Pan African Resources PLC
(Incorporated and registered in England and Wales under the Companies Act 1985 with registration 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 United States dollar (US$) or South African rand (ZAR), to the extent relevant)

UNAUDITED INTERIM FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

KEY FEATURES

Production

- Group gold production for the six months ended 31 December 2024 (current reporting period) of 84,705oz, a slight reduction of 3.3% relative to the previous six months (H2FY2024: 87,581oz)
    - As announced in the December 2024 operational update, Evander Mines' underground production was impacted by the delay in commissioning of the subvertical shaft for ore hoisting, which was partially offset by early production from the Mogale Tailings Retreatment (MTR) operation
- The Group is well positioned for much-improved production in H2FY2025, with a further significant increase in production expected for FY2026. Full-year guidance for FY2025 of approximately 215,000oz (FY2024: 186,039oz) is maintained, an increase of 16% from the prior year
    - The subvertical hoisting shaft at Evander Mines was fully commissioned during January 2025
    - MTR production is now fully ramped up, ahead of schedule and with final project capital below budget
    - Full-year gold production (48,000oz to 60,000oz) from Tennant Consolidated Mining Group (TCMG) in Australia is planned for FY2026.

Safety

- Regrettably, the Group experienced one fatality during the reporting period (FY2024: one), following an underground mud rush incident at Evander Mines' 7 Shaft on 30 December 2024
- Improvement in lost-time injury frequency rate (LTIFR) to 1.55 per million man hours (FY2024: 1.82) and reportable injury frequency rate (RIFR) to 0.55 per million man hours (FY2024: 0.78)
- Total reportable injury frequency rate (TRIFR) regressed to 8.25 per million man hours (FY2024: 6.52), which is being addressed
- The MTR operation achieved a 1.8 million fatality-free shift milestone during the construction phase, with:
    - over 1,600 employees and contractors on-site
    - zero reportable injuries and only one lost-time injury.

Costs and cost outlook

- All-in sustaining costs (AISC◈) for the reporting period of US$1,675/oz (H1FY2024: US$1,295/oz) impacted by:
    - a decrease in production from Evander Mines' underground operations for reasons previously

highlighted
  - multiple Eskom transformer failures at Barberton Mines, as flagged in the operational update published on 12 December 2024, negatively impacting production from the operation. A number of mitigation measures have been implemented to avoid a recurrence of this issue
  - appreciation of the average exchange rate by 4.0% to US$/ZAR:17.95 (H1FY2024: US$/ZAR:18.69)
  - once-off long-term employee incentive expenses to the value of US$4.3 million (US$53.3/oz) included in the cost of production
- AISC of US$1,466/oz (FY2024: US$1,170/oz) for our lower-cost operations (Elikhulu Tailings Retreatment Plant, Barberton Tailings Retreatment Plant, MTR operation, Evander Mines underground and Fairview Mine), which account for approximately 86% (FY2024: 84%) of annual production
- AISC guidance for H2FY2025 is anticipated to be between US$1,450/oz to US$1,500/oz, with the expected cost reduction versus H1FY2025 as a result of improved performance from the underground operations and MTR being in production for the full period.

Financial

- Revenue remained robust at US$189.3 million (H1FY2024: restated US$191.1 million) with only a slight decrease of 1% compared to the previous year as a result of a 13% decrease in gold production and the impact of the synthetic gold forward sale transaction of approximately US$17.4 million on profits for the reporting period, offset by a 21% increase in the US$ gold price received
- Profit for the reporting period increased by 10% to US$44.6 million (H1FY2024: restated US$40.7 million), and includes a gain on acquisition relating to the TCMG transaction of US$25.2 million
- Earnings per share (EPS) increased by 10.3% to US 2.35 cents per share (H1FY2024: restated US 2.13 cents per share) and headline earnings per share (HEPS) decreased by 43.7% to US 1.20 cents per share (H1FY2024: restated US 2.13 cents per share). Included in EPS in the current reporting period is a gain on acquisition relating to the TCMG transaction. This gain is excluded from HEPS
- Net cash used in operating activities of US$11.7 million (H1FY2024: US$27.2 million), negatively impacted by the opportunity cost of US$17.4 million that resulted from the abovementioned synthetic gold forward sale transaction utilised to part fund MTR's construction as well as increased finance costs
- Net debt increased to US$228.5 million (H1FY2024: US$64.3 million), primarily as a result of the construction of the MTR operation and the consolidation of debt acquired as part of the TCMG acquisition
- Available cash and undrawn facilities at period-end of US$32.3 million (H1FY2024: US$117.7 million)
- Net dividend of US$23.7 million paid to shareholders in December 2024 (FY2024 dividend).

