

# EXPANDING HORIZONS

MINING FOR A FUTURE

**2024**  
**SUMMARISED AUDITED RESULTS**  
for the year ended 30 June

# KEY FEATURES

Key features are reported in United States dollar (US\$) or South African rand (ZAR), to the extent relevant.

## PRODUCTION

- Group gold production increased by 6.2% to 186,039oz (2023: 175,209oz), in line with guidance
- Operational improvements and optimisation initiatives resulted in significant improvements at Barberton Mines' underground and Elikhulu's surface operations, resulting in annual increases of:
  - Gold production from Fairview and Sheba Mines increased by 13.5% to 65,580oz (2023: 57,778oz)
  - Elikhulu's gold production increased by 8.4% to 54,812oz (2023: 50,573oz).

## SAFETY

- Significant improvement in the Group's industry-leading safety statistics across all operations.

## COSTS AND COST OUTLOOK

- All-in sustaining costs (AISC<sup>®</sup>) for the current reporting period of US\$1,354/oz (2023: restated US\$1,309/oz) at an average exchange rate of US\$/ZAR:18.71, marginally above guidance of between US\$1,325/oz to US\$1,350/oz, with the delay in commissioning Evander Mines' subvertical hoisting shaft negatively impacting unit costs
- AISC of US\$1,170/oz (2023: restated US\$1,132/oz) for our lower-cost operations, which account for more than 84% (2023: 82%) of annual production
- 2025 AISC guidance of between US\$1,350/oz and US\$1,400/oz (assuming an exchange rate of US\$/ZAR:18.50), with the Mogale Tailings Retreatment project's (MTR project) low-cost production offsetting inflationary pressures.

## NEAR-TERM GROWTH PROJECTS

### Surface remining operations

- The MTR project's commissioning is in progress, with steady-state production expected by latest December 2024. This US\$135.1 million project is expected to be delivered under budget and ahead of schedule
- The Barberton Tailings Retreatment Plant's (BTRP) life-of-mine has been extended to seven years (previously two years), following a successful internal project to reassess feedstock sources, further enhancing the Group's high-margin, long-life surface remining operations.

### Underground operations

- Evander Mines' 8 Shaft 24 and 25 Level underground expansion project is now scheduled to be completed by the end of September 2024, following delays in the equipping of the ventilation shaft for hoisting
  - Equipping the 17 to 24 Level subvertical hoisting shaft will significantly increase efficiencies by reducing reliance on the current cumbersome conveyor belt infrastructure for ore transport
  - 24 Level's refrigeration plant will be commissioned in phases to facilitate mining at depth
  - 25 Level mining area access development has commenced.

## PRODUCTION GUIDANCE

- 2025 financial year production guidance of 215,000oz to 225,000oz, with the expected increase in production largely attributable to the contribution from the Group's new MTR project, but potentially impacted by:
  - The delay in the commissioning of Evander Mines' subvertical shaft, scheduled to be completed during September 2024, could impact guidance by approximately 5,000oz
  - Evander Mines' underground vamping operations and earlier production from the MTR project may offset the impact of the above-mentioned delay.

## FINANCIAL

- Revenue increased by 16.8% to US\$373.8 million (2023: restated US\$319.9 million)
- Profit for the year increased by 30.2% to US\$78.8 million (2023: restated US\$60.5 million)
- Headline earnings<sup>⚡</sup> increased by 32.1% to US\$79.5 million (2023: restated US\$60.2 million)
- Earnings per share (EPS) increased by 30.3% to US 4.14 cents per share (2023: restated US 3.18 cents per share) and headline earnings per share (HEPS<sup>⚡</sup>) increased by 32.1% to US 4.15 cents per share (2023: restated US 3.14 cents per share)
- Net cash generated from operating activities declined by US\$9.3 million to US\$90.8 million (2023: US\$100.1 million)
- Net debt<sup>⚡</sup> increased to US\$106.4 million, mainly as a result of the construction of the MTR project (2023: US\$22.0 million)
- Available cash and undrawn debt facilities at year-end of US\$95.0 million (2023: US\$84.7 million).

## PROPOSED DIVIDEND

- Sector-leading final dividend of ZA 22.00000 cents per share (or US 1.20946 cents per share at an exchange rate of US\$/ZAR: 18.19) proposed for approval at the upcoming annual general meeting (AGM).

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) INITIATIVES

- The Group continues to lead the way on renewable energy initiatives and establishing a roadmap to decarbonisation
- Construction of Fairview Mine's solar facility was completed at Barberton Mines in June 2024 and hot-commissioned in July 2024
- Renewed power purchase agreement with Sturdee Energy, subject to certain suspensive conditions, with ground clearing for construction having commenced
- Evander Mines' 3ML/day water recycling plant capacity to be doubled in the next two years
- Rehabilitation at the MTR project's Mogale Cluster and Soweto Cluster sites in progress.

The following tools will assist you throughout the report:



For further reading on our website at [www.panafricanresources.com](http://www.panafricanresources.com)



Alternative performance measures (APMs)

**This announcement contains inside information.**

## SUMMARY OF SALIENT FEATURES

Salient features	Unit	Year ended 30 June 2024	Year ended 30 June 2023	Movement change %
Gold produced	oz	186,039	175,209	6.2
Gold sold <sup>1</sup>	oz	184,885	176,216	4.9
Revenue <sup>1</sup>	US\$ million	373.8	319.9	16.8
Average gold price received	US\$/oz	2,015	1,811	11.3
	ZAR/kg	1,212,252	1,034,586	17.2
Cash costs <sup>2</sup>	US\$/oz	1,199	1,136	5.5
	ZAR/kg	721,161	649,018	11.1
AISC <sup>3</sup> (notes 1, 2 and detailed commentary) <sup>1</sup>	US\$/oz	1,354	1,309	3.4
	ZAR/kg	814,243	748,015	8.9
All-in costs <sup>2</sup>	US\$/oz	1,782	1,768	0.8
	ZAR/kg	1,071,926	1,009,898	6.1
Adjusted EBITDA <sup>3</sup>	US\$ million	141.2	115.1	22.7
Attributable earnings – owners of the Company <sup>1</sup>	US\$ million	79.4	60.9	30.4
Headline earnings <sup>1</sup>	US\$ million	79.5	60.2	32.1
EPS <sup>1</sup>	US cents	4.14	3.18	30.3
HEPS <sup>1</sup>	US cents	4.15	3.14	32.1
Cash flows from operating activities	US\$ million	90.8	100.1	(9.3)
Net debt <sup>3</sup>	US\$ million	106.4	22.0	(383.6)
Total sustaining capital expenditure	US\$ million	13.8	20.2	(31.7)
Total capital expenditure	US\$ million	172.4	113.0	52.6
Net asset value per share <sup>3</sup>	US cents	19.0	15.2	24.7
Weighted average number of shares in issue	million	1,916.5	1,916.5	0.0
Average exchange rate	US\$/ZAR	18.71	17.77	5.3
Closing exchange rate	US\$/ZAR	18.19	18.83	(3.4)

<sup>1</sup> Restated due to prior period adjustment.

<sup>2</sup> The AISC per kilogramme and all-in cost (AIC<sup>3</sup>) per kilogramme include realised derivative mark-to-market fair value gains/losses and exclude unrealised derivative mark-to-market fair value gains/losses relating to the current gold mining operations. Refer to the alternative performance measures (APMs) summary report for the reconciliation of cost of production as calculated in accordance with IFRS<sup>3</sup> Accounting Standards (IFRS) to AISC and AIC.

<sup>3</sup> Adjusted EBITDA comprises earnings before interest, tax, depreciation and amortisation and impairment.

## CHIEF EXECUTIVE OFFICER'S STATEMENT

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

"I am extremely pleased to report on Pan African's achievements and outstanding financial results for the past year. Furthermore, the Group is now poised to deliver on our next phase of value-accretive production growth at the MTR project, a testament to Pan African's ability to continue to create value for all its stakeholders.

