

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 LSE: PAF
Share code on JSE: PAN
ISIN: GB0004300496
ADR ticker code: PAFRY
(“Pan African Resources” or the “Company”
or the “Group”)
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Pan African Resources Funding Company
Limited
Incorporated in the Republic of South Africa
with limited liability
Registration number: 2012/021237/06
Alpha code: PARI
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OPERATIONAL UPDATE FOR THE HALF-YEAR ENDED DECEMBER 2025 (H1FY26) AND PROPOSED INITIATION OF INTERIM DIVIDEND

Pan African is pleased to provide its shareholders and noteholders with an operational update for the half year ended 31 December 2025 (Reporting Period) as well as to announce the initiation of an interim dividend to be approved by the Company’s board of directors (Board) together with the H1FY26 results.

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KEY FEATURES

- **INCREASE IN GOLD PRODUCTION OF 51% TO 128,296OZ (H1FY25: 84,705OZ)**
- **FURTHER PRODUCTION INCREASES EXPECTED IN H2FY26, ON TRACK TO MEET FULL YEAR PRODUCTION GUIDANCE**
- **SUBSTANTIALLY DE-GEARED BALANCE SHEET - REDUCTION IN NET DEBT OF MORE THAN 65%**
- **INITIATION OF INTERIM DIVIDEND PROPOSED - Z12 CENTS PER SHARE**
- **DEFINITIVE FEASIBILITY STUDY SOWETO CLUSTER PROJECT - EXPECTED TO BE COMPLETED BY JUNE 2026**

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SAFETY

- Improvement in overall Group safety performance
 - Total Recordable Injury Frequency Rate (TRIFR) improved substantially to 4.74 (H1FY25:8.25) per million-man hours
 - Lost Time Injury Frequency Rate (LTIFR) improved to 1.22 (H1FY25: 1.54) per million-man hours.

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PRODUCTION

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- Increase in gold production of 51% to 128,296oz (H1FY25: 84,705oz), with the Group on track to meet full year production guidance range of between 275,000oz and 292,000oz
 - Production at Evander operations improved substantially by 87% to 21,640oz (H1FY25: 11,551oz), with the subvertical hoisting shaft operating at capacity and mining in the high-grade Kinross Channel of the Kimberley Reef. Production in H2FY26 is expected to increase further with higher mined tonnages
 - Elikhulu achieved excellent results, with production increasing by 14% to 29,450oz (H1FY25: 25,725oz)
 - Mogale Tailings Retreatment (MTR) operations at steady state following ramp-up in FY25, with production of 21,729oz, approximately 10% lower than expected, as a result of mining grades and recoveries impacted by the current mining area
 - MTR expansion to 1,000ktpm was successfully commissioned in December 2025, with increased capacity and improved recoveries expected to increase gold production in H2FY26. Going forward annualised production from MTR is expected to be between 55-60kozpa
 - Barberton Mines underground production increased by 5% to 32,774oz (H1FY25: 31,142oz) and BTRP production remained stable at 7,143oz (H1FY25: 7,544oz)
 - Tennant Mines achieved steady state throughput, with production of 15,560oz (including gold equivalent ounces from the sale of copper concentrate). Production in H2FY26 is anticipated to increase to approximately 30,000oz as higher-grade ore from open pits replace lower grade feed from the Crown Pillar Stockpile (CPS). The average expected recovered mining grade in H2FY26 is planned at 2.22g/t (H1FY26:1.15g/t).

FINANCIAL

- The Group has now substantially de-geared its balance sheet, with reduction in net debt of more than 65% to US 49.9m, compared to US 150.5m in June 2025
 - Given the prevailing high gold prices, the Group expects to be fully de-geared (in terms of net debt) by the end of February 2026. This is despite the payment of a record final dividend to shareholders in December 2025
- All in sustaining cost (AISC) of production for H1FY26 is expected in the range of US 1,825/oz -US 1,875/oz at US /ZAR17.37; (FY26 full year guidance: US 1,525/oz to US 1,575/oz at US /ZAR18.50) negatively impacted by:
 - the strengthening of the US /ZAR exchange rate by 6.1% to US 17.37, with an impact of approximately US 115/oz
 - the increase in employee share-based payment expenses, as a result of an increase of more than 140% in the Company share price from ZAR11.09 (GBp45.75) at 30 June 2025 to ZAR26.98 (GBp121.00p) at 2 January 2026 (approximately US 80/oz)

- third party material processed at the Evander and MTR operations during the period contributing to higher costs, as well as increased royalty payments due to the higher gold price received
- Increased gold production guided for H2FY26 is anticipated to reduce unit costs of production.

