measurement and recognition requirements of IFRS, and contain the information required by IAS 34, as well as the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Pronouncements as issued by the Financial Reporting Standards Council, the listings requirements of the JSE and LSE, and the Companies Act 2006.

Going concern

The Group closely monitors and manages its liquidity risk by means of a centralised treasury function. Cash forecasts are regularly produced and sensitivities run for different scenarios including, but not limited to, changes in commodity prices and different production profiles from the Group's operations. The Group had US$86.4 million (2022: US$52.1 million) of available debt facilities and US$31.3 million (2022: US$33.9 million) of cash and cash equivalents as at 31 December 2023. Based on the current status of the Group's finances, having considered going concern forecasts, reasonably possible downside scenarios, including a rand gold price of ZAR1,150,000/kg (US$1,914/oz converted at a prevailing average exchange rate of US$/ZAR:18.69), and reduced production volumes, the Group's forecasts based on board-approved budgets demonstrate that it will have sufficient liquidity headroom to meet its obligations in the ordinary course of business and will comply with financial covenants for the 12 months from the date of approval of the condensed consolidated interim financial statements.

The board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group continued to adopt the going concern basis of accounting in the preparation of the 31 December 2023 condensed consolidated interim financial statements.

Alternative performance measures

The Group makes reference to APMs, in conjunction with IFRS measures, when assessing its reported financial performance, financial position and cash flows. APMs should be considered in addition to, and not as a substitute for or superior to, measures of financial performance, financial position or cash flows reported in accordance with IFRS. Further information on APMs is provided on **page 44.**

2. JUDGEMENTS AND ESTIMATES

The preparation of the Group's condensed consolidated interim financial statements, in accordance with IFRS, requires management to make judgements, estimates and assumptions that may materially affect the carrying amounts of assets, liabilities and contingent liabilities reported at the date of the condensed consolidated interim financial statements and the reported amounts of revenue and expenses during the current reporting period.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Significant assumptions, estimates and judgements

The following are areas of significant assumptions and judgements, apart from those involving estimations, that have the most significant effect on the amounts recognised in the condensed consolidated interim financial statements.

Impairment and impairment reversals of assets

The Group assesses at each reporting date whether there are any indicators that its assets and cash-generating units (CGUs) may be impaired or that require previous impairment provisions to be reversed. Operating and economic assumptions which could affect the valuation of assets using discounted cash flow models are regularly reviewed and updated as part of the Group's monitoring of operational and financial performance and forecasting processes. Judgement is required in determining whether operating and economic changes are significant and impact the performance potential of an asset or CGU, and therefore contribute to an indication of an impairment or an impairment reversal.

Assets (other than goodwill) that have previously been impaired must be assessed for indicators of both impairment and impairment reversal. Such assets are recorded in the statement of financial position at their recoverable amount at the date of the last impairment assessment. Therefore, a change in operational plans, assumptions or economic conditions may result in a further impairment or an impairment reversal, if an indicator is identified.

Cash flow projections and key assumptions

Expected future cash flows used in discounted cash flow models are inherently uncertain and may materially change over time. Cash flow projections are significantly affected by a number of factors, including Mineral Resources and Mineral Reserves, and economic factors such as commodity prices, discount rates, estimates of production costs and future capital expenditure.

Cash flow projections are based on financial forecasts and LoM plans incorporating key assumptions as detailed below:

- **Mineral Resources and Mineral Reserves:** Mineral Reserves and, where considered appropriate, Mineral Resources, are incorporated in projected cash flows, based on Mineral Resources and Mineral Reserves statements (in accordance with the SAMREC Code for South African properties) and exploration and evaluation work undertaken by appropriately qualified persons. Mineral Resources are included where management has a high degree of confidence in their economic extraction, despite additional evaluation still being required prior to meeting the required confidence for conversion to Mineral Resources.
- **Commodity prices:** Commodity prices are based on the latest internal forecasts, benchmarked to external sources of information, to ensure that they are within the range of available analyst forecasts. Where existing sales contracts or hedging arrangements are in place, the effects of such contracts are considered in determining future cash flows.
- **Discount rates:** Value in use and fair value, less cost of disposal, projections are sensitive to changes in the discount rate.
- **Operating costs, capital expenditure and other operating factors:** Operating costs and capital expenditure are based on financial budgets. Cash flow projections are based on LoM plans and internal management forecasts. Cost assumptions incorporate management experience and expectations, as well as the nature and location of the operation and the risks associated therewith (for example, the grade of Mineral Resources and Mineral Reserves varying significantly over time and unforeseen operational issues).

Contract liability

Management applied the accounting treatment of IFRS 15: *Revenue from Contracts with Customers* as opposed to IFRS 9: *Financial Instruments* given the valuation methodology used in pricing the transaction. Promised consideration has been adjusted for the time value of money as the period between payment and transfer of the promised goods exceeds 12 months and, as such, contains a significant financing component. The financing component has been presented as part of finance costs.

Deferred tax rate

South African income tax on gold mining income is determined in accordance with a formula (the gold formula) that takes into account the taxable income and revenue from gold mining operations. Judgement was applied in the determination of the future expected deferred tax rates of the Group's mining operations.

The Group prepares nominal cash flow models to calculate the expected average income tax rate over the LoM. The key assumptions in the cash flow models are the same as those noted in the previous cash flow projections and key assumptions section.

2. JUDGEMENTS AND ESTIMATES continued

Environmental rehabilitation obligation

The amount recognised as an obligation represents management's best estimate of the consideration required to complete the restoration and rehabilitation activities at the Group's operations. These estimates are inherently uncertain and could materially change over time.

At each reporting date, the Group estimates the rehabilitation and decommissioning obligation and judgement is applied in determining the assumptions used in calculating the estimated rehabilitation and decommissioning obligation. Inputs used that require judgement include:

- closure costs, which are determined in accordance with regulatory requirements
- inflation rate, which has been adjusted for a long-term view
- risk-free rate, which is compounded annually and linked to the LoM
- LoM and related Mineral Resources and Mineral Reserves.

An assessment of the Group's environmental rehabilitation plan identified a risk relating to the potential pollution of groundwater at Barberton Mines. As a result of the amendments to the Financial Closure Provision Regulations promulgated in terms of the National Environmental Management Act, the Group will have to include an obligation for all latent and residual environmental liabilities including water pollution, as part of the obligation for environmental rehabilitation and decommissioning costs, from September 2023. The Group has undertaken several detailed assessments, including a geohydrological study at Barberton Mines, to ascertain the latent and residual environmental liability as a result of the amendments and to quantify the impact of the amendments. Based on the current closure cost estimate, the amendments will result in an increase to the current obligation of approximately US$2.8 million (US$0.8 million on a discounted basis) for environmental and decommissioning costs in real terms, once the amendments become effective.

Sources of estimation uncertainty

Impairment and impairment loss reversals of non-financial assets

For assets where indicators of impairment or impairment reversals are identified, the Group performs an impairment review to assess the recoverable amount of its operating assets, principally with reference to fair value, less costs of disposal, which is assessed using discounted cash flow models. Mining operations are large, complex assets requiring significant technical and financial resources to operate. Their value may be sensitive to characteristics unique to each asset. There is judgement in determining the assumptions that are considered to be reasonable and consistent with those that would be applied by market participants in the preceding paragraphs.

Other assumptions and estimates

Cash-settled share-based payment obligation

The Company applies the requirements of IFRS 2: *Share-based Payments* to cash-settled share-based payment arrangements made to employees in terms of the Group's incentive schemes. These are measured at fair value at grant date and, at each subsequent reporting date, the Company revises the estimated fair value of these schemes in accordance with the requirements of IFRS 2 with the movement recognised in profit or loss. The determination of the fair value of the cash-settled share-based payment obligation is subject to judgement pertaining to a number of valuation assumptions.

3. SEGMENT ANALYSIS

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing the performance of the operating segments, has been identified as Pan African's executive committee (Exco). The operating segments of the Group are determined based on the reports used to make strategic decisions that are reviewed by Exco. Exco considers the business principally according to the location and nature of the products and services provided, with each segment representing a strategic business unit.