We find ourselves in a very favourable gold price environment, with the metal appreciating by more than 20% in US\$ terms in the past year, and generally positive sentiment on its near-term prospects. However, we also recognise that, although fortuitous, the commodity price tailwinds may not last indefinitely. We therefore have to use this opportunity to ensure our business model remains robust and continue to position our assets for long-term sustainability.

The fact that gold equities continue to underperform the gold price reflects investor concerns pertaining to capital allocation and sustainable value creation in the sector. Certainly, the recent escalations in AISC globally (now around US\$1,400/oz on average) suggest that producer margins and profits are being eroded by cost pressures and by a general underinvestment in capital expenditure and mining development over many years.

Pan African can demonstrate a track record of sector-leading returns and dividends to shareholders, despite occasional challenging operating conditions and the age of our underground operations (Barberton Mines has been producing for almost 140 years). Our enviable record is reflective of the quality of and optionality inherent in our portfolio, and also of management's unrelenting focus on disciplined capital allocation and cost control.

With the additional production from the MTR project, our Group will be firmly positioned as a mid-tier producer, with production growing by approximately 25% and a commensurate reduction in the Group's unit costs of production – a feat that larger gold miners may find difficult to emulate, given the scale of their operations.

This year marks the tenth time that I am reporting in my capacity as chief executive officer and, in reflecting on the past and where the Group is now, I believe that Pan African has attractive prospects and is well-positioned to continue 'Mining for a Future'.

### THE LAST DECADE AND THE WORLD IN WHICH WE NOW OPERATE

Economically and politically, the world has been tumultuous and volatile during this time. Economically, it had to deal with challenging financial cycles and the impact of COVID-19. The pandemic and subsequent escalating geopolitical conflicts, especially in Ukraine and the Middle East, have threatened lives and economies, while the impact of climate change affects the planet and its inhabitants.

The South African economy faced the consequences of loadshedding, state capture and low levels of investor confidence. Social upheaval reached a boiling point during the riots of July 2021, the worst and most disruptive incident of violence that South Africa experienced since the end of Apartheid. The global status quo is one of bipolarity fragile financial systems, ever-increasing sovereign debt levels, as well as concerns about the next economic downturn.

### GOLD REAFFIRMING ITS STATUS AS A SAFE-HAVEN ASSET

Gold has regained its safe-haven status amid ongoing higher-than-expected worldwide inflation and anxiety over geopolitics, elections and monetary policy – all predictable reasons for the value of gold to appreciate. Gold has historically been considered an inflation hedge, however, cooling inflation and the expected reduction in worldwide interest rates should also support gold's investment case.

The perceived 'weaponisation' of the US\$, following the outbreak of war in Ukraine, appears to have expedited moves by central banks in many countries to accumulate gold reserves in support of their respective economies and currencies. Gold has demonstrated its ability to act as a strong hedge against uncertainty and as a currency to preserve real purchasing power. Gold has a track record of millennia in this regard, an attribute that sets it apart from speculative cryptocurrency alternatives such as Bitcoin.

We believe that investing in a gold equity such as Pan African has several advantages to a direct gold holding. The Company provides its shareholders with a cash return in the form of dividends, increased leverage to the gold price, substantial near-term production growth and a number of internal growth opportunities, evidenced by our project pipeline.

A DECADE AS CHIEF EXECUTIVE OFFICER

In the early 2010s, Pan African was a single-asset company, holding only the Barberton Mines underground operations.

Over the past 10 years, the Group has successfully diversified into a long-life, high-margin operator, with multiple assets, improved flexibility and reduced volatility. We have also increased profitable production and investor returns. Shareholders have received returns through both compound capital growth of more than 10% per year over the last few years and an increasing annual dividend. Pan African has regularly featured in the Top 10 of the JSE Limited's (JSE) Top 100 performing companies over the past few years. More recently, in 2024 it has been the best-performing gold stock on the JSE year to date, with the share price increasing by over 80% since the beginning of the calendar year and 100% year-on-year. The AIM Market (AIM) recorded a similar performance, where the share is also trading at all-time high levels.

Value-adding projects completed by the Group's incumbent management team and board during the last ten years include:

- Securing, funding, construction and operation of transformative surface assets
  - BTRP
  - Evander Tailings Retreatment Plant
  - Elikhulu Tailings Retreatment Plant (Elikhulu)
  - the MTR project
- Evander Mines' underground restructuring
  - 8 Shaft pillar mining
  - Level 24 to 26 development
- Group renewable energy initiatives
  - Evander Mines' solar plant
  - Barberton Mines' solar plant.

While South African gold mining is often seen as a sunset industry, we believe that the country still presents attractive opportunities. In 2022, we acquired Mineral Resources from Mintails SA Soweto Cluster Proprietary Limited (MSC) for US\$1.12/oz, and then applied our extensive surface tailings expertise to bring this project to account. We have also accumulated considerable underground mining expertise, which we are applying to exploit Evander Mines' and Barberton Mines' underground assets.

Pan African is proud of its demonstrated record of delivering large projects on time and within budget, in an industry where this is lacking at times.

The gold price is at an all-time high, and this trend is expected to continue in the foreseeable future. Pan African has over 30Moz of SAMREC-compliant gold resources within its mining rights, secured in Barberton and Evander to 2051 and 2038, respectively. The Group's unique value proposition of surface and underground mining, high-margin long-life production, blend of financial strength, growth potential, gold resource base, dividend track record and unwavering dedication to ESG principles makes it a compelling choice for investors seeking to achieve sustainable returns while making a meaningful positive impact on all stakeholders."

THIS YEAR'S FINANCIAL RESULTS

Pan African has delivered an outstanding set of operational and financial results for the 2024 financial year. Notably, revenue increased by 16.8%, supported by a 4.9% increase in gold sales to 184,885oz (2023: restated 176,216oz) and an 11.3% increase in the average US\$ gold price received during this period. The increased production and revenue demonstrate that steps taken to improve operational efficiencies are yielding positive results.

The Group has made significant progress in advancing its growth projects, with the development of Evander Mines' 24 to 25 Level project and the commissioning of the MTR project being prioritised.

Total capital expenditure for the year amounted to US\$172.4 million (2023: US\$113.0 million), which resulted in an increase in net debt to US\$106.4 million, relative to net debt of US\$22.0 million in the previous financial year.

AISC has increased marginally to US\$1,354/oz (2023: restated US\$1,309/oz), resulting in an AISC margin of 32.8% (2023: 27.7%) earned on the average 2024 financial year gold price of US\$2,015/oz (2023: US\$1,811/oz).

Cash holdings declined to US\$26.3 million (2023: US\$34.8 million) due to project-specific capital expenditure, while net cash from operating activities declined to US\$90.8 million (2023: US\$100.1 million) as a result of the payment of increased income tax and finance costs.

Liquidity remains healthy, with access to immediately available cash and undrawn facilities at financial year-end of US\$95.0 million (2023: US\$84.7 million).

These outstanding results are largely attributable to Pan African's culture of strict capital allocation discipline and circumspect investment decisions.

OPERATIONAL PERFORMANCE, OPTIMISATION INITIATIVES AND GROWTH PROJECTS

The Group produced 186,039oz (2023: 175,209oz) of gold for the current reporting period, in line with the revised production guidance. The gold production split per operation is as follows:

oz	Year ended 30 June 2024	Year ended 30 June 2023
Fairview Mine	44,325	38,849
Sheba and Consort Mines	27,145	25,737
BTRP	18,888	19,875
Elikhulu	54,812	50,573
Evander Mines	40,869	40,175
Total ounces produced	186,039	175,209

Barberton Mines

These flagship high-grade underground mines are established operations with a capacity to produce approximately 80,000oz of gold per year, with an excellent long-term safety record. Significant progress has been made in enhancing mining flexibility through several strategic initiatives in recent years, including:

- Targeted development at Fairview Mine, resulting in the establishment of multiple high-grade mining platforms on the Main Reef Complex (MRC) and Rossiter orebodies
- Transition to continuous operations at Fairview's and Sheba's operations has led to an increase in mined tonnages and grades, thereby improving mining efficiencies and reducing operating costs
  - The continuous operating cycle implemented at Fairview and Sheba Mines during the previous financial year has also seen a 27% reduction in lower-grade surface sources treated during the reporting period
  - Improved run-of-mine (RoM) volumes, with gold production increasing by 13.5% to 65,580oz (2023: 57,778oz) and tonnes milled increasing by 3.9% to 255,981t (2023: 246,463t).

