

Pan African Resources PLC	Pan African Resources Funding Company
(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 3937466 on 25 February 2000)	Limited Incorporated in the Republic of South Africa with limited liability
Share code on AIM: PAF	Registration number: 2012/021237/06
Share code on JSE: PAN	Alpha code: PARI
ISIN: GB0004300496	
ADR code: PAFRY	
(Pan African or the Company or the Group)	

## OPERATIONAL UPDATE AND COMPLETION OF THE TENNANT CONSOLIDATED MINING GROUP TRANSACTION

Pan African is pleased to provide its shareholders and noteholders with a preliminary operational update for the half year ending 31 December 2024.

### Highlights

- **Completion of TCMG acquisition:** The acquisition of Tennant Consolidated Mining Group (TCMG) has been completed, with TCMG now a wholly owned subsidiary of the Group.
- **Expect to deliver a significant increase in gold production for FY2025:** H1FY2025 production expected to be in line with H2FY2024 and FY2025 estimated at ~215,000oz (FY2024: 186,039oz), an increase of approximately 16% from the prior year.
- **Increased FY2026 production guidance:** Group FY2026 production (excluding the TCMG operation in Australia) estimated to further increase to between 235,000oz and 250,000oz.
- **Balance sheet strength:** Group expects to be materially unhedged by February 2025 allowing increased benefit from the spot gold price. At prevailing gold prices, it is anticipated that the Group will be fully de-gearred in the next 12 to 18 months.

## GROUP GOLD PRODUCTION FOR THE SIX MONTHS ENDING DECEMBER 2024 (H1FY2025)

Gold production for the half year is expected to be in line with production achieved in H2FY2024 (H2FY2024: 87,581oz). Early production from the Mogale Tailings Retreatment (MTR) operation, where production to the end of December 2024 is estimated to be approximately 9,000oz, has offset the impact on production at Evander in the first half of the year due to the delay in the commissioning of Evander Mines' subvertical shaft as previously flagged, which has now been resolved.

Production for the full year FY2025 is estimated at approximately 215,000oz (FY2024: 186,039oz), an increase of 16% from the prior year. Production for FY2026 is expected to increase significantly, as detailed below.

### SURFACE OPERATIONS

- Elikhulu Tailings Retreatment Plant production is forecast at approximately 26,000oz for H1FY2025, on track to achieve 52,000oz or more for the full financial year
  - Phases 3 and 4 of the new tailings dam construction were completed ahead of schedule and under budget
- The Barberton Tailings Retreatment Plant (BTRP) is on track for production of between 7,000oz and 8,000oz in H1FY2025, with the life-of-mine (LoM) of the operation increased by a further six and a half years, as previously reported
- At the MTR operation, the plant's upfront construction capital is estimated at ZAR2,35 billion to ZAR2,4 billion (US 127 million to US 130 million), versus the ZAR2,5 billion (US 135 million) originally budgeted, a saving of approximately ZAR100 million to ZAR150 million (US 5 million to US 8 million). Production ramp-up is ahead of schedule with steady-state production to be achieved during December 2024. Further details are outlined below:
  - Following the successful plant commissioning and first gold pour in early October 2024, production of ~9,000oz is expected by end December 2024, with forecast FY2025 production of approximately 33,000oz
  - FY2025 all-in sustaining costs (AISC) are estimated at below US 1,000/oz
  - Studies are underway to increase annual production from 50,000oz to ~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, at a limited estimated capital cost of ZAR70 million (US 3.8 million)
    - a prefeasibility study to be concluded in the next three months on the inclusion of a hard rock crushing circuit enabling the processing of nearby remnant hard rock sources
  - A Soweto Cluster feasibility study is to be completed by September 2025, with the study focusing on:
    - the option of constructing a new processing facility in closer proximity to the Soweto Cluster tailings storage facilities (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 add to the LoM of the project
- Construction work at TCMG's Noble's Project is proceeding on schedule.

