

Pan African Resources PLC
(Incorporated and registered in England and Wales
under Companies Act 1985 with registered
number 3937466 on 25 February 2000)
Share code on AIM: PAF
Share code on JSE: PAN
ISIN: GB0004300496
ADR code: PAFRY
("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

OPERATIONAL UPDATE FOR THE YEAR ENDED 30 JUNE 2024 AND BOARD CHANGE

Pan African is pleased to provide its shareholders and noteholders with a preliminary operational update for the financial year ended 30 June 2024 ("Reporting Period"), an update on the Mogale Tailings Retreatment project (MTR Project) commissioning and information on progress with its renewable energy projects. Group full year production of 186,039oz was within guidance and increased by 6.2% year-on-year. The average achieved gold price for the Reporting Period was US\$2,021/oz (R1,215,827/kg at an exchange rate of US\$/ZAR18.71), and will be the highest on record for the Group.

KEY FEATURES

- Significant improvement in the Group's already industry leading safety statistics across all operations, as follows:
 - the total reportable injury frequency rate reduced to 5.47 per million man hours (FY2023: 8.13)
 - the lost time injury frequency rate improved to 1.62 per million man hours (FY2023: 2.54)
 - the reportable injury frequency rate improved to 0.70 per million man hours (FY2023: 1.29)
- Gold production increased by 6.2% to 186,039oz (FY2023: 175,209oz), in line with the revised guidance previously announced, with operations performing consistent with expectations: (FY2023 figures in brackets)
 - Barberton Mines: 71,470oz (64,586oz)
 - Evander Mines underground: 40,869oz (40,175oz)
 - Elikhulu: 54,812oz (50,573oz)
 - Barberton Tailings Retreatment Plant (BTRP): 18,888oz (19,875oz)
- The Group's all-in sustaining costs (AISC) for the Reporting Period is expected to be approximately US\$1,350/oz, at an average exchange rate of US\$/ZAR: 18.71
- A delay in commissioning the ventilation shaft for hoisting at Evander 8 underground operations adversely impacted production in the last two months of the Reporting Period, resulting in the Group not achieving the higher end of production guidance and also negatively impacted unit costs. Work is now scheduled to be completed in the coming weeks, after which the full benefits of the improved ore flow will achieve the planned increased production profile
- Exceptional progress has been made with the MTR Project's construction, which is nearing its final stages. Plant commissioning and first gold production is anticipated ahead of schedule in October 2024, with steady state production expected during December 2024. Furthermore, the project is expected to be completed below budget
 - Including the Soweto Cluster Mineral Resources, as per the internal pre-feasibility study outcomes reported in May 2024, MTR is expected to produce approximately 60koz/year over a 21-year life of mine, at a forecast AISC of less than US\$900/oz
- Previously announced FY2025 production guidance reiterated at between 215,000oz and 225,000oz
- Net debt at the end of the Reporting Period increased to US\$106.4 million (FY2023: US\$22.0 million), mainly attributable to construction costs at the MTR Project (US\$71.5 million for the year), expansion capital expenditure in respect of Evander 8 Shaft 25-26 Level development and Elikhulu's new tailings storage facility extension (US\$23.8 million) and Fairview solar plant expenditure (US\$9.9 million)
- Construction of the Fairview Mine's 8.75MW solar photovoltaic plant has been completed, with final commissioning in the coming weeks

BOARD CHANGE

The Group's financial director, Deon Louw, informed the Company of his intention to retire with effect from 30 September 2024. He will however, continue as a consultant to the Group. Deon was appointed in this role in March 2015 and has contributed significantly to Pan African's operations and growth throughout his tenure. Marileen Kok will succeed Deon Louw as Group financial director and, subject to completion of standard director due diligence, will be appointed to the Company's board of directors. Marileen joined Pan African Resources as Group Financial Manager in January 2020 and has extensive experience in financial reporting, corporate finance, governance and regulatory compliance.

PROGRESS WITH RENEWABLE ENERGY PROJECTS AND FUNDING

Construction and mechanical assembly, including installation of the solar trackers, for Fairview Mine's 8.75MW solar photovoltaic generating plant was completed at the end of June 2024, enabling the commencement of the required test work to ensure that the facility complies with operating standards and regulatory requirements. First power generation is anticipated in the next month.

This solar plant is expected to provide 15% of Barberton Mines' energy requirements, with annual electricity cost savings of approximately USD2.4* million, at current Eskom tariffs.

Independent feasibility studies are in progress to expand Evander Mines' current 9.975MW solar facility and also for a new solar plant at the Mogale Tailings Retreatment operation. These studies are anticipated to be completed in the third quarter of the 2024 calendar year.

Evander Mines' and Barberton Mines' solar photovoltaic generating plants are now funded by means of a US\$19.4 million*, 5-year Green Loan facility which became effective in June 2024. This facility also provides for an accordion option of US\$13.9 million* to provide for the

Group's future renewable energy funding requirements.

*ZAR amounts converted at an exchange rate of US\$/ZAR18:00

Pan African CEO Cobus Loots commented:

"We are pleased that the Group has again delivered into its production guidance, while further improving safety rates and maintaining its industry leading safety performance during the 2024 financial year.

The surface tailings retreatment operations at Elikhulu and the BTRP performed exceptionally well, with some of the lowest all-in sustaining production costs in Southern Africa. The Group is poised to deliver another world class tailings retreatment operation ahead of schedule and below budget in the coming months with the MTR Project.

Barberton Mines has seen a steady improvement in gold production, with planned optimisation initiatives to increase ore tonnages expected to further bolster gold production in the next financial year. Commissioning of the ventilation shaft hoisting system at Evander underground during the start of the 2025 financial year, will substantially improve efficiencies and reduce reliance on the cumbersome conveyor system currently in use, vastly improving this operation's production profile and facilitate the 25-26 Level project's development.

We would like to thank Deon for his commitment and the significant contribution he has made to the Group over the years. We wish him all the best in his retirement and look forward to continue working with him on various projects. We would like to extend our congratulations to Marileen Kok who will be taking over from Deon as Group financial director, and trust in her seamless transition into the role.

We look forward to presenting our 2024 year-end financial results in September, and to provide further details on developments at our operations and exciting pipeline of growth projects that will significantly increase the Group's total annual gold production in FY2025."

FINANCIAL RESULTS PRESENTATION, OPERATIONAL AND GROWTH PROJECTS UPDATE

A detailed update on the Group's operations and production growth projects will be included in the Company's annual final results presentation and 2024 financial year annual reporting suite, scheduled to be released on 11 September 2024.

The information contained in this update is the responsibility of Pan African's 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

29 July 2024

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

www.panafricanresources.com

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