

Pan African Resources PLC

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 3937466 on 25 February 2000)

Share code on AIM: PAF

Share code on JSE: PAN

ISIN: GB0004300496

ADR ticker code: PAFRY

(Pan African or the Company or the Group)

(Key features are reported in US dollar (US\$) and South African rand (ZAR))

UNAUDITED INTERIM FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2021 – SHORT-FORM ANNOUNCEMENT

HIGHLIGHTS

- Excellent safety record maintained, and 81% COVID-19 vaccination rate achieved by the Group
- Group gold production increased by 9.9% to a record half-year production of 108,085oz (2020: 98,386oz)
- All-in sustaining costs (AISC) for the six months ended 31 December 2021 (Current Reporting Period) of US\$1,173/oz, an improvement of 6.3% when compared to US\$1,252/oz for the six months ended 31 December 2020
- Full-year production guidance increased to approximately 200,000oz
- Net cash generated by operating activities increased by 54.4% to US\$43.4 million (2020: US\$28.1 million)
- Profit after taxation and headline earnings of US\$46.1 million (2020: US\$40.8 million)
- Earnings per share (EPS) and headline earnings per share (HEPS) increased by 13.3% to US 2.39 cents per share (2020: US 2.11 cents per share)
- Record net rand dividend payment in December 2021, converted to presentation currency of US\$21.6 million (2020: US\$17.8 million)
- Net debt reduced by 56.7%
- Evander Mines' underground life-of-mine (LoM) extended to 13 years, with increased expected gold production and development capital internally funded
- Agreement for the evaluation of the Mintails tailings retreatment opportunity extended
- Environmental, social and governance (ESG) initiatives, including renewable energy and large-scale agriculture projects, on track
- Share buy-back platform established for future implementation

This announcement contains inside information.

Cobus Loots, Pan African's Chief Executive Officer, commented:

"Pan African has again delivered an excellent operational performance, achieving record gold production in excess of 108,000oz for the Current Reporting Period, and exceeding our previous guidance.

Safety remains our number-one priority, with targeted safety campaigns and incentives to encourage and reward safe practices in pursuit of our ultimate goal of achieving zero harm. The Group has maintained its commendable safety performance, with improvements in both the Group's lost-time injury frequency rate and reportable injury frequency rate. The Group has achieved a COVID-19 vaccination rate of 81% and continues to implement and maintain stringent policies and protocols to mitigate the adverse impact of the ongoing COVID-19 pandemic on employees and production.

Group AISC was US\$1,173/oz for the Current Reporting Period, which is in line with our target AISC of approximately US\$1,200/oz for the year ending 30 June 2022.

Net cash generated by operating activities increased by 54.4%, together with a 13.3% increase in EPS and HEPS.

The reduction in the Group's net senior debt to US\$23.9 million represents a 60.1% decrease relative to the outstanding net senior debt at 31 December 2020, notwithstanding the payment of a record final rand dividend for the June 2021 financial year.

Barberton Mines produced 49,117oz of gold for the Current Reporting Period, and is on track to achieve full-year production guidance of approximately 100,000oz. We are expecting an improved performance from the Elikhulu Tailings Retreatment Plant during the second half of the financial year, where production was adversely impacted as a result of inclement weather conditions experienced during November and December 2021.

Evander Mines' 8 Shaft (8 Shaft) pillar delivered an excellent performance during the Current Reporting Period, again demonstrating the potential of this operation. Elevated grades and improved mining rates, as a result of improved face availability, increased production from the pillar and surface sources by 72.5% to 33,068oz for the Current Reporting Period.

Following the reprioritised capital programme, as announced in the Group's 2021 final results, work continues in preparation for the commencement of mining 8 Shaft's 2 Decline on 24 Level. Mining from this level is anticipated to commence in the 2023 financial year, as the current pillar mining reaches completion. The board has now also approved the development capital for Evander Mines' 25 and 26 Level project, which is expected to increase the LoM for 8 Shaft to 13 years, with expected annual production from these levels of approximately 65,000oz.

At Barberton Mines' Royal Sheba project, development work is ongoing. Project Dibanisa, which effectively connects the underground workings of the Fairview and Sheba Mines, is also progressing on schedule and will reduce the operational cost of underground operations.

At Mintails, the definitive feasibility study on Mogale Gold's tailings storage facilities (TSFs) is being finalised, and we look forward to communicating the results of this study in due course.

At the end of last year, the Group announced the conditional acquisition of one of the last remaining large-scale gold tailings resources available in South Africa; the Blyvoor Gold TSFs (Blyvoor assets). This acquisition has the potential of further building on the Group's track record of successfully bringing tailings retreatment operations to fruition. An independent fatal flaw assessment and gap analysis has commenced on the Blyvoor assets, with this study expected to be completed by April 2022.

The 9.975MW solar photovoltaic (PV) renewable energy plant at Evander Mines is on track to be commissioned in March 2022, following minor delays due to port disruptions and inclement weather. This plant, which will be delivered on budget, will be one of the first of its kind in the South African mining sector and demonstrates our commitment to sustainable energy solutions, with the benefits of cost savings and certainty of power supply. A feasibility study to expand the solar PV renewable energy plant to 21.98MW is underway, with the additional capacity designated for Evander Mines' underground growth projects. A feasibility study for a similar-size solar PV renewable energy plant at Barberton Mines has been completed, with environmental permitting and detailed engineering design work progressing to plan and, in conjunction with several other advanced ESG projects, these plants will contribute to underpinning the Group's profitability and sustainability in the longer term.

The Group is on track to produce approximately 200,000oz of gold for the financial year ending 30 June 2022, in line with our increased production guidance. We are committed to continuing to create

value for our stakeholders by positioning Pan African as a sustainable, safe, high-margin and long-life gold producer with an attractive pipeline of growth projects.”

DIRECTORS’ RESPONSIBILITY

The information in this announcement has been extracted from the unaudited interim financial results for the six months ended 31 December 2021. The short-form announcement has not been reviewed by the Company’s auditors. The unaudited interim financial results have been prepared under the supervision of the financial director, Deon Louw. This short-form announcement is the responsibility of the directors of Pan African and is only a summary of the information contained in the full announcement which was released on SENS on 16 February 2022.

Any investment decisions should be based on the full announcement and the Group’s detailed operational and financial summaries.

AVAILABILITY OF FULL ANNOUNCEMENT

The full announcement is accessible via the JSE link at <https://senspdf.jse.co.za/documents/2022/jse/isse/pan/INT2021.pdf> and via the Company’s website at <https://www.panafricanresources.com/wp-content/uploads/Pan-African-Resources-interim-results-SENS-announcement-2021.pdf>

Copies of the full announcement may also be requested by emailing ExecPA@paf.co.za and electronically via the sponsor (sponsor@questco.co.za) at no charge during business hours.

The Company has a dual primary listing on the JSE in South Africa and the AIM market of the London Stock Exchange, a secondary listing on the A2X Markets as well as a sponsored Level 1 ADR programme in the USA through the Bank of New York Mellon.

Rosebank

16 February 2022

For further information on Pan African, please visit the Company's website at

www.panafricanresources.com

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