The reported segments are all located in South Africa except for the exploration assets located in Sudan and comprise the following:

- Barberton Mines including the BTRP located in Barberton
- Evander Mines (Elikhulu, the underground 8 Shaft pillar, the 24, 25 and 26 Level project, Egoli project and surface sources) located in Evander
- The MTR project: The MTR project is located in the Mogale district. A plant is being constructed to process gold tailings deposited onto the Mogale Gold Proprietary Limited (Mogale Gold) and Mintails SA Soweto Cluster Proprietary Limited (MSC) TSFs.

These segments derive their revenue from mining, extraction, production and the sale of gold.

- Solar projects currently consist of the solar plant located at Evander Mines, the development of a solar plant at Barberton Mines and the extension of Evander Mines' solar plant
- Exploration assets consist of five prospecting concessions (or exploration licences) in north-eastern Sudan (the Block 12 concessions), covering an area of almost 1,100km² and located approximately 70km north-west of Port Sudan
- Agricultural ESG projects mainly comprise the Group's Barberton Blueberries project (Barberton Blue) as well as other small-scale agricultural projects in the Barberton Mines host community areas
- Corporate consists mainly of the Group's holding companies and management services company which renders services to the Group and is located in Johannesburg
- Funding Company is the centralised treasury function of the Group which is located in Johannesburg.

The segment results have been presented based on Exco's reporting format, in accordance with the disclosures presented as follows.

3. SEGMENT ANALYSIS continued

	Unaudited six months ended 31 December 2023					Unaudited six months ended 31 December 2023				
US$ thousand	Barberton Mines	Evander Mines	Solar projects	MTR project	Mining operations	Exploration assets	Agricultural ESG projects	Corporate	Funding Company	Group total
Revenue	90,983	102,410	–	–	193,393	–	554	–	–	193,947
Cost of production	(57,082)	(52,901)	(196)	–	(110,179)	–	(451)	–	–	(110,630)
Depreciation and amortisation	(4,499)	(5,561)	(230)	(9)	(10,299)	–	(131)	–	–	(10,430)
Gross profit/(loss)	29,402	43,948	(426)	(9)	72,915	–	(28)	–	–	72,887
Other income[1]	–	1,322	–	144	1,466	66	–	56	289	1,877
Other expenses[1]	(1,060)	(1,503)	(5)	(65)	(2,633)	(734)	(103)	(5,285)	(353)	(9,108)
Royalty costs	(1,033)	(209)	–	–	(1,242)	–	–	–	–	(1,242)
Net income/(loss) before finance income and finance costs	27,309	43,558	(431)	70	70,506	(668)	(131)	(5,229)	(64)	64,414
Finance income[1]	1	3	3	5	12	–	2	66	680	760
Finance costs[1]	(240)	(1,408)	–	(171)	(1,819)	–	(2)	(17)	(3,756)	(5,594)
Profit/(loss) before tax	27,070	42,153	(428)	(96)	68,699	(668)	(131)	(5,180)	(3,140)	59,580
Income tax expense	(6,902)	(10,229)	(26)	–	(17,157)	–	–	(61)	(5)	(17,223)
Profit/(loss) for the period excluding intra-Group transactions	20,168	31,924	(454)	(96)	51,542	(668)	(131)	(5,241)	(3,145)	42,357
Revenue[1]	–	–	1,262	–	1,262	–	–	15,933	–	17,195
Cost of production[1]	–	(1,262)	–	–	(1,262)	–	–	–	–	(1,262)
Elimination of dividend received from/(paid to) fellow Group companies	–	–	–	–	–	–	–	(15,933)	–	(15,933)
Management fees	(2,572)	(1,638)	(80)	–	(4,290)	(96)	(48)	4,488	(54)	–
Finance income/(costs)	1,636	(1,686)	(645)	–	(695)	–	(310)	(1,460)	2,465	–
Profit/(loss) after tax including intra-Group transactions	19,232	27,338	83	(96)	46,557	(764)	(489)	(2,213)	(734)	42,357
Segment assets (total assets excluding goodwill)	141,698	318,835	15,407	41,463	517,403	4,033	3,011	4,827	27,796	557,070
Segment liabilities	50,984	94,114	92	4,960	150,150	1	21	6,202	89,829	246,203
Net assets/(liabilities) excluding goodwill[2]	90,714	224,721	15,315	36,503	367,253	4,032	2,990	(1,375)	(62,033)	310,867
Goodwill	16,584	–	–	–	16,584	–	–	–	–	16,584
Capital expenditure[3]	7,874	31,025	4,130	21,618	64,647	86	–	119	–	64,852
Reconciliation of adjusted EBITDA										
Net income/(loss) before tax, finance income and finance costs	27,309	43,558	(431)	70	70,506	(668)	(131)	(5,229)	(64)	64,414
Excluding: depreciation and amortisation included in gross profit	4,499	5,561	230	9	10,299	–	131	–	–	10,430
Excluding: other depreciation and amortisation	–	–	–	–	–	188	7	143	–	338
Adjusted EBITDA[4]	31,808	49,119	(201)	79	80,805	(480)	7	(5,086)	(64)	75,182

[1] *Other expenses and income exclude intra-Group management fees. Finance income and finance costs exclude intra-Group interest.*
[2] *The segment assets and liabilities above exclude intra-Group balances.*
[3] *Capital expenditure comprises additions to property, plant and equipment, mineral rights, exploration and intangible assets.*
[4] *Adjusted EBITDA comprises earnings before interest, tax, depreciation, amortisation and impairment losses.*

3. SEGMENT ANALYSIS continued

US$ thousand	Unaudited six months ended 31 December 2022					Unaudited six months ended 31 December 2022				
	Barberton Mines	Evander Mines	Solar projects	MTR project	Mining operations	Exploration assets	Agricultural ESG projects	Corporate	Funding Company	Group total
Revenue	69,975	86,203	–	–	156,178	–	311	–	–	156,489
Cost of production	(51,044)	(47,832)	(21)	–	(98,897)	–	(385)	–	–	(99,282)
Depreciation and amortisation	(5,288)	(5,497)	(239)	–	(11,024)	–	(98)	–	–	(11,122)
Gross profit/(loss)	13,643	32,874	(260)	–	46,257	–	(172)	–	–	46,085
Other income[2]	–	1,183	–	–	1,183	26	–	158	272	1,639
Other expenses[2]	(572)	(485)	(2)	(315)	(1,374)	(296)	(65)	(3,423)	(91)	(5,249)
Royalty costs	(272)	(196)	–	–	(468)	–	–	–	–	(468)
Net income/(loss) before finance income and finance costs	12,799	33,376	(262)	(315)	45,598	(271)	(237)	(3,264)	181	42,007
Finance income[2]	1	4	1	–	6	–	1	55	394	456
Finance costs[2]	(199)	(513)	(349)	(55)	(1,116)	–	–	(22)	(2,326)	(3,464)
Profit/(loss) before tax	12,601	32,867	(610)	(370)	44,488	(271)	(236)	(3,231)	(1,751)	38,999
Income tax expense	(1,308)	(7,630)	(387)	(7)	(9,332)	–	–	(731)	–	(10,063)
Profit/(loss) for the period excluding intra-Group transactions	11,293	25,237	(997)	(377)	35,156	(271)	(236)	(3,962)	(1,751)	28,936
Revenue[1]	–	–	1,133	–	1,133	–	–	13,278	–	14,411
Cost of production[1]	–	(1,133)	–	–	(1,133)	–	–	–	–	(1,133)
Elimination of dividend received from/ (paid to) fellow Group companies	–	–	–	–	–	–	–	(13,278)	–	(13,278)
Management fees	(3,661)	(2,184)	(86)	(69)	(6,000)	–	(52)	6,109	(57)	–
Finance income/(costs)	1,109	(1,448)	(93)	–	(432)	–	(234)	(1,303)	1,969	–
Profit/(loss) after tax including intra-Group transactions	8,741	20,472	(43)	(446)	28,724	(271)	(522)	844	161	28,936
Segment assets (total assets excluding goodwill)	143,921	267,423	10,144	11,165	432,653	4,042	3,225	4,341	31,438	475,699
Segment liabilities	56,212	67,932	7,809	2,977	134,930	1	81	5,833	61,060	201,905
Net assets/(liabilities) excluding goodwill[2]	87,709	199,491	2,335	8,188	297,723	4,041	3,144	(1,492)	(29,622)	273,794
Goodwill	17,842	–	–	–	17,842	–	–	–	–	17,842
Capital expenditure[3]	10,288	36,647	238	497	47,670	746	163	80	–	48,659
Reconciliation of adjusted EBITDA										
Net income/(loss) before tax, finance income and finance costs	12,799	33,376	(262)	(315)	45,598	(271)	(237)	(3,264)	181	42,007
Excluding: mining depreciation and amortisation included in gross profit	5,288	5,497	239	–	11,024	–	98	–	–	11,122
Excluding: other depreciation and amortisation	–	–	–	–	–	–	7	142	–	149
Adjusted EBITDA[4]		18,087	38,873	(23)	(315)	(271)	(132)	(3,122)	181	53,278