Near-term growth projects

- Mogale Tailings Retreatment operation
  - Studies are underway to increase annual production from 50,000oz to approximately 60,000oz in the next year, through:
    - the installation of additional reactors to further improve recoveries
    - the addition of two carbon-in-leach (CIL) tanks to increase throughput from 800ktpm to 1Mtpm
    - a prefeasibility study on the inclusion of a hard rock crushing circuit enabling the processing of nearby remnant hard rock resources
  - a full feasibility study on the Soweto Cluster tailings storage facilities (TSFs) is underway and

expected to be completed by September 2025, with the study focusing on:
  - the possibility of constructing a new processing facility in closer proximity to the Soweto Cluster TSFs, which would be a stand-alone operation, also producing approximately 50,000oz per year
    - the option to include additional proximal TSF resources that will further add to the life- of-mine (LoM) of the project.

- Barberton Tailings Retreatment Plant (BTRP)
  - Construction of the pump station to reprocess the Bramber dormant TSF at the BTRP is expected to commence in Q4FY2025, with commissioning expected in Q3FY2026
  - This will extend the LoM of the BTRP from two years to seven years from current surface sources

- TCMG project in Australia
  - transaction to acquire TCMG for US$54.2 million was completed in December 2024, as follows:
    - An initial cash investment of US$3.4 million for an 8% shareholding in TCMG, with the all-scrip acquisition for the remaining 92% of the business through the new issue of less than 6% of the Company's shares valued at US$50.8m.
    - Production from TCMG is expected to initially add more than 20% to annual Group production from current reserves, with significant upside exploration potential in its asset portfolio
  - Construction of the Nobles Gold carbon in leach (CIL) processing plant has been accelerated and is progressing ahead of schedule and within budget. Commissioning of the plant and first gold is now expected in Q4FY2025.

Expected FY2026 production forecast

The Group anticipates significant growth in production as outlined in the table below:

Operation	**Production range**	
Elikhulu	48,000	53,000
MTR	48,000	53,000
BTRP	10,000	12,000
TCMG	48,000	60,000
Barberton Mines underground*	68,000	75,000
Evander Mines underground	48,000	55,000
Total	**270,000**	**308,000**

**Assumes rightsizing of Barberton Mines' underground operations as detailed in the operations section of the full announcement.*

Group cash flow generation and dividends

The final settlement in terms of the synthetic gold forward sale transaction will be at the end of February 2025, after which the Group will fully benefit from the prevailing spot gold price of approximately US$2,860/oz (ZAR1,690,000/kg) which is 21% higher (24% in rand terms) compared with the average price of US$2,359/oz (ZAR1,361,202/kg) received in the current reporting period.

At prevailing gold prices and with increased high-margin production as outlined in this announcement, the Group is expected to be materially de-geared in the next 12 to 18 months. This will allow a review of the

Group's dividend policy after financial year-end, which could include instating interim dividend payments going forward.

Environmental, social and governance initiatives

- The Group's renewable energy initiatives provide a roadmap to decarbonise an estimated 100MW of power through its renewable energy projects by 2030
  - The Evander Mines phase 1 and Fairview renewable energy plants are performing exceptionally well, generating an estimated 21GWh of solar power. This contributes approximately 10% of the Group's total energy, realising a significant saving of US$2.1 million for the reporting period, while avoiding nearly 19ktCO_2e of Scope 2 emissions
  - A feasibility study has been completed for a 20MW solar renewable energy plant, with applications for environmental authorisations and permitting currently in progress
- The Group has embarked on several energy efficiency optimisation projects at our operations, realising approximately US$0.3 million in savings from these initiatives for the reporting period, with an additional saving of 3 ktCO_2e in emissions
- Following a positive feasibility study, the Evander Mines' water treatment plant will be expanded to supply an estimated 4.5ML/day to 5.5ML/day from the current 3ML/day. Construction work to expand the plant will commence during 2025
- Rehabilitation at MTR's Mogale and Soweto sites is in progress, with several wetlands being restored since operations commenced. The Group is on target to rehabilitate 85ha for FY2025, in accordance with the targets set out for the Group's Sustainability Bond
- The Group's closure liabilities are materially funded with a shortfall of only US$5.2 million related to the MTR closure liability

This announcement contains inside information.

