

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
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("Pan African" or the "Company" or the "Group")

Pan African Resources Funding Company Limited
Incorporated in the Republic of South Africa with limited liability
Registration number: 2012/021237/06
Alpha code: PARI

Pan African is pleased to provide shareholders and noteholders with an update as follows:

Group production and cost guidance

- Production guidance for the year ending 30 June 2024 (current financial year) narrowed to between 186,000oz to 190,000oz (previously 180,000oz to 190,000oz)
 - In the second half of the financial year, the Group ceased processing of marginal surface sources at Evander Gold Mines (EGM) due to this business, which contributed approximately 2,500oz in the first half of the current financial year, becoming uneconomical
 - If production from these sources was maintained in the second half of the financial year, Group production for the full financial year would have been in excess of 190,000oz
- Group AISC guidance for the current financial year maintained at between \$1,325/oz to \$1,350/oz (assumed exchange rate: ZAR/US\$:18.50)
- Production guidance for the 2025 financial year of 215,000oz to 225,000oz.

MTR Project (The Project)

- The Project is on schedule for commissioning and steady state production during December 2024
- Capital cost for the Project remains on budget, with no expenditure overruns expected
- The Project's financial model, based on its definitive feasibility study (DFS), was updated to include the latest operating cost and production estimates, forecast ZAR/US\$ exchange rate and US\$ gold price. These updates are as follows:
 - Exchange rate and gold price revisions:
 - Exchange rate of ZAR/US\$:19.00 (initial DFS model: ZAR/US\$:15.50)
 - Gold price of US\$2,200/oz (initial DFS model: US\$1,750/oz)
 - The updated DFS financial model outputs (relative to the initial DFS model) are as follows:
 - The model Pre-tax NPV increased to US\$183 million (initial DFS model: NPV of US\$63 million)
 - The ungeared real IRR increased to 41.7% (initial DFS model: IRR of 20.1%)
 - Payback on upfront capital investment of ~US\$135.1 million reduced to approximately 2 years (initial DFS model: 3.5 years), post commissioning.

An internal pre-feasibility study (PFS) for the Soweto cluster was also completed in March 2024, based on the drill results from the 2L16 and 2L24 tailings storage facility (TSF). The PFS considered numerous options, with the most feasible being:

- Development of re-mining, overland piping and pumping infrastructure at the Soweto cluster resource to process the material at the MTR plant
 - Using this option, the MTR plant's capacity can be expanded to process 1 million tonnes per month of feed material, compared to the current design capacity of 800ktpm, resulting in a life-of-mine (LOM) of 21 years for the combined Mogale and Soweto cluster resources. The resultant tailings can be deposited into the expanded Mogale TSF at the West Wits pit and 1L23-25 footprint.

The outcomes of the PFS are as follows:

- Processing of the Soweto Cluster has the potential to expand the MTR operation
- The MTR plant infrastructure can be expanded to treat 1 million tonnes per month from year 6 of the MTR operation's LOM
- The addition of the 110 million tonne Soweto Cluster Mineral Resource has the potential to increase MTR production to approximately 60koz/year over a 21-year LOM
- Total additional capital requirement of US\$113 million (approximately US\$83 million would be incurred from year 4 to year 6 and US\$29 million in year 10 of the MTR's operation)
- At US\$2,200/oz and an exchange rate of ZAR/US\$:19.00, the Pre-tax NPV combined for Mogale and the Soweto Cluster is US\$283 million, representing an increase of US\$96 million, relative to Mogale's updated standalone financial model
- The real ungeared IRR increases to 44.0%, relative to the IRR of 41.7% in the updated Mogale financial model.

The Group will now proceed with the necessary permitting and servitudes required for the re-mining and processing of the Soweto Cluster, with a final investment decision in due course.

Pan African CEO Cobus Loots commented:

"We are pleased that Pan African will achieve the upper end of our full year production guidance, and would have exceeded guidance had we continued with the processing of surface material at Evander in the second half of the financial year.

The robust production results, combined with record Rand gold prices, should see the Group deliver an excellent financial performance for the year.

Our MTR project remains on schedule and on budget, and we look forward to commissioning it later in 2024. We have now demonstrated that the addition of the Soweto Cluster resources further improves the economic attractiveness of this world class project."

Final results for the twelve months ended 30 June 2024

Pan African will announce its final results for the current financial year on 11 September 2024.

The information contained in this update is the responsibility of the Pan African board of directors and has not been reviewed or reported on by the Group's external auditors.

Certain information communicated in this announcement was, prior to its publication, inside information for the purposes of Article 7 of Regulation 596/2014.

Rosebank

9 May 2024

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

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