[1] *Other expenses and income exclude intra-Group management fees. Finance income and finance costs exclude intra-Group interest.*
[2] *The segment assets and liabilities above exclude intra-Group balances.*
[3] *Capital expenditure comprises additions to property, plant and equipment, mineral rights, exploration and intangible assets.*
[4] *Adjusted EBITDA comprises earnings before interest, tax, depreciation, amortisation and impairment losses.*

4. REVENUE

4.1 Disaggregation of revenue

US$ thousand	Unaudited six months ended 31 December 2023	Unaudited six months ended 31 December 2022
Revenue		
– Gold revenue	**193,092**	155,975
– Silver revenue	**302**	203
– Blueberries revenue	**553**	311
Total revenue	**193,947**	156,489

4.2 Contract liability

The Group entered into a forward sale contract on 13 March 2023 with Rand Merchant Bank (RMB), whereby 4,846oz of gold will be delivered monthly to RMB at a fixed price of ZAR1,025,000/kg (US$1,723/oz) per month for a period of 24 months. The Group received consideration of US$21.6 million (ZAR400 million) in advance which has been recognised as a contract liability. Revenue is recognised monthly on a straight-line basis.

US$ thousand	Unaudited six months ended 31 December 2023	Unaudited six months ended 31 December 2022
Balance as at 1 July	**17,702**	–
Recognised as revenue	**(6,137)**	–
Unwinding of finance costs	**786**	–
Foreign currency translation movement	**399**	–
Total contract liability	**12,750**	–
***Less:* current portion**	**(10,929)**	–
Non-current portion	**1,821**	–

5. NET FINANCE COSTS

US$ thousand	Unaudited six months ended 31 December 2023	Unaudited six months ended 31 December 2022
Finance income		
– Cash and cash equivalents	**760**	449
– Loan receivable	**–**	7
Total finance income	**760**	456
Finance costs		
– Borrowings	**(4,760)**	(2,716)
– Lease liabilities	**(162)**	(203)
– Environmental rehabilitation obligation	**(749)**	(516)
– Contract liability	**(786)**	–
– Instalment sale obligation	**(58)**	–
– Borrowing costs capitalised	**964**	–
– Other	**(43)**	(29)
Total finance costs	**(5,594)**	(3,464)
Net finance costs	**(4,834)**	(3,008)

6. INCOME TAX

US$ thousand	Unaudited six months ended 31 December 2023	Unaudited six months ended 31 December 2022
South African normal tax	**6,393**	662
– current year	**6,388**	646
– prior year	**5**	16
Deferred tax	**10,830**	9,394
– current year	**10,830**	9,394
Securities transfer tax	**–**	7
Total income tax expense	**17,223**	10,063

6. INCOME TAX continued

US$ thousand	Assessed loss carried forward		Unredeemed capital carried forward	
	Unaudited six months ended 31 December 2023	Unaudited six months ended 31 December 2022	Unaudited six months ended 31 December 2023	Unaudited six months ended 31 December 2022
Evander Mines	**309**	288	**87,972**	90,991

Deferred tax assets have been recognised on the basis that the individual Group companies will be able to generate future taxable economic benefits to utilise against current deductible temporary differences.

7. FINANCIAL INSTRUMENTS

US$ thousand	Unaudited six months ended 31 December 2023	Unaudited six months ended 31 December 2022
Financial assets		
At amortised cost		
Cash and cash equivalents	**31,298**	33,937
Restricted cash[1]	**10**	2,719
Trade and other receivables[2]	**13,608**	10,503
At fair value through profit or loss		
Environmental rehabilitation obligation fund	**23,472**	22,838
Derivative financial asset	**151**	624
Financial liabilities		
At amortised cost		
Trade and other payables[3]	**33,420**	29,307
Borrowings	**89,770**	68,556
RCF	**26,396**	13,770
Term facility	**19,399**	–
Redink Rentals (RF) Limited loan	**–**	7,503
DMTN bond	**43,975**	47,283
Lease liabilities	**3,270**	4,204
Other financial liability	**847**	–
At fair value through profit or loss		
Derivative financial liability	**248**	122

[1] *Restricted cash in the previous reporting period relates to funds placed in an attorney's trust account for the purchase of properties relating to the MTR project.*

[2] *At the end of the current reporting period, the Group had no trade receivables that are past overdue and not impaired. Trade and other receivables exclude prepayments, tax receivable and value-added tax (VAT) receivable.*

[3] *Trade and other payables exclude VAT payable, accrual for employee benefits and leave pay liabilities.*

7. FINANCIAL INSTRUMENTS continued

Fair value of financial instruments

The directors consider that the carrying amounts of financial assets and liabilities approximate their fair values.

Fair value hierarchy

Financial instruments measured at fair value are classified in the fair value hierarchy based on the extent to which fair value is observable.

The levels are classified as follows:

Level 1 – fair value is based on quoted prices in active markets for identical financial assets or liabilities

Level 2 – fair value is determined using inputs other than quoted prices, included within Level 1, that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices)

Level 3 – fair value is determined on inputs not based on observable market data.

US$ thousand	Level 1	Level 2	Total
31 December 2023			
Environmental rehabilitation obligation fund[1]	**–**	**23,472**	**23,472**
Derivative financial asset	**151**	**–**	**151**
Derivative financial liabilities	**(248)**	**–**	**(248)**
31 December 2022			
Environmental rehabilitation obligation fund[1]	–	22,838	22,838
Derivative financial asset	624	–	624
Derivative financial liabilities	(122)	–	(122)

[1] *The environmental rehabilitation obligation fund is classified as Level 2 as the premiums are invested in interest-bearing short-term deposits and equity share portfolios held in an insurance investment product which is managed by independent fund managers.*

8. BORROWINGS AND FINANCIAL COVENANTS

US$ thousand	Unaudited six months ended 31 December 2023	Unaudited six months ended 31 December 2022
Interest-bearing borrowings		
RCF – current portion	115	227
RCF – non-current portion	26,280	13,543
Term facility – non-current portion	19,399	–
DMTN bond – current portion	260	252
DMTN bond – non-current portion	43,716	47,031
Redink Rentals (RF) Limited loan facility – current portion	–	819
Redink Rentals (RF) Limited loan facility – long-term portion	–	6,684
Gold loan – current portion	–	13,943
Total interest-bearing borrowings	89,770	82,499
Reconciliation of liabilities arising from financing activities		
Opening balance at the beginning of the period	53,353	34,612
Changes from financing cash flows	33,471	48,756
Proceeds from borrowings	48,265	92,171
Repayment of borrowings	(14,794)	(43,415)
Other changes	568	738
Finance costs capitalised	4,090	2,371
Finance costs paid	(3,856)	(1,771)
Restructuring fees	334	138
The effect of changes in foreign currency translation	2,378	(1,607)
Closing balance at the end of the period	89,770	82,499
Available debt facilities		
RCF	27,068	43,897
Term facility	51,639	–
General banking facility	7,650	8,230
Total available debt facilities	86,357	52,127

8. BORROWINGS AND FINANCIAL COVENANTS continued

Financial covenants

The Group's compliance with the RCF, term facility and DMTN bond covenants is summarised below.