At Fairview and Sheba Mines, mining operations are being constructed on the 258, 259 and 260 Platforms within the high-grade MRC orebody. The 261 Platform intersected the reef in May 2024, with grades of approximately 27g/t – being higher than expected. Optimisation of the Rossiter Reef mining methodology has led to improved production, reducing dilution and improving ore grades, enabling Rossiter ore to supplement production from the MRC orebody. Progress is ongoing on projects aimed at further improving hoisting time and reducing logistical constraints in the 3 Decline.

Exploration remains focused on the down-dip extensions of existing orebodies, specifically the MRC and Rossiter orebodies.

At Consort Mine, geotechnical challenges encountered on 42 and 43 Levels in the Prince Consort (PC) Shaft restricted the mining contractor's access to the higher-grade areas on these and lower levels, with the following initiatives underway:

- The PC Shaft's rehabilitation works are progressing well, while cement pumping into the shaft lining continues concurrently
- Crews have commenced mining within the Main Muiden Reef (MMR) Shaft 17 Level and PC Shaft 33 Level with further equipping in progress. Raise development and equipping activities within the MMR section remain on track to increase RoM tonnage in the coming months.

While these issues are being resolved, a revised mine plan has been implemented to access lower-grade mining areas on 17 and 37 Levels which is expected to enhance operational performance during the first half of the 2025 financial year.

The BTRP produced 18,888oz (2023: 19,875oz) for the 2024 financial year, at an AISC of US\$669/oz (2023: restated US\$721/oz). Although a reduced 828,392t of tailings material (2023: 921,753t) was processed, the BTRP achieved an improved overall recovery rate of 52.8% (2023: 47.3%), with a recovered grade of 0.71g/t (2023: 0.67g/t). Additional feed sources, including historical tailings material from the Fairview top area and other low-grade tailings material from the Fairview solar plant site, supplemented feed to this plant.



Following an internal project to reassess feedstock sources for the BTRP, the final drilling and metallurgical test work results were retrieved from the Bramber dormant tailings storage facility (TSF), post the closure of the current reporting period. These Mineral Resources will increase the life-of-mine of the BTRP from the current two years to seven years.

- The Bramber dormant TSF contains 6Mt of previously treated BTRP and Fairview Mine residue at an average grade of 1.0g/t
- The BTRP has deposited its residues on this Bramber dormant footprint since inception in 2013. In November 2017, a regrind mill was added to the slurry receiving section and, in the 2023 calendar year, phase 2 of the Aachen Assisted Leach (AAL) reactor was commissioned
- The impact on expected gold recoveries following the addition of the regrind mill and AAL, post the inception of the BTRP, was used to test the Bramber dormant mine residue
  - Metallurgical test work indicates that recoveries of between 18% and 27% of the remaining gold content in this resource are achievable
  - Utilising the 90th percentile of the recoveries achieved (25% recovery) in the financial model, this source of tailings material will extend the BTRP's tailings feed life from two to seven years, producing approximately 11,000oz per year at an average real AISC of US\$1,485/oz.

This tailings feedstock mitigates the need to process RoM material from the Sheba Fault project in the near term and enables Pan African to focus on the decline development in the Sheba Fault project to access the high-grade Mineral Reserves which will have a positive impact on Barberton Mines' production in the medium term and longer term.

Elikhulu

This flagship tailings retreatment operation, commissioned in 2018, remains one of the lowest-cost gold mining operations in Southern Africa and is a testament to Pan African's ability to conceptualise, plan and construct substantial growth projects ahead of schedule and within budget. In 2024, it produced 54,812oz (2023: 50,573oz) at an AISC of US\$1,034/oz (2023: restated US\$989/oz).

Evander Mines

Development of 8 Shaft's 24 and 25 Levels is progressing well:

- Ramped-up mining operations on 24 Level are continuing
- Production in 2024 increased marginally to 40,869oz (2023: 40,175oz), adversely impacted by a delay in commissioning the subvertical hoisting shaft in the last two months of the year
- Significant capital expenditure has been invested in these mining levels to improve and optimise infrastructure and to ensure sustainable production of approximately 65,000oz annually over the mine's life, currently estimated at 11 years
- The newly commissioned 24 Level refrigeration plant will provide chilled water to a bulk air cooler on 24 Level, with a nominal cooling capacity of 3.5MW to create improved working conditions on 24 and 25 Levels
- Development of the existing 24 Level footwall infrastructure to access 25 Level, through an on-reef decline layout, is planned to commence in the 2025 financial year.

The **Egoli project at Evander Mines' 7 Shaft** is a stand-alone underground operation which will utilise existing mining and metallurgical infrastructure, including 7 Shaft's hoisting systems and processing facilities at Kinross' metallurgical plant.

- Egoli will be accessed directly from 7 Shaft's 15 Level using existing declines to 19 Level, where a new on-reef decline will be established to access the orebody to 23 Level
- All the required permits for the Egoli project, including Evander Mines' mining right, being valid until 2038, have been approved
- Leveraging existing infrastructure, Egoli can increase Evander Mines' production profile with relatively low capital costs and within a relatively short time frame. Egoli's first phase development involved dewatering the 3 Decline infrastructure to 19 Level, which was completed in the 2024 financial year
- The second phase includes establishing a drilling platform on 19 Level, in the first quarter of the 2025 financial year, from which long-inclined boreholes will be drilled to accurately define short-term grade variability and geological structures.

MTR project

Exceptional progress has been made with the **MTR plant's** construction, which is nearing its final stages. Plant commissioning and first gold production are 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.

During the current construction phase, the MTR project has over 1,000 workers on site, of which some 95% are from the local communities, while a number of local businesses (small and medium enterprises) have been involved in the supply chain. A small enterprise supplier development programme is in the planning stages to develop local suppliers for the MTR project operation.

In March 2024, we updated the MTR project's definite feasibility study financial model with the latest operating cost and production estimates, the forecast US\$/ZAR exchange rate and the gold price.

Input parameters	Original model output	Revised model output
US\$/ZAR exchange rate	US\$/ZAR:15.50	US\$/ZAR:19.00
Gold price – US\$	US\$1,750/oz	US\$2,200/oz
Payback – US\$135 million	3.5 years	2 years

Group TSFs

TSF failures in the mining industry have underscored the need for enhanced safety and regulatory measures. In response, Pan African has taken a proactive approach to benchmarking its TSF management to global standards. Pan African has committed to the Principles for Responsible Investment with the intention that all its tailings facilities adhere to the Global Industry Standard on Tailings Management (GISTM) within the context of principle 4.7 also known as the ALARP (as low as reasonably practicable) principle. The Group has assessed its TSFs and adherence to the ALARP principle in the GISTM. The assessment was completed in June 2024, and the findings are currently under review.

Phase 2 of the expanded Elikhulu TSF was completed on time and within budget in January 2024, and construction is currently underway for phases 3 and 4, constituting the final stages of Elikhulu's TSF extension and ensuring adequate capacity for the Group's future remining operations, including residues from Evander Mines' underground operations.

Gold exploration programme in Sudan

During August 2023, the Group's expatriate workforce returned to Sudan to recommence exploration activities.

Work programmes focused on stream sediment sampling, soil sampling and trench sampling on the Kishi and Turkish Ridge targets in Block 12A North and the Sataib target in Block 12A South, as previously reported. The results from these sampling exercises identified target areas for follow-up investigations in Blocks 12A North and South, which are currently in progress. No Mineral Resources or Mineral Reserves are currently reported for any of the targets identified.

The Group continues to monitor and evaluate the in-country security and risk situation.