### UNDERGROUND OPERATIONS

- Evander Mines' underground production ramp-up delays from 24 to 25 Level operations at 8 Shaft have now been resolved
  - The sub-vertical hoisting shaft commissioning is being completed during December, enabling its full 700t/day hoisting capacity to be achieved
  - A production loss of 7,000oz is now anticipated (compared to 5,000oz previously communicated), resulting in production of approximately 12,000oz expected for H1FY2025 and 38,000oz for FY2025

- Underground mining operations with full crews continue on 24 Level as planned
- Rapid recovery in the production run rate is anticipated in H2FY2025, with mined ore transported to surface utilising the subvertical shaft and related infrastructure
- Establishment of the 24 Level B-Line raise in Q3FY2025 further improving face length and mining flexibility, with the average grade expected to improve from 6.0g/t to 7.5g/t.
- At the Egoli project, following the dewatering of Evander Mines' 7 Shaft, long-inclined borehole reserve delineation drilling at 19 Level has commenced, to further define the ore payshoot.
- Barberton Mines
  - Multiple Eskom transformer failures at Barberton Mines' Fairview and Sheba operations negatively impacted production for 10 days in November (by approximately 2,250oz), with the Eskom power utility's back-up units also failing as a result of ageing infrastructure. Further contingencies are being implemented to prevent the failures from recurring, with additional spare transformers to be kept on site in the future
  - High-grade areas of the 262 Platform at Fairview Mine, indicated by drill intersections of up to 80g/t gold, are anticipated to be accessed by Q3FY2025 as development rates are accelerated
  - At Consort Mine, underground sampling has confirmed high-grade Mineral Reserve areas below 41 Level in the Prince Consort (PC) Shaft area. Rehabilitation work on the shaft has now been largely completed, allowing operations to recommence
  - Production of approximately 32,000oz is expected for the Barberton Mines underground operations in H1FY2025 (H2FY2024: 34,690oz), with full year production of approximately 73,000oz (FY2024: 71,470oz), excluding the BTRP.

## FINANCIAL

- Apart from the zero-cost collars previously reported, Pan African will be materially unhedged by March 2025, when the last tranche of the synthetic forward sale is completed, following which the Group will fully benefit from the spot gold price
- At prevailing spot gold prices, it is anticipated that the Group will be fully de-geared in the next 12 to 18 months.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE UPDATES

- Barberton Mines' 8.75MW<sub>AC</sub> Fairview solar plant reached full capacity during October 2024 and produced 1.1GWh, equivalent to an emissions reduction of 1 ktCO<sub>2</sub>e, resulting in initial cost savings of approximately ZAR36 million (US 2.0 million) per year
- The 3ML/day underground water recycling plant at Evander Mines has resulted in municipal water cost savings of approximately ZAR8.8 million since operations commenced in November 2023. The board has approved the expansion of the plant capacity to 6ML/day, which will be completed during 2026
- At the MTR operation, environmental rehabilitation is ongoing, including cleanup of historical spillages and removal of derelict pipelines, eradication of alien vegetation and wetlands remediation, where some 122ha have been completed to date.

## COMPLETION OF TCMG ACQUISITION

Following the approval of special resolutions by the requisite majority of shareholders at the Group's annual general meeting on 21 November 2024, the process of allotment of equity to the respective TCMG shareholders in terms of the share acquisition agreement as outlined in the Company's Stock Exchange News Service announcement released on 5 November 2024, has been completed. TCMG is now a wholly-owned subsidiary of the Group.

## FY2026 PRODUCTION GUIDANCE

It is estimated that the Group's FY2026 production (excluding the TCMG operation in Australia) will further increase to between 235,000oz and 250,000oz. This production enhancement is mainly driven by the steady-state production at the MTR operation as well as increased production from Evander Mines underground operations, following substantial investments in infrastructure and development over the past few years.

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

*"The performance of our MTR operation, completed ahead of schedule and under budget, has exceeded expectations, with a successful production ramp-up and the plant performing to specifications and at the same time maintaining an excellent safety record. In terms of our production base, the Group is now well diversified with both high-grade underground mining and high-margin surface operations. We are also excited about our ability to further expand our surface business in the short term to the benefit of all stakeholders."*

*"We expect a much-improved performance for the Evander Mines underground operations in the second half of this financial year, with the large investment in infrastructure and optimisation over recent years benefitting this high-grade operation for more than a decade into the future."*

*"We are poised to deliver a significant increase in gold production for the full financial year, and then again in FY2026. By March 2025 Pan African will also be largely unhedged, and at prevailing gold prices, the cashflow generation from our long-life portfolio of quality assets should allow for rapid de-gearing and flexibility in deploying capital on value-accretive growth and further sector-leading dividends to shareholders."*

*"Pan African continues to excel in terms of our returns to shareholders, where the Group was ranked third in the Sunday Times Top 100 Companies in 2024 (from ninth in 2023). Additionally, the Group has now qualified for inclusion in the Van Eck GDX Gold Miners ETF in the United States of America, which has positively impacted liquidity and increases exposure to a larger pool of US investors."*

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the

Rosebank  
 12 December 2024  
 For further information on Pan African Resources, please visit the Company's website at

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