Covenant[1]	Measurement at period-end	Unaudited six months ended 31 December 2023	Unaudited six months ended 31 December 2022
Net debt-to-equity ratio	Must be less than 1:1	0.2	0.2
Net debt-to-adjusted EBITDA ratio	Must be less than 2:1	0.5	0.5
Interest cover ratio	Must be greater than 4:1	16.7	26.9
Debt service cover ratio	Must be greater than 1:3	4.6	8.5

[1] *Refer to the APM summary report for the covenant reconciliation and calculations.*

9. CAPITAL EXPENDITURE

US$ thousand		Sustaining capital	Expansion capital	Total
Barberton Mines	**31 December 2023**	6,582	1,292	7,874
	31 December 2022	8,896	1,392	10,288
Evander Mines	**31 December 2023**	–	21,285	21,285
	31 December 2022	92	27,329	27,421
Elikhulu	**31 December 2023**	775	8,965	9,740
	31 December 2022	693	8,533	9,226
MTR project	**31 December 2023**	–	21,618	21,618
	31 December 2022	–	497	497
Corporate	**31 December 2023**	119	–	119
	31 December 2022	80	–	80
Agricultural ESG projects	**31 December 2023**	–	–	–
	31 December 2022	163	–	163
Solar projects	**31 December 2023**	4,130	–	4,130
	31 December 2022	–	238	238
Exploration assets	**31 December 2023**	–	86	86
	31 December 2022	–	746	746
Total	**31 December 2023**	11,606	53,246	64,852
	31 December 2022	9,924	38,735	48,659

10. SHARE CAPITAL

Number of shares	Unaudited six months ended 31 December 2023	Unaudited six months ended 31 December 2022	Audited year ended 30 June 2023
Issued number of ordinary shares	2,222,862,046	2,222,862,046	2,222,862,046
Reconciliation of the number of shares			
Number of ordinary shares in issue at the beginning of the period	2,222,862,046	2,222,862,046	2,222,862,046
Treasury shares	(306,358,058)	(306,358,058)	(306,358,058)
Number of ordinary shares outstanding and fully paid at the end of the period	1,916,503,988	1,916,503,988	1,916,503,988

There was no movement in share capital during the current or previous reporting period.

11. ACQUISITIONS AND DISPOSALS

There were no acquisitions in the current reporting period.

During the previous reporting period, the Company closed the transaction whereby Mogale Tailings Retreatment Proprietary Limited (MTR), a wholly owned subsidiary of the Company, acquired the total share capital and claims of Mogale Gold and MSC (collectively, the sale transaction). Both Mogale Gold and MSC were previously 100% owned by Mintails Mining SA Proprietary Limited, which was placed in provisional liquidation during 2018. The sale transaction's aggregate cash consideration of ZAR50.0 million (approximately US$2.9 million at an exchange rate of US$/ZAR:17.01) was settled on closing. The details of the sale transaction, Mineral Resources potential and strategic rationale for the acquisition were outlined in the Company's announcement of 6 November 2020. The Company completed a definitive feasibility study on the Mogale Gold TSFs and announced the results of this study on 30 June 2022 (the study). The study demonstrated compelling economics and the potential to significantly increase the Group's gold production (an increase in excess of 25% compared to current Group annual production) over an initial LoM of 13 years. Remining of the MSC TSFs has the potential to add further production upside and extend the LoM to 21 years.

Following the completion of the definitive feasibility study, the Company commenced detailed engineering optimisation studies and the impact assessments required for the environmental authorisation process, stakeholder engagements and permitting. Construction is currently underway.

IFRS 3: *Business Combinations* requires an entity to determine whether a transaction or event is a business combination by applying the definition of a business. A business is an integrated set of activities and assets that is capable of being conducted and managed for the purpose of generating income from ordinary activities and consists of inputs and processes applied to those inputs that have the ability to contribute to the creation of outputs. In this case, both Mogale Gold and MSC had no active operations, assets or a skilled workforce to extract gold from the tailings, therefore the acquisition did not constitute the acquisition of a business as there was no integrated set of activities in place capable of being managed to convert the acquired input (the TSF) into outputs (gold).

On acquisition, the acquirer, MTR, was required to identify and recognise the individual assets and liabilities acquired. The purchase price was allocated to the assets acquired and liabilities assumed based on their relative fair values at the date of acquisition.

11. ACQUISITIONS AND DISPOSALS continued

Purchase price allocation

US$ thousand	Mogale Gold	MSC	Total
Property, plant and equipment	18	–	18
Long-term inventory (TSFs)	5,387	1,127	6,514
Trade and other receivables			
– VAT receivable	23	3	26
Environmental rehabilitation obligation fund	18	–	18
Environmental rehabilitation obligation	(1,995)	(396)	(2,391)
Trade and other payables			
– Trade payables	(1,235)	–	(1,235)
– Other payables	(11)	–	(11)
Net assets acquired	2,205	734	2,939
Cash consideration	2,205	734	2,939

There were no disposals during the current or previous reporting period.

12. COMMITMENTS, CONTINGENT LIABILITIES AND GUARANTEES

US$ thousand	Unaudited six months ended 31 December 2023	Unaudited six months ended 31 December 2022
Outstanding open orders	76,350	54,696
Approved commitments, not yet contracted for	90,781	27,391
IFRS 16 lease commitments – due within the next 12 months	717	641
Instalment sale commitment – due within the next 12 months	307	–
Guarantees – Eskom Holdings SOC Limited	1,270	1,366
Guarantees – Department of Mineral Resources and Energy	35,747	23,237

The Group identified no material contingent liabilities for the current or previous reporting period.

13. RELATED PARTY TRANSACTIONS

The related party transactions are summarised as follows:

- Intra-Group interest and management fees – refer to the segment analysis note 3
- Intra-Group loans have no specific repayment terms, are repayable on demand and bear interest in relation to the treasury function provided by Funding Company
- Intra-Group PAR Gold reciprocal dividend – refer to the condensed consolidated statement of changes in equity
- Inter-company electricity charge between Evander Solar Solutions and Evander Mines for the electricity produced by the solar plant and utilised by Elikhulu – refer to the segment analysis note 3.

No further material related party transactions occurred, either with third parties or with Group entities, during the current or previous reporting period.

14. LITIGATION AND CLAIMS

The Group has no current, pending or threatened legal or arbitration proceedings of a material nature.

15. EVENTS AFTER THE REPORTING PERIOD

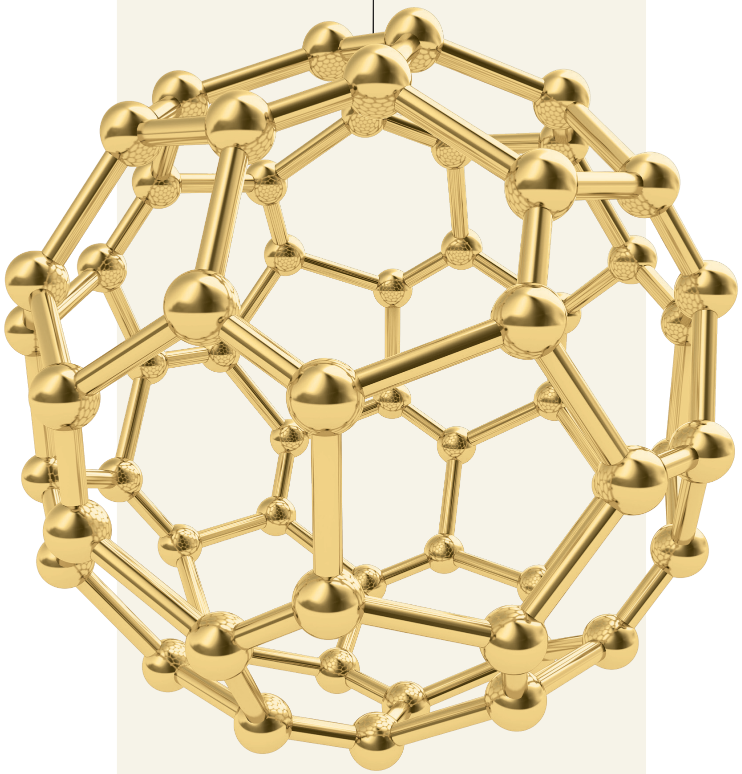
The Group identified no material events after the reporting period.

16. RECONCILIATION OF PROFIT BEFORE TAX TO CASH GENERATED FROM OPERATIONS

US$ thousand	Unaudited six months ended 31 December 2023	Unaudited six months ended 31 December 2022
Profit for the period	59,580	38,999
Adjusted for:	12,797	14,398
Cash-settled share-based payment expense	2,791	268
Finance income	(760)	(456)
Finance costs	5,594	3,464
Contract liability recognised as revenue	(6,137)	–
Royalty costs	1,242	468
Fair value loss on financial instruments	493	152
Fair value gain on environmental rehabilitation obligation fund	(1,194)	(769)
Depreciation and amortisation	10,768	11,271
Operating cash flows before working capital changes	72,377	53,397
Working capital changes	(14,827)	(10,815)
Increase in inventory	(1,855)	(2,311)
(Increase)/decrease in trade and other receivables	(3,068)	1,945
Decrease in trade and other payables	(9,904)	(10,449)
Settlement of cash-settled share-based payment obligations	(1,901)	(3,985)
Net cash from operating activities before dividend, tax, royalties and net finance costs	55,649	38,597

Electrons:

79



Gold atoms contain 79 electrons and the shell structure is 2.8.18.32.18.1.