## SUCCESSFULLY DEALING WITH COST PRESSURES

The Group's AISC<sup>⚡</sup> per ounce has increased by 3.4% to US\$1,354/oz (2023: restated US\$1,309/oz), only marginally above the guidance for 2024 of between US\$1,325/oz to US\$1,350/oz. An AISC<sup>⚡</sup> of US\$1,170/oz (2023: restated US\$1,132/oz) was achieved at our low-cost operations, which account for more than 84% (2023: 82%) of annual production. These low-cost operations exclude Sheba Mine and Consort Mine and the now discontinued Evander Mines surface sources operations.

Our efforts to contain cost increases continue, and some of these initiatives include:

- A focus on low-cost surface retreatment operations
- Initiatives to increase gold production from underground operations, reducing unit costs of production
- Reinforcing a culture of cost consciousness

- Savings amounting to US\$2.2 million (2023: US\$1.9 million) arising from our extensive use of renewable energy generated by Evander Mines' solar plant, which will further increase once the recently constructed Fairview solar facility is fully commissioned
- Concluding a five-year wage agreement to 1 June 2029 for increases of about 5.3% a year with the National Union of Mineworkers at Barberton Mines. The current five-year wage agreement with the United Association of South Africa, the other representative union at Barberton Mines, for an increase of 5% or Consumer Price Index, whichever is higher, capped at 6%, is still valid until 30 June 2026.

Our AISC guidance for 2025 is between US\$1,350/oz and US\$1,400/oz (assuming an exchange rate of US\$/ZAR:18.50), and we continue to monitor our progress very closely as this is critical in a mining industry experiencing cost increases above inflation.

## GOLD PRICE HEDGING

The Group's senior debt facilities provide for gold price hedging on a rolling two-year basis, with the intent of guaranteeing cash flow (available for debt service) of ZAR300 million (US\$16.2 million<sup>1</sup>) to reduce the Group's exposure to adverse movements in the rand gold price.

The Group has entered into the following gold price hedges:

- Synthetic gold forward sale transaction: An obligation to sell 4,846oz of gold per month, for 24 months commencing in March 2023, at a fixed price of ZAR1,025,000/kg (US\$1,723/oz<sup>1</sup>), for which the Group received an upfront premium of US\$21.6 million<sup>1</sup> (ZAR400 million). The effective price at which the Group sold the 3,617kg of gold, over the 24 months, is ZAR1,135,604/kg (US\$1,909/oz<sup>1</sup>). The final settlement on this transaction occurs on 28 February 2025.
- Zero-cost collars – 2025 financial year:

Term	July 2023 to December 2023	July 2023 to December 2023
Notional quantity	1,991oz per month	12,577oz per month
Total notional quantity	15,928oz	50,308oz
Cap price	ZAR1,663,477/kg US\$2,844/oz <sup>2</sup>	ZAR1,839,663/kg US\$3,146/oz <sup>2</sup>
Floor price	ZAR1,250,000/kg US\$2,137/oz <sup>2</sup>	ZAR1,250,000/kg US\$2,137/oz <sup>2</sup>

<sup>1</sup> Converted at an exchange rate of US\$/ZAR:18.50.

<sup>2</sup> Converted at an exchange rate of US\$/ZAR:18.19.

## GROUP CAPITAL EXPENDITURE BUDGET

The Group continues to invest in its assets and growth projects to ensure sustainability and generate attractive shareholder returns and value for our stakeholders. The capital budget for the 2025 financial year is:

Operation	Sustaining capital <sup>⚡</sup> US\$ million <sup>1</sup>	Expansion capital <sup>⚡</sup> US\$ million <sup>1</sup>
Barberton Mines	12.9	11.5
Elikhulu	2.0	4.5
Evander Mines	–	39.9
MTR project – final plant construction costs	–	51.9
<b>Total</b>	<b>14.9</b>	<b>107.8</b>

<sup>1</sup> Budgeted capital converted to US\$ at an exchange rate of US\$/ZAR:18.50.

## MINERAL RESOURCES AND MINERAL RESERVES

Pan African has one of the industry's best track records for grade consistency. The Group's estimated Mineral Resources of 41.18Moz and Mineral Reserves of 12.64Moz at 30 June 2024, in compliance with Table 1 of the SAMREC Code, are summarised as follows:

	Gold Mineral Resources				Gold Mineral Reserves			
	Tonnes Mt	Grade g/t	Gold t	Gold Moz	Tonnes Mt	Grade g/t	Gold t	Gold Moz
Barberton Mines hard rock	13.8	6.2	86.0	2.8	5.8	5.9	33.8	1.1
BTRP and stockpiles	20.7	1.1	23.0	0.7	3.6	1.6	5.9	0.2
Elikhulu	155.4	0.3	41.5	1.3	130.6	0.3	34.7	1.1
Evander Mines underground	123.1	8.5	1,051.8	33.8	31.1	8.2	254.1	8.2
MTR project	259.8	0.3	78.5	2.5	227.7	0.3	64.6	2.1
<b>Total – 2024</b>	<b>572.8</b>	<b>2.2</b>	<b>1,280.9</b>	<b>41.1</b>	<b>398.8</b>	<b>0.9</b>	<b>393.2</b>	<b>12.6</b>
<b>Total – 2023</b>	<b>581.0</b>	<b>2.2</b>	<b>1,259.8</b>	<b>40.5</b>	<b>408.3</b>	<b>0.9</b>	<b>398.4</b>	<b>12.8</b>

Pan African's long-life assets and organic growth potential are underpinned as follows:

- Barberton Mines' Fairview Mine, with a remaining life-of-mine of 20 years
- Consort Mine and the BTRP, with remaining mine lives of nine and two years extended to seven years (tailings only), respectively. Once the BTRP's tailings resources are depleted, it is planned to convert the plant to process hard rock feedstock from the Sheba Fault project, comprising the Western Cross and Royal Sheba orebodies, which has a current estimated life-of-mine of nine years, with the orebodies open at depth
- Elikhulu, the Group's flagship tailings retreatment operation in Evander, has a remaining life-of-mine of nine years
- Evander Mines' 8 Shaft operation has a remaining life-of-mine of 11 years (8 Shaft pillar and 24, 25 and 26 Levels), excluding the Egoli project
- The MTR project's TSF resources have a modelled 21-year life-of-mine, which includes both the Mogale and Soweto Clusters.

Mineral Reserves increase were recorded for Barberton Mines' Consort Mine and Evander Mines' 8 Shaft. Marginal decreases, mainly due to mining depletion, were recorded at the BTRP, Fairview and Sheba operations at Barberton Mines, as well as at Elikhulu.

Pan African's full Mineral Resources and Mineral Reserves report is available on our website at

 <https://www.panafricanresources.com/operations-at-a-glance-2/mineral-resource-mineral-reserve-2/>

## ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE

Pan African continues to focus on its 'beyond compliance' ESG approach. The Group acknowledges the importance of protecting the environment and preserving its social licence to operate by delivering long-term and sustainable value creation.

Our sustainability performance in reducing our environmental footprint and positively impacting our social landscape is detailed in our annual sustainable development and climate change reports. The Group has invested in development projects and initiatives that have impacted our business' sustainability and community stakeholders in a positive manner. These initiatives include energy management and climate change, water management, biodiversity and conservation, education and health infrastructure, skills development, youth and women employment and health and wellness programmes.

### Environment

#### Renewable energy

Pan African's renewable energy strategy is critical in achieving our sustainability targets and measurably reducing the Group's carbon emissions in the long term, while stabilising the electricity supply to our operations and realising cost savings that will continually assist in lowering our real overall AISC<sup>®</sup>. Our progress during the current reporting period includes:

- steady-state renewable solar energy generation at Evander Mines' 9.9MW solar plant, commissioned in May 2022, which provided 24.6GWh (2023: 23.8GWh) of renewable energy for the 2024 financial year, generating approximately 30% of Elikhulu's energy requirements while saving approximately US\$2.2 million (2023: US\$1.9 million) in annual electricity costs at current tariffs
- completed construction of Barberton Mines' 8.75MW solar plant in June 2024, which is expected to deliver cost savings of approximately US\$1.4 million in year one, with an average saving of US\$2.2 million per year over the life of the plants life
- the power purchase agreement with Sturdee Energy was renewed for the off-site provision of 40MW wheeled renewable energy. Ground clearing for construction of the facility has commenced with first power expected during 2026

- feasibility studies for a 20MW capacity solar plant at the MTR project and a 10MW solar plant expansion at Evander Mines are being concluded.