CHIEF EXECUTIVE OFFICER'S STATEMENT

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

"Pan African has established an excellent safety record over the years, and we remain committed to our goal of zero harm. We wish to again express our condolences to the family, friends and co-workers of our colleague who succumbed to his injuries following a mud rush incident at a loading box at Evander Mines' 7 Shaft on 30 December 2024.

Overall, the Group has improved its safety performance in the period under review, and we continue to implement ongoing safety awareness and training programmes. We are especially proud of the safety achievements at the recently commissioned MTR operation, where we achieved 1.8 million fatality-free hours and zero reportable injuries during the construction phase, with over 1,600 employees and contractors on site.

In the past few years, we have made excellent progress in positioning Pan African as a safe, sustainable and growing high-margin producer. We have diversified our production base from predominantly older underground mines to a more balanced portfolio of surface and underground assets. During the reporting period, we successfully commissioned our MTR operation, ahead of schedule and with a saving of some

US$8 million on the upfront project capital. MTR is another flagship tailings retreatment asset for our Group, which will produce approximately 50,000oz of gold per annum for a period of 20 years or more, if we include all of our West Rand tailings reserves and resources. MTR also presents scope for further production growth, with the ability to grow gold output to approximately 60,000oz in the year ahead, via plant expansion initiatives.

In terms of additional diversification and near-term production growth, we are delighted to have concluded the TCMG transaction in December 2024. The construction of the TCMG processing plant at its Nobles project is now nearing completion, ahead of schedule and within its approximate US$32.2 million capital budget. This processing plant will be the largest to ever operate in the Tennant Creek mineral field, aligned with our approach of achieving economies of scale by operating bulk processing facilities. We have also now accelerated the timing of anticipated gold production from this asset, with estimated production of 48,000oz to 60,000oz in the next financial year, at a very competitive AISC. In addition to near-term, low cost gold production from surface operations, the Tennant Creek mineral field presents exciting exploration potential, some 1,700km^2 of highly prospective ground in Australia's highest grade goldfield, both from wholly-owned and joint venture properties.

Including production from TCMG, production from low cost surface sources in the Group will account for over 50% of the Group's annual production in FY2026, estimated at between 270,000oz and 308,000oz per annum. These surface assets will assist in ensuring Pan African maintains a competitive AISC profile, comparing favourably to the rest of the global industry.

Underground mining in South Africa still represents a significant portion of Pan African's production base, with the Group having invested meaningful capital into our long-life assets in recent years. The Group flagged the challenges experienced at the Evander Mines and Barberton Mines' underground operations in the December 2024 operational update. Following several delays, the subvertical hoisting shaft at our Evander Mines' underground operations was finally commissioned during January 2025. Mining at the high-grade D line and F line raises on 24 Level has continued, resulting in accumulated ore in the ore passes underground, and limited ore reaching the metallurgical plant through the conveyor belt system. This has resulted in elevated unit costs at Evander Mines during the reporting period, which will reduce commensurately in the next months with increased gold production.

At Barberton Mines' operations, production has normalised following the Eskom transformer issues previously reported. Contingencies are now in place to prevent these issues from recurring. We are pleased that our efforts at Consort have seen this smaller operation turn a corner and produce positive cash flows in the past months, with further improvements anticipated in the period ahead. To ensure the long-term sustainability of Sheba Mine at Barberton Mines, we will implement a number of improvement and cost-cutting measures before the end of the financial year.

We believe Pan African is in an excellent position to capitalise from record gold prices, with high margins, a stable and growing production profile, and the Group being materially unhedged from March 2025. At prevailing gold prices, we anticipate the Group to de-gear completely in the next 12 to 18 months, allowing us to re-invest, to grow and continue to provide sector-leading returns to shareholders. The Group will revisit its dividend policy with regards to dividends post year-end, should current gold prices be sustained."

DIRECTORS’ RESPONSIBILITY

The information in this announcement has been extracted from the unaudited interim financial results for the six months ended 31 December 2024. 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, Marileen Kok. 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 12 February 2025.

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

AVAILABILITY OF THE FULL ANNOUNCEMENT

The full announcement is accessible *via* the JSE link
https://senspdf.jse.co.za/documents/2025/jse/isse/pan/INT2024.pdf

and *via* the Company’s website at https://www.panafricanresources.com/wp-content/uploads/Pan-African-Resources-interim-results-SENS-announcement-2025.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 Limited in South Africa and the AIM of the London Stock Exchange, a secondary listing on the A2X Market as well as a sponsored Level 1 American Depository Receipt programme in the United States of America through the Bank of New York Mellon.

For further information on Pan African, please visit the Company's website at **www.panafricanresources.com**

Rosebank

12 February 2025

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