2

OTHER ITEMS

Pan African acknowledges the importance of protecting the environment and looking after its social licence to operate in delivering on its long-term and sustainable value creation and preservation.

OTHER **ITEMS**

ALTERNATIVE PERFORMANCE MEASURES

Introduction

When assessing Pan African's reported financial performance, financial position and cash flows, management makes reference to APMs of historical or future financial performance, financial position or cash flows that are not defined or specified under IFRS.

The APMs include financial APMs, non-financial APMs and ratios as described below.

- **Financial APMs**: These financial measures are usually derived from the annual financial statements, prepared in accordance with IFRS. Certain financial measures cannot be directly derived from the annual financial statements as they contain additional information such as financial information from earlier periods or profit estimates or projections. The accounting policies applied when calculating APMs are, where relevant and unless otherwise stated, the same as those disclosed in the Group's consolidated annual financial statements for the year ended 30 June 2023.
- **Non-financial APMs**: These measures incorporate certain non-financial information that management believes is useful when assessing the Group's performance.
- **Ratios**: Ratios calculated using any of the APMs referred to above, IFRS measures, or a combination of APMs and IFRS measures.

The table below summarises the Group's financial and non-financial APMs. APMs are not uniformly defined by all companies, including those in Pan African's industry. APMs should be considered in addition to, and not as a substitute for or as superior to, measures of financial performance, financial position or cash flows reported in accordance with IFRS.

Financial APMs

Group APM	Equivalent IFRS measure	Adjustments to reconcile to primary statements	Rationale for adjustment
Performance			
AISC	Gold cost of production	Other related costs as defined by the World Gold Council, including royalty costs, community costs, sustaining and development capital (excluding non-gold operations)	The objective of AISC and AIC metrics is to provide key stakeholders (i.e. management, shareholders, governments, local communities, etc.) with comparable metrics that reflect, as closely as possible, the full cost of producing and selling an ounce of gold, and which are fully and transparently reconcilable back to amounts reported under Generally Accepted Accounting Principles as published by the International Accounting Standards Board, also referred to as IFRS
AIC	Gold cost of production	Once-off capital costs	As per the above for AISC with additional expansionary capital and once-off non-production-related cost adjustments
Adjusted EBITDA	Profit after tax	• Tax • Mining depreciation and amortisation • Net finance costs • Impairment loss/impairment loss reversal	Excludes the impact of non-recurring items or certain accounting adjustments that can mask underlying changes in performance

ALTERNATIVE PERFORMANCE MEASURES continued

Financial APMs continued

Group APM	Equivalent IFRS measure	Adjustments to reconcile to primary statements	Rationale for adjustment
Performance continued			
Headline earnings	Profit after tax	• Profit on disposal of property, plant and equipment • Tax on profit on disposal of property, plant and equipment and mineral rights • Impairment/impairment reversal • Tax on impairment/ impairment reversal	Indicates the extent of the Group's normalised earnings to shareholders based on SAICA's Circular 2021/1
Statement of financial position			
Net debt	Borrowings from financial institutions less cash and related hedges	• IFRS 9 accounting adjustments • IFRS 16 lease liabilities • Restricted cash • Instalment sale obligations	Excludes the impact of accounting adjustments from the net debt obligations of the Group
Net senior debt	Borrowings from financial institutions less cash	• IFRS 9 accounting adjustments • IFRS 16 lease liabilities • Restricted cash • Instalment sale obligations	Excludes the impact of accounting adjustments from debt obligations of the Group

Cash cost

Direct production costs attributable to gold sold by the Group.

All-in sustaining costs

Incorporates costs related to sustaining current production. AISC are defined by the World Gold Council as operating costs and costs not already included therein relating to sustaining the current production, including sustaining capital expenditure. The value of by-product revenue is deducted from operating costs as it effectively reduces the cost of gold production.

All-in costs

Includes additional costs which relate to the growth of the Group. AIC starts with AISC and adds additional costs which relate to the growth of the Group, including non-sustaining capital expenditure not associated to current operations and costs such as voluntary severance pay.

AISC and AIC are reported on the basis of a rand per kilogramme of gold and US$ per ounce of gold. The US$ equivalent is converted at the average exchange rate applicable for the current financial year as disclosed in the Group's production summary on **pages 54** to **57**. A kilogramme of gold is converted to a troy ounce of gold at a ratio of 1:32.1509.

ALTERNATIVE PERFORMANCE MEASURES continued

All-in costs continued

The following table sets out a reconciliation of Pan African's cost of production as calculated in accordance with IFRS to AISC and AIC for the periods ended 31 December 2023 and 31 December 2022. The equivalent of a rand per kilogramme and US$ per ounce basis is disclosed in the Group's production summary table on **pages 54** to **57.**

	Mining operations			Tailings operations				Total operations		
ZAR million	**Barberton Mines**	**Evander Mines**	**Total**	**BTRP**	**Evander Mines' surface sources**	**Elikhulu**	**Total**	**Barberton Mines total**	**Evander Mines total**	**Group total**
Six months ended 31 December 2023										
Cost of production	954.6	462.0	1,416.6	112.2	88.7	438.0	638.9	1,066.8	988.7	2,055.5
Inter-company transactions	–	–	–	–	–	23.6	23.6	–	23.6	23.6
Cost of production[1]	954.6	462.0	1,416.6	112.2	88.7	461.6	662.5	1,066.8	1,012.3	2,079.1
Royalties	14.6	3.9	18.5	4.7	–	–	4.7	19.3	3.9	23.2
Community cost related to gold operations	14.0	10.6	24.6	–	–	1.7	1.7	14.0	12.3	26.3
By-products credits	–	(15.7)	(15.7)	–	–	–	–	–	(15.7)	(15.7)
Corporate general and administrative costs	53.0	28.3	81.3	–	–	36.6	36.6	53.0	64.9	117.9
Sustaining capital – development	45.9	–	45.9	–	–	–	–	45.9	–	45.9
Sustaining capital – maintenance	74.2	–	74.2	2.9	–	14.5	17.4	77.1	14.5	91.6
All-in sustaining costs[1]	1,156.2	489.1	1,645.3	119.9	88.7	514.4	723.0	1,276.1	1,092.2	2,368.3
Expansion capital – capital expenditure	22.9	397.8	420.7	1.3	–	167.6	168.9	24.2	565.4	589.6
All-in costs[1]	1,179.1	886.9	2,066.0	121.2	88.7	682.0	891.9	1,300.3	1,657.6	2,957.9
Six months ended 31 December 2022										
Gold cost of production	767.3	329.8	1,097.1	117.3	140.8	358.4	616.5	884.6	829.0	1,713.6
Inter-company transactions	–	–	–	–	–	19.6	19.6	–	19.6	19.6
Cost of production[1]	767.3	329.8	1,097.1	117.3	140.8	378.0	636.1	884.6	848.6	1,733.2
Royalties	4.4	2.8	7.2	0.3	–	0.6	0.9	4.7	3.4	8.1
Community cost related to gold operations	10.9	1.0	11.9	–	–	–	–	10.9	1.0	11.9
By-products credits	–	(3.6)	(3.6)	–	–	–	–	–	(3.6)	(3.6)
Corporate general and administrative costs	61.5	11.4	72.9	–	–	33.2	33.2	61.5	44.6	106.1
Sustaining capital – development	69.9	–	69.9	–	–	–	–	69.9	–	69.9
Sustaining capital – maintenance	81.9	–	81.9	2.3	1.6	12.0	15.9	84.2	13.6	97.8
All-in sustaining costs[1]	996.0	341.3	1,337.3	119.9	142.4	423.9	686.2	1,115.9	907.6	2,023.5
Expansion capital – capital expenditure	23.6	473.6	497.2	0.5	–	147.9	148.4	24.1	621.5	645.6
All-in costs[1]	1,019.7	814.9	1,834.6	120.4	142.4	571.7	834.5	1,140.1	1,529.0	2,669.1

[1] *This total may not reflect the sum of the line items due to rounding.*

ALTERNATIVE PERFORMANCE MEASURES continued

Net debt

Net debt is calculated as total borrowings from financial institutions (before IFRS 9 accounting adjustments) less cash and cash equivalents (including derivatives that are entered into for protection against, or benefit from, fluctuations in the exchange rate or commodity prices). A reconciliation to the consolidated statement of financial position is provided.