The Group achieved a renewable electricity mix of 6.2%, compared to the 7% sustainability-linked bond benchmark. This is lower than the benchmark due to a short delay in the commissioning of our Fairview solar plant and an increase in our greenhouse gas (GHG) boundary. The Fairview solar plant commenced electricity generation in August 2024, and we are now on track to meeting our future renewable energy targets.

As part of our commitment to increasing the percentage of renewable energy in our overall energy mix, we are committed to achieving a 15% renewable energy mix by 2027, in compliance with our sustainability-linked bond finance framework. However, our ambitious target is 39% by 2030 and 50% by 2050, conditional on a material expansion of our renewable energy initiatives in pursuit of our decarbonisation strategy.

The Group is also actively investigating opportunities to secure renewable energy power purchase agreements from wind energy, hydropower and battery storage solution providers in order to reduce our power dependency on Eskom and their increasing tariff regime.

#### Water

Evander Mines' water treatment plant, commissioned in March 2023, resulted in significant cost savings and a reduction in water withdrawals from municipal sources, thereby reducing our environmental footprint.

The reverse osmosis water treatment plant:

- provides 3ML of potable water per day to the Elikhulu processing plant and Evander Mines' 8 Shaft underground infrastructure, with plans to expand the facility in the short term
- supports the local municipality's efforts in ensuring an adequate water supply to its expanding network of users in the area
- will deliver expected estimated annual savings of US\$0.5 million for the Group.

Additional feasibility studies are underway at Barberton Mines and the MTR project to assess whether the Group can further enhance its water sustainability performance.

#### Biodiversity and land rehabilitation

Pan African contributes to programmes aimed at promoting biodiversity and conservation. It continued its collaboration with the Mpumalanga Tourism and Parks Agency for the preservation of biodiversity in the Barberton Nature Reserve and the annual sponsorship of rhino orphans at the Care for Wild Rhino Sanctuary.

#### Care for Wild Rhino Sanctuary

Our ongoing rehabilitation of land during 2024 extended to an additional 85ha of land previously disturbed by mining at Barberton Mines (2023: 23.03ha). Barberton Mines' and Evander Mines' rehabilitation liabilities of US\$9.3 million are fully funded.

Besides extracting gold at attractive margins, tailings reprocessing assists in rehabilitating mining sites to reduce water and air pollution. Pan African plans to address the legacy of environmental pollution at the MTR project by rehabilitating the mining area and returning the land to a state where it can be used for agriculture, solar power farms or housing projects. The MTR project's closure rehabilitation liabilities of US\$10.2 million (2023: US\$8.4 million) will be funded over the project's life.

At the MTR project, significant progress has already been achieved in this regard:

- Wetland rehabilitation activities were completed on 36.5ha, with historical slime spillages removed
- Roads and berms transecting the wetland were cleared, the surface area was profiled and the wetland area was reseeded and revegetated
- Local community members were provided with skills training to identify and remove alien invasive plants on an initial 80ha around the MTR project's TSFs. These community members were then formally certified for the removal of alien invasive plants, empowering them to start their own businesses in this field.

#### Social

During construction of our **Fairview solar** plant, we employed a total of 235 workers, with 190 unskilled workers from the local communities engaged in roles such as construction labour and 45 skilled workers in roles such as engineering and project management.

While the nature of renewable energy projects invariably results in the workforce decreasing post-construction, we were able to retain 11 workers on a permanent basis for the continued operation of the solar plant. The remainder of the contractors benefited from the skills transfer to assist in securing alternative employment opportunities.

While the procurement of large renewable energy projects is often based on a global value chain, we are committed to promoting local content. This approach not only supports the Just Energy Transition (JET) Framework and skills transfer but also ensures that the benefits of these projects are impactful at a local level. As a result, almost 70% of the project's total spend was local content, equivalent to an estimated spend of ZAR171.6 million (US\$9.2 million) on local suppliers.

Pan African has secured dedicated funding of ZAR2.5 billion to construct the MTR plant, which is one of the most significant investments by a single South African company in recent times in the Mogale area, and a major boost to employment and small businesses. Pan African has a commendable track record of establishing sustainable development projects in the areas in which we operate, resulting in improved living standards for the surrounding communities. Of the 1,000 employees currently employed for the MTR project's construction phase, approximately 95% are from the local communities, as will be most of the approximately 400 future permanent staff.

During the year, we invested US\$2.5 million (2023: US\$1.9 million) in corporate social investment and local economic development initiatives and bursaries, including the following:


- The **Barberton Blueberries** project delivered its second commercial harvest of 220t of blueberries, of which 150t are exported. The project employs 25 permanent staff and provides up to 276 seasonal jobs
- Health and wellness initiatives facilitated by dedicated healthcare professionals and nutrition programmes:
  - The **running club** at Barberton Mines, with its professional coaches, encourages the fitness and well-being of employees and community members
- Barberton Mines initiated a five-year high school **scholarship development programme** in January 2022, granting full scholarships to 25 high-achieving learners from local communities in need of financial assistance

- Evander Mines completed the building of the computer and science laboratories at the Thomas Nhlabathi High School and Thistle Grove Combined School, benefiting over 1,000 learners. The facilities were handed over to the Department of Basic Education as part of our **school infrastructure** Social and Labour Plan commitments.

## Corporate governance

Our 'beyond compliance' approach to corporate governance remains the cornerstone of our sustainability approach amid evolving ESG regulations and standards. Our progress is monitored through external assurance. To enhance the governance of our tailings facilities, we have appointed an independent tailings review board consisting of members from independent, credible tailings consultancies, as required by the GiSTM requirements.

Our sustainable development report, containing details of our ESG initiatives and compliance, and our climate change report, providing our stakeholders with visibility of our approach to managing climate-related risks and opportunities, are available on our website at

 <https://www.panafricanresources.com/investors/gri-and-sustainability/>

## SAFETY

The Group's emphasis on safety consciousness and ongoing initiatives to enhance its safety performance contributed to significant improvements in its already industry-leading safety statistics across all operations with highlights as follows:

- The total recordable injury frequency rate (TRIFR) reduced to 6.52 per million man hours (2023: 7.96)
- The lost-time injury frequency rate improved to 1.82 per million man hours (2023: 1.86)
- The reportable injury frequency rate improved to 0.78 per million man hours (2023: 0.81).

The Group regrettably experienced one fatality during the 2024 financial year (2023: one). We wish to again express our condolences to the family, friends and co-workers of our colleague who was fatally injured in an accident at Elikhulu on 1 February 2024.

Pan African remains steadfast in its resolve to achieve a zero-harm working environment in the coming years.

## OUR STAKEHOLDERS

We are conscious that Pan African does not operate in isolation and we will therefore continue our involvement in the communities where we operate through dedicated stakeholder engagement forums. We are grateful that we experienced no significant labour or community protest actions which we attribute to the strong, mutually respectful relationships we have with our staff and their unions, as well as the effectiveness of our proactive community engagement structures and initiatives.

Our community involvement in the Mogale and Soweto areas is already highly impactful, through the creation of direct employment opportunities, environmental remediation and restoration, small business development and training programmes, as well as efforts to eradicate illegal mining.

## OUTLOOK AND PROSPECTS

Our primary focus for the short term is safely delivering into our production guidance and successfully executing capital projects that will sustain and increase future gold production. In particular, we are:

- monitoring the Group's initiatives intended to further reduce costs and increase underground production at Evander Mines
- executing capital projects designed to sustain and increase future gold production to approximately 250,000oz per year and ensuring adequate liquidity to fund the Group's capital programmes
- managing debt levels as the MTR project's capital expenditure is funded
- continuing to progress the Group's ESG initiatives
- maintaining the focus on generating sustainable shareholder returns with the prospect of increased dividends as the Group de-gears in the next year
- exploring local and international growth opportunities in a responsible and circumspect manner.