PROPOSED INTERIM DIVIDEND FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

- Interim cash dividend of ZA12 cents per share (or US0.74488 cents per share at an indicative exchange rate of US /ZAR:16.11 or 0.54745 pence per share at an indicative exchange rate of GBP/ZAR:21.92) is intended to be approved by the Board together with the interim results for the six months ended 31 December 2025. Further information regarding the formal declaration of the proposed interim dividend as required in terms of the JSE Listings Requirements, including the salient dates, will be communicated with the release of the Group's interim results on 18 February 2026.

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FUTURE PRODUCTION GROWTH

- A feasibility study to process the Group's Soweto Cluster Tailings Storage Facilities (Soweto TSFs) was successfully completed during the Reporting Period (announced on SENS and RNS on 27 November 2025). An integrated 600ktpm Soweto Tailings Retreatment (STR) circuit at MTR was identified as the preferred option to process the Soweto TSFs, due to a significantly lower upfront capital requirement, a shorter construction period, reduced permitting obligations and superior financial returns. This option will also benefit from synergies with the existing MTR plant and operational infrastructure
 - The Definitive Feasibility Study for this option is expected to be completed by June 2026, with a final Board decision to commence project construction shortly thereafter
 - Anticipated construction period of approximately 24 months
 - Expected annual gold production of 30-35koz for approximately 15 years at an all-in-sustaining-cost (AISC) of between US 1,000/oz and US 1,200/oz, which will increase production from the MTR complex to approximately 100kozpa, once construction is complete
- At Tennant Mines, the earn-in exploration joint venture with ASX listed Emmerson Resources on which the White Devil project and others are located was successfully concluded during September 2025
 - Ongoing exploration on the Group's wholly owned Mining Leases at Nobles, Juno and Warrego confirmed extensions to the known mineralised zones. Additionally, regional exploration programmes comprising magnetotelluric geophysical surveys and remote sensing has identified more than 10 new prospective targets for exploration.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE UPDATES

- Following the completion of positive feasibility studies for the 20MW Evander Mines' phase 2 solar plant expansion, total solar generation capacity at Evander will be expanded from 10MW to 30MW. A contractor has been appointed and construction of the additional capacity is expected to commence by June 2026
- In July 2025, site work commenced on phase 2 of the 3ML/day Evander water treatment plant, with first water expected in late February 2026. At MTR, construction of a 3ML/day water treatment plant to treat acid mine drainage water commenced in November 2025. This plant is expected to be commissioned in May 2026 and will produce potable water to meet the requirements of the MTR processing plant
- The MTR operation was awarded the 'Best ESG Initiative by a Mining Company' at the international Resourcing Tomorrow conference held in December 2025, where competing entries included projects from other international mining groups. The judges recognised the immediate positive impacts of Pan African's activities on the environment and local communities, following years of neglect in the area.

Pan African Resources CEO Cobus Loots commented:

"Pan African's safety, operational and financial performance in the first half of the financial year, together with the boon of record gold prices, has positioned us to deliver outstanding results for the full year. During the reporting period the Group de-gearred its balance sheet and is also now further boosting cash returns to shareholders, with our board set to approve an attractive proposed interim dividend payment."

"The half year results demonstrate the success of our strategy of focusing on high-margin, long-life tailings retreatment operations and also the acquisition of the very prospective Tennant Mining in Australia. We also wish to commend the Evander management team for the successful turnaround of the underground operation, with further improvements expected in the period ahead."

"Despite our continued focus on cost control, all-in sustaining unit costs were higher than guided for the reasons detailed in this release, we believe the expected increased gold production in H2 of the financial year will assist with reducing unit costs."

"We are excited about the further production growth opportunities within our asset portfolio. Pan African is capitalising on the very favourable current environment to position the Group to continue Mining for a Future for many more years."

"We look forward to presenting our interim results, including details on our prospects and initiatives, on 18 February 2026."

The information contained in this announcement is the responsibility of the Company's Board and has not been reviewed or reported on by the Group's external auditors.

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Johannesburg

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26 January 2026

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

www.panafricanresources.com

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