US$ million	Unaudited six months ended 31 December 2023	Unaudited six months ended 31 December 2022
Cash and cash equivalents	(31.3)	(33.9)
Borrowings	89.8	82.5
Financial instrument liability/(asset)	0.1	(0.5)
Lease liability	3.3	4.3
Instalment sale obligation	0.8	–
Restricted cash[1]	0.3	0.3
Facility arranging fees	1.3	0.5
Refinancing modification adjustment	–	0.5
Net debt	64.3	53.7

[1] *Restricted cash, included in cash and cash equivalents, relates to funds included in an attorney's trust account, funds withdrawn from the environmental rehabilitation obligation fund and COVID-19 Temporary Employee Relief Scheme funds.*

Adjusted EBITDA

Adjusted EBITDA is a measure of the Group's operating performance and is calculated as net profit or loss for the Group before interest and tax, before any amount attributable to the amortisation of intangible assets and the depreciation of tangible assets and before any extraordinary items or the impairment of non-financial assets.

	Mining operations			Tailings operations				Total operations		
ZAR million	Barberton Mines	Evander Mines	Total	BTRP	Evander Mines' surface sources	Elikhulu	Total	Barberton Mines total	Evander Mines total	Group total
Net income/(cost) before finance income and finance costs	319.4	370.1	689.5	191.0	(5.7)	449.7	635.0	510.4	814.1	1,324.5
Mining depreciation and amortisation	72.7	10.6	83.3	11.4	–	93.4	104.8	84.1	104.0	188.1
EBITDA	392.1	380.7	772.8	202.4	(5.7)	543.1	739.8	594.5	918.1	1,512.6
Adjusted EBITDA – December 2023	392.1	380.7	772.8	202.4	(5.7)	543.1	739.8	594.5	918.1	1,512.6
Net income/(cost) before finance income and finance costs	130.0	281.6	411.6	91.8	16.5	280.3	388.6	221.8	578.4	800.2
Mining depreciation and amortisation	63.0	14.0	77.0	28.6	–	81.3	109.9	91.6	95.3	186.9
EBITDA	193.0	295.6	488.6	120.4	16.5	361.6	498.5	313.4	673.7	987.1
Adjusted EBITDA – December 2022	193.0	295.6	488.6	120.4	16.5	361.6	498.5	313.4	673.7	987.1

ALTERNATIVE PERFORMANCE MEASURES continued

Net senior debt

Net senior debt includes senior, interest-bearing debt with financial institutions, including the outstanding gold loan balance, net of available cash.

US$ million	Unaudited six months ended 31 December 2023	Unaudited six months ended 31 December 2022
Cash and cash equivalents	(31.3)	(33.9)
Borrowings	89.8	82.5
Restricted cash[1]	0.3	0.3
Facility arranging fees	1.3	0.5
Refinancing modification adjustment	–	0.5
Net senior debt	60.1	49.9

[1] *Restricted cash, included in cash and cash equivalents, relates to funds included in an attorney's trust account, funds withdrawn from the environmental rehabilitation obligation fund and COVID-19 Temporary Employee Relief Scheme funds.*

ALTERNATIVE PERFORMANCE MEASURES continued

Net adjusted EBITDA

Net adjusted EBITDA starts with adjusted EBITDA, adjusted for unrealised fair value gains or losses on financial derivative instruments that are undertaken in the normal course of business.

Headline earnings

Headline earnings, a JSE-defined performance measure (as defined by Circular 2021/1 issued by SAICA), is reconciled to profit after tax below.

	Unit	Unaudited six months ended 31 December 2023	Unaudited six months ended 31 December 2022
Basic earnings	US$ million	42.6	29.1
Headline earnings	US$ million	42.6	29.1
Weighted average number of shares in issue	Number million	1,916.5	1,916.5
Headline earnings per share	US cents	**2.22**	1.52

RATIOS

Net debt-to-equity ratio

This ratio measures the degree to which the Group finances its operations through debt relative to equity and is calculated as net debt divided by total equity.

Net debt-to-net adjusted EBITDA ratio

This ratio measures the number of years it would take the Group to repay its net debt from net adjusted EBITDA, assuming both variables are held consistent, and is calculated as net debt divided by net adjusted EBITDA.

Interest cover ratio

This ratio measures the Group's ability to redeem interest on its outstanding senior debt from net adjusted EBITDA and is calculated as total net adjusted EBITDA divided by finance costs incurred on interest-bearing debt.

Debt service cover ratio

This ratio measures the cash flow available for debt service relative to the Group's obligatory principal and interest debt obligations and is calculated as free cash flow available for debt service divided by principal and interest debt obligations.

ALTERNATIVE PERFORMANCE MEASURES continued

Covenant reconciliation and calculation

US$ thousand	Unaudited six months ended 31 December 2023	Unaudited six months ended 31 December 2022
Net debt[1]	64,341	53,652
Total equity	327,451	291,636
Net debt-to-equity ratio	0.2	0.2
Finance costs – RCF[4]	2,232	3,244
Finance costs – term loan facility[4]	601	–
Finance costs – Redink Rentals (RF) Limited – loan facility[4]	237	693
Finance costs – DMTN bond[4]	5,079	252
Finance costs – general banking facility[4]	85	74
Total finance costs – interest-bearing facilities[4]	8,234	4,263
Adjusted EBITDA[2, 4]	137,003	114,952
Fair value gains/(losses) from financial instruments[4]	550	(263)
Net adjusted EBITDA[4]	137,553	114,689
Interest cover ratio	16.7	26.9
Net debt	64,341	53,652
Net adjusted EBITDA[3, 4]	137,553	114,689
Net debt-to-net adjusted EBITDA	0.5	0.5
Net adjusted EBITDA[3, 4]	137,553	114,689
Net working capital change[4]	2,374	1,856
Add: non-cash flow items[4]	(8,615)	195
Total capital expenditure less capital funded through permitted indebtedness[4]	(83,237)	(65,887)
Less: tax paid[4]	(7,467)	(7,472)
Free cash flow[4]	40,608	43,381
Finance cost on interest-bearing facilities[4]	8,234	4,263
Obligatory capital repayments	667	860
Debt service obligation	8,901	5,123
Debt service cover ratio	4.6	8.5

[1] *The Group's net debt excludes the unaccrued refinancing modification and unaccrued facilities' arranging fees.*

[2] *Adjusted EBITDA represents earnings before interest, tax, depreciation and amortisation.*

[3] *Net adjusted EBITDA is the adjusted EBITDA excluding realised and unrealised gains and losses on financial instruments.*

[4] *These amounts are for the 12-month periods ended 31 December.*

ALTERNATIVE PERFORMANCE MEASURES continued

Net asset value per share

This is calculated as total equity divided by the total number of shares in issue less treasury shares held by the Group.

	Unit	Unaudited six months ended 31 December 2023	Unaudited six months ended 31 December 2022
Total equity	US$ million	**327.5**	291.6
Shares in issue	Number million	**2,222.9**	2,222.9
Treasury shares	Number million	**(306.4)**	(306.4)
Net asset value	US cents	**17.09**	15.22

ALTERNATIVE PERFORMANCE MEASURES continued

Dividend yield at the last traded share price

Is calculated as the dividend per share in ZA cents expressed as a percentage of the last traded price on 30 June 2023.