## APPRECIATION

I appreciate the commitment of our motivated leadership and dedicated staff and contractors. In particular, I want to thank Deon Louw for his valuable contribution to the team over the past almost 10 years and wish him the best in his retirement.

I am grateful for the steadfast support and guidance from our trusted board in managing challenges and preparing for the exciting broadening of our horizons in the future.

## FINANCIAL PERFORMANCE

### Exchange rates and their impact on results

During the current reporting period, the average US\$/ZAR exchange rate was US\$/ZAR:18.71 (2023: US\$/ZAR:17.77) and the closing US\$/ZAR exchange rate at 30 June 2024 was US\$/ZAR:18.19 (2023: US\$/ZAR:18.83). The year-on-year depreciation in the average exchange rate of 5.3% and the appreciation of the closing exchange rate by 3.4%, respectively, must be considered when comparing period-on-period results.

The commentary below analyses the current reporting period's and previous financial year's results in US\$, with pertinent rand figures disclosed in the body of this commentary.

### Analysing the Group's financial performance

#### Revenue

Revenue increased due to gold sold increasing by 4.9% to 184,885oz (2023: 176,216oz) and the average US\$ gold price received increasing by 11.3% to US\$2,015/oz (2023: restated US\$1,811/oz).

### Cost of production

Production costs are incurred in rand, the functional currency of the Group's main operating entities, with translations to US\$ impacted by the average US\$/ZAR exchange rate which depreciated by 5.3% relative to the previous financial year. The Group's production costs increased in US\$ terms by 11.2%.

- Mining and processing costs: Increases are largely attributable to an increase in mining and contractor costs, following the implementation of a contractor mining model at Consort Mine, inflation-related cost increases as well as an increase in underground tonnes milled
- Salaries and wages: The Group's average annual salary increase was approximately 6%, with increases, in excess of the annual increase, attributable to an increase in Barberton Mines' employee headcount, which increased by 7.6% following the implementation of continuous operations
- Electricity costs increased, following a 13.9% regulatory increase and higher electricity consumption at Evander Mines, due to an increase in underground milled tonnes. These increases were partially offset by a reduction in electricity usage due to a decrease in surface source tonnes processed at Evander Mines, as well as electricity savings through tailings dam pump optimisation initiatives at the BTRP

- Engineering and technical costs increased due to inflation-related cost increases, repairs and maintenance on shaft winders, compressors and conveyor belts and a decline in costs capitalised to Evander Mines' 24 Level project, relative to the prior financial year. The increase was also attributable to higher engineering costs after the implementation of continuous operations at Barberton Mines, kiln repairs and upgrades to Elikhulu's carbon-in-leach plant.

The impact of these increases resulted in the gross profit margin increasing to 35.11% (2023: restated 31.4%), year-on-year.

Adjusted EBITDA increased to US\$141.2 million, and the EBITDA margin increased to 37.8% (2023: restated 36.0%), following a US\$53.9 million revenue increase and a US\$22.3 million increase in production costs.

### Depreciation and amortisation

The depreciation and amortisation charge increased by 4.14%, primarily due to the 6.2% increase in gold production, as this charge is calculated based on actual RoM production relative to RoM mining tonnes contained in the respective operations' Mineral Reserves.

Additionally, the 5.3% depreciation in the average US\$/ZAR exchange rate, relative to the previous financial year, offset the increase in depreciation in US\$ terms, to some extent. In rand terms, depreciation increased by 9.7%.

### Finance costs

Finance costs increased by US\$1.5 million largely due to an increase in the Group's borrowings to fund its capital expenditure programmes. Specifically, finance costs on the Group's borrowings increased by US\$5.2 million to US\$11.6 million (2023: US\$6.4 million), of which borrowing costs of US\$3.8 million have been capitalised to the MTR project.

### Tax

The income tax expense for the current reporting period gave rise to an effective tax rate of 27.9%, which is marginally lower than the previous financial year's restated rate of 28.9%. The 25.6% year-on-year increase in the Group's income tax expense is primarily attributable to the tax charge increasing to US\$12.5 million (2023: restated US\$5.5 million), following an increase in the Group's taxable profit. The deferred tax expense decreased to US\$18.0 million (2023: restated US\$19.0 million).



EPS and HEPS

EPS increased to US 4.14 cents per share (2023:US 3.18 cents per share), and HEPS also increased to US 4.15 cents per share (2023: US 3.14 cents per share), relative to the previous financial year.

EPS and HEPS are calculated by applying the Group's weighted average number of shares of 1,916.5 million shares outstanding (2023: 1,916.5 million shares) to attributable earnings and headline earnings.

Assets

Capital expenditure on property, plant and equipment amounted to US\$172.4 million (2023: US\$113.0 million), which included sustaining capital expenditure of US\$13.8 million (2023: US\$20.2 million) and expansion capital expenditure of US\$158.6 million (2023: US\$92.8 million). The increased capital expenditure related mainly to the MTR project's construction and Evander Mines' 24 to 25 Level project, offset by depreciation of US\$21.2 million (2023: US\$20.8 million) and a net foreign currency translation reserve gain of US\$18.1 million (2023: US\$52.8 million (loss)).

Equity

The Group's net assets increased to US\$364.1 million (2023: US\$291.9 million). Equity increased by the profit for the period, offset by:

- the net dividend payments to shareholders of US\$18.3 million (2023: US\$20.0 million), which related to the 2023 and 2022 financial years, respectively
- a comprehensive gain of US\$11.7 million (2023: US\$40.8 million (loss)), attributable to the recognition of a foreign translation gain of US\$11.7 million (2023: US\$41.0 million (loss)), as a consequence of the closing exchange rate appreciating from US\$/ZAR:18.83 to US\$/ZAR:18.19 at the financial year-ends.

Liabilities

The environmental rehabilitation liability increased by US\$3.5 million, mainly as a result of a US\$1.6 million (2023:US\$0.1 million) increase in the liability due to a decrease in the risk-free rate used in the calculation, as well as a US\$1.5 million (2023: US\$1.3 million) increase associated with the unwinding of the obligation.

Borrowings increased to US\$127.8 million (2023: US\$53.4 million), which is attributable to the expansionary capital expenditure on the MTR project and Evander Mines' 24 Level project.

The Group is obligated to redeem principal debt of US\$7.4 million during the 2025 financial year.

The contract liability relates to the upfront consideration of US\$21.6 million, received in March 2023, from the synthetic gold forward sale transaction. This liability is recognised as revenue over a 24-month period and has decreased to US\$7.3 million (2023: US\$17.7 million).

The share-based payment obligations increased as a result of an increase in the number of cash-settled share options issued, coupled with an increase in the Group's share price.

Capital structure and financing arrangements

Pan African raised a green loan facility of US\$19.1 million during June 2024 to fund its renewable energy projects and further strengthen its liquidity position.

The sustainability-linked bond, revolving credit facility (RCF), green loan and term loan facility are tied to specific sustainability-linked key performance indicators, independently verified annually, over a seven-year period. An improvement in these metrics will result in a reduction of the interest rates levied by these instruments.

Cash flows

While net cash from operating activities before dividend, tax, royalties and net finance costs increased by US\$1.4 million to US\$134.3 million (2023: US\$132.9 million), consistent with the improved operational performance, cash from operating activities decreased by US\$9.4 million mainly as a result of:

- income tax paid increasing by US\$6.5 million to US\$13.0 million (2023: US\$6.5 million) finance costs paid increasing by US\$5.3 million to US\$11.6 million (2023: US\$6.3 million),
- a reduction of US\$1.7 million in net dividends paid of US\$18.3 million (2023: US\$20.0 million).
- the 2023 financial year's cash flows benefitting from the inclusion of the synthetic forward gold sale transaction's upfront proceeds of US\$21.6 million

Cash used in investing activities includes capital expenditure on property, plant and equipment of US\$166.2 million (2023: US\$112.7 million).