	Unit	30 June 2023	30 June 2022
Dividend per share	ZA cents	**18.00**	18.00
Last sale in the year	ZA cents	**303.00**	394.00
Dividend yield	%	**5.9**	4.6

GROUP PRODUCTION SUMMARY

			Mining operations			Tailings operations				Total operations		
	Six months ended 31 December	**Unit**	**Barberton Mines**	**Evander Mines**	**Total**	**BTRP**	**Evander Mines' surface sources**	**Elikhulu**	**Total**	**Barberton Mines total**	**Evander Mines total**	**Group total**
Tonnes milled – underground	**2023**	**t**	**123,276**	**89,650**	**212,926**	**–**	**–**	**–**	**–**	**123,276**	**89,650**	**212,926**
	2022	t	118,399	73,946	192,345	–	–	–	–	118,399	73,946	192,345
Tonnes milled – surface	**2023**	**t**	**57,497**	**–**	**57,497**	**–**	**–**	**–**	**–**	**57,497**	**–**	**57,497**
	2022	t	51,227	–	51,227	–	–	–	–	51,227	–	51,227
Tonnes milled – total underground and surface	**2023**	**t**	**180,773**	**89,650**	**270,423**	**–**	**–**	**–**	**–**	**180,773**	**89,650**	**270,423**
	2022	t	169,626	73,946	243,572	–	–	–	–	169,626	73,946	243,572
Tonnes processed – tailings	**2023**	**t**	**–**	**–**	**–**	**432,587**	**–**	**7,169,793**	**7,602,380**	**432,587**	**7,169,793**	**7,602,380**
	2022	t	–	–	–	441,122	–	7,164,748	7,605,870	441,122	7,164,748	7,605,870
Tonnes processed – surface feedstock	**2023**	**t**	**–**	**–**	**–**	**–**	**101,667**	**–**	**101,667**	**–**	**101,667**	**101,667**
	2022	t	–	–	–	–	174,786	–	174,786	–	174,786	174,786
Tonnes processed – total tailings and surface feedstock	**2023**	**t**	**–**	**–**	**–**	**432,587**	**101,667**	**7,169,793**	**7,704,047**	**432,587**	**7,271,460**	**7,704,047**
	2022	t	–	–	–	441,122	174,786	7,164,748	7,780,656	441,122	7,339,534	7,780,656
Tonnes milled and processed – total	**2023**	**t**	**180,773**	**89,650**	**270,423**	**432,587**	**101,667**	**7,169,793**	**7,704,047**	**613,360**	**7,361,110**	**7,974,470**
	2022	t	169,626	73,946	243,572	441,122	174,786	7,164,748	7,780,656	610,748	7,413,480	8,024,228
Overall recovered grade	**2023**	**g/t**	**6.33**	**7.39**	**6.68**	**0.71**	**0.73**	**0.12**	**0.16**	**2.37**	**0.22**	**0.38**
	2022	g/t	5.87	8.06	6.54	0.71	0.94	0.11	0.16	2.14	0.21	0.36
Overall recovery – underground	**2023**	**%**	**91**	**97**	**93**	**–**	**–**	**–**	**–**	**91**	**97**	**93**
	2022	%	91	97	93	–	–	–	–	91	97	93
Overall recovery – tailings	**2023**	**%**	**–**	**–**	**–**	**51**	**57**	**35**	**39**	**51**	**36**	**39**
	2022	%	–	–	–	49	80	32	38	49	36	38
Gold produced – underground	**2023**	**oz**	**34,572**	**21,307**	**55,879**	**–**	**–**	**–**	**–**	**34,572**	**21,307**	**55,879**
	2022	oz	30,206	19,173	49,379	–	–	–	–	30,206	19,173	49,379
Gold production – surface operations	**2023**	**oz**	**2,208**	**–**	**2,208**	**–**	**–**	**–**	**–**	**2,208**	**–**	**2,208**
	2022	oz	1,816	–	1,816	–	–	–	–	1,816	–	1,816
Gold produced – tailings	**2023**	**oz**	**–**	**–**	**–**	**9,864**	**–**	**28,106**	**37,970**	**9,864**	**28,106**	**37,970**
	2022	oz	–	–	–	10,012	–	25,830	35,842	10,012	25,830	35,842
Gold produced – surface feedstock	**2023**	**oz**	**–**	**–**	**–**	**–**	**2,401**	**–**	**2,401**	**–**	**2,401**	**2,401**
	2022	oz	–	–	–	–	5,270	–	5,270	–	5,270	5,270
Gold produced – total	**2023**	**oz**	**36,780**	**21,307**	**58,087**	**9,864**	**2,401**	**28,106**	**40,371**	**46,644**	**51,814**	**98,458**
	2022	oz	32,022	19,173	51,195	10,012	5,270	25,830	41,112	42,034	50,273	92,307
Gold sold – total	**2023**	**oz**	**36,780**	**21,307**	**58,087**	**9,864**	**2,401**	**28,106**	**40,371**	**46,644**	**51,814**	**98,458**
	2022	oz	31,074	18,723	49,797	9,542	5,270	25,830	40,642	40,616	49,823	90,439

GROUP PRODUCTION SUMMARY continued

	Six months ended 31 December	Unit	Mining operations			Tailings operations				Total operations		
			Barberton Mines	**Evander Mines**	**Total**	**BTRP**	**Evander Mines' surface sources**	**Elikhulu**	**Total**	**Barberton Mines total**	**Evander Mines total**	**Group total**
Average ZAR gold price received	**2023**	**ZAR/kg**	**1,171,436**	**1,181,950**	**1,175,293**	**1,171,435**	**1,111,422**	**1,193,104**	**1,182,952**	**1,171,436**	**1,184,732**	**1,178,433**
	2022	ZAR/kg	959,230	962,140	960,324	959,271	962,087	962,535	961,711	959,239	962,339	960,947
Average US$ gold price received	**2023**	**US$/oz**	**1,949**	**1,967**	**1,956**	**1,949**	**1,850**	**1,986**	**1,969**	**1,949**	**1,972**	**1,961**
	2022	US$/oz	1,722	1,727	1,724	1,722	1,727	1,728	1,726	1,722	1,727	1,725
ZAR cash cost	**2023**	**ZAR/kg**	**834,468**	**697,092**	**784,077**	**365,866**	**1,187,909**	**528,053**	**527,669**	**735,371**	**628,143**	**678,941**
	2022	ZAR/kg	793,895	566,246	708,302	395,198	858,758	470,562	503,205	700,228	547,580	616,134
ZAR all-in sustaining costs	**2023**	**ZAR/kg**	**1,010,710**	**738,070**	**910,702**	**390,830**	**1,187,909**	**588,435**	**575,806**	**879,621**	**677,747**	**773,384**
	2022	ZAR/kg	1,030,548	586,038	863,419	403,965	868,489	527,585	542,766	883,344	585,610	719,322
ZAR all-in cost	**2023**	**ZAR/kg**	**1,030,699**	**1,338,348**	**1,143,548**	**395,009**	**1,187,909**	**780,115**	**710,274**	**896,267**	**1,028,569**	**965,891**
	2022	ZAR/kg	1,055,005	1,399,324	1,184,464	405,582	868,489	711,639	660,121	902,435	986,655	948,832
US$ cash cost	**2023**	**US$/oz**	**1,389**	**1,160**	**1,305**	**609**	**1,977**	**879**	**878**	**1,224**	**1,045**	**1,130**
	2022	US$/oz	1,425	1,016	1,271	709	1,541	845	903	1,257	983	1,106
US$ all-in sustaining cost	**2023**	**US$/oz**	**1,682**	**1,228**	**1,516**	**650**	**1,977**	**979**	**958**	**1,464**	**1,128**	**1,287**
	2022	US$/oz	1,850	1,052	1,550	725	1,559	947	974	1,585	1,051	1,291
US$ all-in cost	**2023**	**US$/oz**	**1,715**	**2,227**	**1,903**	**657**	**1,977**	**1,298**	**1,182**	**1,492**	**1,712**	**1,607**
	2022	US$/oz	1,893	2,511	2,126	728	1,559	1,277	1,185	1,620	1,771	1,703
ZAR cash cost per tonne	**2023**	**ZAR/t**	**5,281**	**5,153**	**5,238**	**259**	**872**	**64**	**86**	**1,739**	**138**	**261**
	2022	ZAR/t	4,523	4,460	4,504	266	806	53	82	1,448	114	216
Capital expenditure	**2023**	**ZAR million**	**143.0**	**397.8**	**540.8**	**4.2**	**–**	**182.1**	**186.3**	**147.2**	**579.9**	**727.1**
	2022	ZAR million	175.5	473.6	649.1	2.8	1.6	159.9	164.3	178.3	635.1	813.4
Revenue	**2023**	**ZAR million**	**1,340.1**	**783.3**	**2,123.4**	**359.4**	**83.0**	**1,043.0**	**1,485.4**	**1,699.5**	**1,909.3**	**3,608.8**
	2022	ZAR million	927.1	560.3	1,487.4	284.7	157.7	773.3	1,215.7	1,211.8	1,491.3	2,703.1
Cost of production	**2023**	**ZAR million**	**954.6**	**462.0**	**1,416.6**	**112.2**	**88.7**	**461.6**	**662.5**	**1,066.8**	**1,012.3**	**2,079.1**
	2022	ZAR million	767.3	329.8	1,097.1	117.3	140.8	378.0	636.1	884.6	848.6	1,733.2
All-in sustainable cost of production	**2023**	**ZAR million**	**1,156.2**	**489.1**	**1,645.3**	**119.9**	**88.7**	**514.4**	**723.0**	**1,276.1**	**1,092.2**	**2,368.3**
	2022	ZAR million	996.0	341.3	1,337.3	119.9	142.4	423.9	686.2	1,115.9	907.6	2,023.5
All-in cost of production	**2023**	**ZAR million**	**1,179.1**	**886.9**	**2,066.0**	**121.2**	**88.7**	**682.0**	**891.9**	**1,300.3**	**1,657.6**	**2,957.9**
	2022	ZAR million	1,019.7	814.9	1,834.6	120.4	142.4	571.7	834.5	1,140.1	1,529.0	2,669.1
Adjusted EBITDA	**2023**	**ZAR million**	**392.1**	**380.7**	**772.8**	**202.4**	**(5.7)**	**543.1**	**739.8**	**594.5**	**918.1**	**1,512.6**
	2022	ZAR million	193.0	295.6	488.6	120.4	16.5	361.6	498.5	313.4	673.7	987.1
Average exchange rate	**2023**	**US$/ZAR**	**18.69**	**18.69**	**18.69**	**18.69**	**18.69**	**18.69**	**18.69**	**18.69**	**18.69**	**18.69**
	2022	US$/ZAR	17.33	17.33	17.33	17.33	17.33	17.33	17.33	17.33	17.33	17.33