Cash from financing activities includes proceeds from borrowings of US\$114.2 million (2023: US\$94.7 million), partially offset by the repayment of senior debt facilities of US\$42.9 million (2023: US\$69.3 million).

Pan African has sufficient liquidity at the end of the financial year with access to cash and undrawn facilities of US\$95.1 million (2023: US\$84.6 million).

DIVIDENDS

Proposed dividend for the financial year ended 30 June 2024

The board has proposed a final dividend of ZAR489.0 million for the 2024 financial year (approximately US\$26.8 million), equal to ZA 22.00000 cents per share or approximately US 1.20946 cents per share (0.95611 pence per share). On 10 June 2024 the Company held an AGM for shareholders to approval a capital reduction which enabled the Company to continue paying future dividends and address the payment of certain past distributions by the Company. Further detail is contained in the circular relating to that general meeting which is available on the Company's website. The capital reduction became effective on 18 July 2024 and hence the final dividend for the year is required to be declared on interim accounts (as defined in section 838 of the United Kingdom (UK) Companies Act 2006 (Companies Act 2006) as at 31 July 2024 to ensure compliance with section 831 of the Companies Act 2006 and the net asset value test for dividend distribution (refer below). The financial results as at 31 July 2024 (which can be found on the Company's website at <https://www.panafricanresources.com>) include the effect of the capital reduction. The final dividend is subject to approval by shareholders at the AGM, which is convened for 21 November 2024.

The dividend is subject to approval by shareholders at the AGM, which is to be convened on Thursday, 21 November 2024.

In light of the robust current reporting period results, the board has applied its discretion and has proposed a dividend in excess of the Company's dividend policy guidelines, as detailed below.

Assuming shareholders approve the final dividend, the following salient dates would apply:

Annual general meeting	Thursday, 21 November 2024
Currency conversion date	Thursday, 21 November 2024
Currency conversion announcement released by 11:00 (South African time)	Friday, 22 November 2024
Last date to trade on the JSE	Tuesday, 26 November 2024
Last date to trade on the LSE	Wednesday, 27 November 2024
Ex-dividend date on the JSE	Wednesday, 27 November 2024
Ex-dividend date on the LSE	Thursday, 28 November 2024
Record date on the JSE and LSE	Friday, 29 November 2024
Payment date	Tuesday, 10 December 2024

The British pound (GBP) and US\$ proposed final dividend were calculated based on a total of 2,222,862,046 shares in issue and an illustrative exchange rate of US\$/ZAR: 18.19 and GBP/ZAR: 23.01, respectively.

No transfers between the Johannesburg and London registers, between the commencement of trading on Wednesday, 27 November 2024 and close of business on Friday, 29 November 2024, will be permitted.

No shares may be dematerialised or rematerialised between Wednesday, 27 November 2024 and Friday, 29 November 2024, both days inclusive.

The South African dividend tax rate is 20% per ordinary share for shareholders who are liable to pay dividend tax, resulting in a net dividend of ZA17.60000 cents per share for these shareholders. Foreign investors may qualify for a lower dividend tax rate, subject to completion of a dividend taxation declaration and submission to Computershare Investor Services Proprietary Limited or Link Group, who manage the South African and UK registers, respectively. The Company's South African income taxation reference number is 9154588173. The proposed dividend will be paid out of the Company's retained earnings without drawing on any other capital reserves.

### Dividend policy

Pan African aspires to pay a regular dividend to its shareholders, and in balancing this cash return to shareholders with the Group's strategy of generic and acquisitive growth, Pan African believes a target payout ratio of 40% to 50% of net cash generated from operating activities, after providing for the cash flow impact of capital expenditure (reduced by externally funded capital), contractual debt repayments and the cash flow impact of once-off items (discretionary and cash flow), is appropriate. This measure aligns dividend distributions with the cash generation potential of the business. In proposing a dividend, the board will also take into account the Company's financial position, prospects, satisfactory solvency and liquidity assessments and other factors deemed by the board to be relevant at the time. The board, having applied its discretion, believes that a dividend slightly in excess of the dividend policy is justified for the 2024 financial year given the favourable gold price environment, robust 2024 cash flows and the encouraging prospects for the 2025 financial year.

The net proposed dividend constitutes a payout ratio of 53.2% of the Group's discretionary cash flows, as defined by its dividend policy. The payout ratio, in excess of the dividend policy guidelines, is indicative of the board's assessment of the sustainability of the operations and favourable prospects for the 2025 financial year. The proposed dividend equates to a dividend yield of 3.6% based on the 30 June 2024 closing share price of ZAR6.06 per share.

### Net asset value test for dividend distribution

During the reporting period, the board became aware that the net assets test required by section 831 of the Companies Act 2006 is required to be performed by the Company on presentation currency amounts (i.e. US\$) and not on functional currency amounts (i.e. rand). It came to the Company's attention that the foreign currency translation reserve does not form part of the Company's non-distributable reserves, despite not being realised, and as such cannot be included as non-distributable reserves when performing the net assets test. This means that dividends paid in respect of the reporting periods ended 30 June 2019, 2020, 2021, 2022 and 2023 (together relevant dividends) and the repurchase of ordinary shares (the share buy-backs) by the Company between 1 April and 9 May 2022 were made otherwise than in accordance with the requirements of the UK Companies Act of 2006.

The consequences of the relevant distributions (i.e. the Company's payment of each of the relevant dividends and the payments made in respect of the purchase of each of the share buy-backs) having been made otherwise than in accordance with the Companies Act 2006 were rectified by way of the cancellation of the Company's share premium account. That reduction of share premium was approved by the High Court of Justice on 2 July 2024 and took effect on 18 July 2024.

The Company has taken and continues to take the necessary steps to ensure adequate distributable income (and the ability of the Company to comply with the net assets test) in the future.

### DIRECTORSHIP CHANGES AND DEALINGS

No directorship changes took place during the current reporting period. The Group's financial director, Deon Louw, informed the Company of his intention to retire with effect from 30 September 2024. Marleen Kok will succeed Deon Louw as Group financial director and will be appointed to the Company's board of directors.

The following dealings in securities by directors took place during the current reporting period:

- Cobus Loots entered into the following Company share transactions:
  - On 10 October 2023: LTS Ventures Proprietary Limited, an entity associated with Cobus Loots, purchased 136,000 ordinary shares of 1 pence each

- On 14 May 2024: entered into a collar transaction for 3,007,222 ordinary shares of 1 pence each, purchased 711,744 ordinary shares at 1 pence each, and the advance of a loan of ZAR11,340,187.01 for a term of two years with 3,007,222 shares pledged as security for the loan and the dividend on these secured shares sacrificed for the loan's tenure
- On 28 June 2024: entered into a collar transaction for 500,000 ordinary shares of 1 pence each and the advance of a loan of ZAR2,085,932 for a term of two years with 500,000 shares pledged as security for the loan and the dividend on these secured shares sacrificed for the loan's tenure.

Cobus Loots held 5,896,248 indirect beneficial shares, representing 0.2653% of the Company's issued share capital, and 1,573,982 direct beneficial shares, representing 0.0708% of the Company's issued share capital, and 314,280 contracts for differences at 30 June 2024.

- Deon Louw entered into the following Company share transactions:
  - On 26 October 2023: purchased 134,748 ordinary shares of 1 pence each
  - On 10 May 2024: transferred 877,140 ordinary shares, from Figit Proprietary Limited, an entity associated with Mr Louw, into his own name, entered into a collar transaction for 2,728,254 ordinary shares of 1 pence each purchased 728,254 ordinary shares at 1 pence each, and the advance of a loan of ZAR11,262,492.85 for a term of one year with 2,728,254 shares pledged as security for the loan and the dividend on these secured shares sacrificed for the loan's tenure.

Deon Louw held 245,209 indirect beneficial shares, representing 0.0110% of the Company's issued share capital, and 4,728,254 direct beneficial shares, representing 0.2127% of the Company's issued share capital at 30 June 2024.