DEFINITIONS OF TERMS AND ABBREVIATIONS USED IN THIS REPORT

%	Parts per hundred/percentage
79	The atomic number of gold
A2X	The A2X Market is a licensed stock exchange authorised to provide a secondary listing venue for companies and is regulated by the Financial Sector Conduct Authority and the South African Reserve Bank's Prudential Authority, in terms of the Financial Markets Act, 19 of 2012
ADR	American Depository Receipt programme through the Bank of New York Mellon
AIC	All-in costs
AIM	Alternative Investment Market, the LSE's international market for smaller growing companies
AISC	All-in sustaining costs
APMs	Alternative performance measures
Au	Gold
Barberton Blue	Barberton Blue Proprietary Limited
Barberton Mines	Barberton Mines Proprietary Limited
BNY Mellon	Bank of New York Mellon
the board	The board of directors of Pan African
BTRP	Barberton Tailings Retreatment Plant, a gold recovery tailings plant owned by Barberton Mines, which reached steady-state production in June 2013
CGU	Cash-generating unit
Companies Act 2006	An act of the Parliament of the UK which forms the primary source of UK company law
COVID-19	Coronavirus disease 2019, an infectious disease caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2)
Current financial year	The financial year ended 30 June 2023
Current reporting period	12 months ended 30 June 2023
DMTN	Domestic Medium-term Note
EBITDA	Earnings before interest, income taxation expense, depreciation and amortisation
Elikhulu	The Elikhulu Tailings Retreatment Plant in Mpumalanga province, with its inaugural gold pour in August 2018
EPS	Earnings per share
ESG	Environmental, social and governance
Eskom	Electricity Supply Commission, South African electricity supplier
EU	European Union
Evander Mines	Evander Gold Mining Proprietary Limited
Evander Solar Solutions	Evander Solar Solutions Proprietary Limited
Exco	Executive committee of Pan African Resources
Funding Company	Pan African Resources Funding Company Proprietary Limited
g/t	Grammes/tonne
ha	Hectare
HEPS	Headline earnings per share
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
ISIN	International Securities Identification Number
JSE	JSE Limited incorporating the Johannesburg Securities Exchange, the main bourse in South Africa
kg	Kilogramme
km	Kilometre
km^2	Square kilometre
KPI	Key performance indicator – a quantifiable measure that a company or industry uses to gauge or compare performance in terms of meeting its strategic and operational goals
LoM	Life-of-mine
LSE	London Stock Exchange
LTIFR	Lost-time injury frequency rate
m	Metre
Mℓ	Megalitre
Mogale Gold	Mogale Gold Proprietary Limited
MRC	Main Reef Complex
MSC	Mintails SA Soweto Cluster Proprietary Limited
Mt	Megatonne
MTR	Mogale Tailings Retreatment Proprietary Limited
MTR project	The Mogale Tailings Retreatment project is located in the Mogale district. A plant is being constructed to process gold tailings deposited onto the Mogale Gold and MSC TSFs
MW	Megawatt
MWh	Megawatt-hour
n	Neutron
OTC	Over-the-counter
OTCQX	OTCQX Best Market in the United States of America
oz	Ounce
p	Proton
Pan African Resources PLC	Holding company – Pan African
PAR Gold	PAR Gold Proprietary Limited
ppm	Parts per million
Previous reporting period	Six months ended 31 December 2022
RCF	Revolving credit facility
Reporting period	Six months ended 31 December 2023
RIFR	Reportable injury frequency rate
RMB	Rand Merchant Bank, a division of FirstRand Bank Limited
SA	South Africa
SAICA	South African Institute of Chartered Accountants
SAMREC Code	South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves, 2016 edition
SLP	Social and Labour Plan, required in terms of Regulation 46 of the Mineral and Petroleum Resources Development Act, 28 of 2002
t	Tonne
tCO_2e	Tonnes (t) of carbon dioxide (CO_2) equivalent
the Group or the Company	United States
or Pan African	Pan African Resources PLC, listed on the LSE's AIM and on the JSE in the Gold Mining sector
tpm	Tonnes per month
TRIFR	Total recordable injury frequency rate
TSF	Tailings storage facility
UK	United Kingdom
US	United States
USA	United States of America
US$	United States dollar
VAT	15% value-added tax in South Africa
ZAR	South African rand
ZK	Zwartkoppie

CORPORATE INFORMATION

CORPORATE OFFICE

The Firs Building
2nd Floor, Office 204
Cnr Cradock and Biermann Avenues
Rosebank, Johannesburg
South Africa
Office: + 27 (0) 11 243 2900
info@paf.co.za

Share code on AIM: PAF
Share code on JSE: PAN
ISIN: GB0004300496
ADR ticker code: PAFRY
Alpha code: PARI

REGISTERED OFFICE

107 Cheapside
2nd Floor
London
EC2V 6DN
United Kingdom
Office: + 44 (0) 20 7796 8644

CHIEF EXECUTIVE OFFICER

Cobus Loots
Office: + 27 (0) 11 243 2900

FINANCIAL DIRECTOR AND DEBT OFFICER

Deon Louw
Office: + 27 (0) 11 243 2900

HEAD INVESTOR RELATIONS

Hethen Hira
Tel: + 27 (0) 11 243 2900
Email: hhira@paf.co.za

COMPANY SECRETARY

Jane Kirton
St James's Corporate Services Limited
Office: + 44 (0) 20 7796 8644

JSE SPONSOR

Ciska Kloppers
Questco Corporate Advisory Proprietary Limited
Office: + 27 (0) 11 011 9200

NOMINATED ADVISER AND JOINT BROKER

Ross Allister/Bhavesh Patel
Peel Hunt LLP
Office: +44 (0) 20 7418 8900

JOINT BROKER

Thomas Rider/Nick Macann
BMO Capital Markets Limited
Office: +44 (0) 20 7236 1010

JOINT BROKER

Matthew Armitt/Jennifer Lee
Joh. Berenberg, Gossler & Co KG
Office: +44 (0) 20 3207 7800

Participation details for the 2024 interim results presentation are as follows:

DATE

14 February 2024

TIME

11:00 (SA time), 09:00 (UK time)

WEBCAST/DIALLING IN

To participate in the webcast and conference call, please pre-register ahead of time.

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