No dealings in the securities of the Company by the directors took place between the year-end and the authorisation date of the annual financial statements. None of the direct or indirect beneficial interests held by the directors in the share capital of the Company are subject to security, guarantee, collateral or otherwise.

### JSE LISTING

The Company has a dual primary listing on the JSE and the AIM of the London Stock Exchange (LSE), as well as a sponsored Level 1 American Depository Receipt (ADR) programme in the United States of America (USA) through the Bank of New York Mellon (BNY Mellon). This provisional summarised audited results announcement has been prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS Accounting Standards, the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Pronouncements as issued by the Financial Reporting Standards Council. It contains the minimum information as required by International Accounting Standard (IAS) 34. The accounting policies are in accordance with IFRS Accounting Standards and are consistent with those applied in the 2023 consolidated annual financial statements, with the exception of the change in accounting policy for revenue recognition.

The Group's external auditors, PricewaterhouseCoopers LLP (PwC), have issued their opinion on the consolidated annual financial statements for the year ended 30 June 2024. The audit of the consolidated annual financial statements was conducted in accordance with the International Standards on Auditing (UK). PwC has expressed an unmodified opinion on the consolidated annual financial statements. A copy of the audited annual financial statements and the audit report is available for inspection at the issuer's registered office. Any reference to future financial performance included in this provisional summarised audited results announcement has not been reviewed or reported on by the Group's external auditors.

This summarised report is extracted from audited information but is not itself audited. The directors take full responsibility for the preparation of the provisional report and declare that the financial information has been correctly extracted from the underlying annual financial statements.

The auditors' report does not report on the information contained in this announcement. Shareholders are therefore advised that, in order to obtain a full understanding of the nature of the auditors' engagement, they should obtain a copy of that report together with the accompanying financial information from the Company's registered office.



## SECONDARY LISTING ON THE A2X MARKET

Pan African's ordinary shares are also traded on the A2X Market (A2X) exchange (effective Monday, 13 December 2021, the A2X listing date).

Pan African will retain its primary listings on the AIM and the JSE and its Level 1 ADR programme in the USA. Its issued share capital has been unaffected by the secondary listing on the A2X and its ordinary shares are available to be traded on the AIM, JSE, ADR and A2X.

The A2X is a licensed stock exchange authorised to provide a secondary listing venue for companies and is regulated by the Financial Sector Conduct Authority and the South African Reserve Bank's Prudential Authority, in terms of the Financial Markets Act, 19 of 2012.

## AIM LISTING

The financial information for the year ended 30 June 2024 does not constitute statutory accounts as defined in sections 435(1) and 435(2) of the Companies Act 2006 but has been derived from those accounts. Statutory accounts for the year ended 30 June 2023 have been delivered to the Registrar of Companies and those for 2024 will be delivered following the Company's AGM. PwC, the external auditor registered in the UK, has reported on these accounts for the year ended 30 June 2024.

PwC's audit report for 30 June 2024 is unqualified, does not include a reference to any matters to which auditors draw attention by way of emphasis of matter, and does not contain a statement under sections 498(2) or 498(3) of the Companies Act 2006. These statutory accounts have been prepared in accordance with UK-adopted International Accounting Standards (UK-IAS) and with the requirements of the Companies Act 2006 applicable to companies reporting under those standards. The statutory accounts have also been prepared in accordance with IFRS Accounting Standards. As applied to the Group and Company, there are no material differences between UK-IAS and IFRS as issued by the IASB.

## ADR PROGRAMME

On 2 July 2020, Pan African established a sponsored Level 1 ADR programme on the over-the-counter (OTC) market in the USA, with BNY Mellon being the appointed depository.

Each depository receipt in the ADR programme represents 20 ordinary shares in Pan African and trades under the symbol PAFRY.

On 23 October 2020, to enhance the Company's visibility and provide better access to prospective USA retail investors, the ADR programme was upgraded and approved for listing on the OTCQX Best Market (OTCQX) in the USA. To qualify for trading on the OTCQX, which is the highest tier of the OTC market, Pan African has complied with the necessary requirements, including the required financial standards, corporate governance requirements and compliance with applicable securities laws. The Company's ordinary shares trade under the symbol PAFRF on the OTCQX.

## FORWARD-LOOKING INFORMATION

Any forward-looking information contained in this report is the sole responsibility of the directors and has not been reviewed or reported on by the Group's external auditors.

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 as it forms part of UK Domestic Law by virtue of the European Union (Withdrawal) Act 2018. Upon the publication of this announcement via the Regulatory News Service, this inside information is now considered to be in the public domain.

### Cobus Loots

Chief executive officer

11 September 2024



The BTRP metallurgical plant at Barberton Mines



# SUMMARISED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

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# SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2024

US\$ thousand	Notes	30 June 2024	Restated* 30 June 2023	Restated* 30 June 2022
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	17	567,588	395,247	355,802
Goodwill		16,685	16,117	18,642
Intangible assets – excluding goodwill		365	265	281
Deferred tax assets		631	428	2,074
Long-term inventory		12,263	12,120	189
Investment – other		3,373	–	1,127
Environmental rehabilitation obligation fund		24,773	21,627	23,024
<b>Total non-current assets</b>		<b>625,678</b>	<b>445,804</b>	<b>401,139</b>
<b>Current assets</b>				
Inventory		16,431	13,917	15,116
Trade and other receivables	18	15,175	8,462	9,323
Current tax assets		2,455	1,322	725
Loan receivable		–	–	271
Derivative financial asset	6	–	451	686
Cash and cash equivalents		26,332	34,771	26,993
<b>Total current assets</b>		<b>60,393</b>	<b>58,923</b>	<b>53,114</b>
<b>Total assets</b>		<b>686,071</b>	<b>504,727</b>	<b>454,253</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Capital and reserves</b>				
Share capital	9	38,002	38,002	38,002
Share premium		235,063	235,063	235,063
Retained earnings		364,657	303,190	262,247
Reserves		(272,505)	(283,772)	(242,956)
Equity attributable to owners of the Company		365,217	292,483	292,356
Non-controlling interests		(1,114)	(527)	(171)
<b>Total equity</b>		<b>364,103</b>	<b>291,956</b>	<b>292,185</b>
<b>Non-current liabilities</b>				
Environmental rehabilitation obligation		19,688	16,741	8,603
Borrowings	7	123,056	42,485	33,293
Lease liabilities		2,158	2,849	3,795
Contract liability	10	–	7,081	–
Financial liability		374	–	–
Share-based payment obligations		6,475	1,884	4,022
Deferred tax liabilities	19	85,353	64,345	53,366
<b>Total non-current liabilities</b>		<b>237,104</b>	<b>135,385</b>	<b>103,079</b>
<b>Current liabilities</b>				
Trade and other payables		66,388	52,072	50,224
Borrowings	7	4,729	10,868	1,319
Lease liabilities		791	634	553
Contract liability	10	7,330	10,621	–
Financial liability		329	–	–
Share-based payment obligations		4,494	2,404	5,559
Derivative financial liability	6	5	55	–
Current tax liabilities		798	732	1,334
<b>Total current liabilities</b>		<b>84,864</b>	<b>77,386</b>	<b>58,989</b>
<b>Total equity and liabilities</b>		<b>686,071</b>	<b>504,727</b>	<b>454,253</b>

\* The comparative information is restated on account of correction of errors (refer to note 16).

# SUMMARISED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2024

US\$ thousand	Notes	30 June 2024	Restated* 30 June 2023
<b>Revenue</b>	20	<b>373,796</b>	319,892
Cost of production	21	(242,427)	(219,287)
<b>Gross profit</b>		<b>131,369</b>	100,605
Other income		4,106	5,906
Other expenses		(14,481)	(11,373)
Royalty costs		(1,687)	(956)
Impairment loss on plant and equipment		–	–
<b>Net income before finance income and finance costs</b>		<b>119,307</b>	94,182
Finance income	4	1,884	1,139
Finance costs	4	(11,784)	(10,255)
<b>Profit before tax</b>		<b>109,407</b>	85,066
Income tax expense	5	(30,581)	(24,550)
<b>Profit for the year</b>		<b>78,826</b>	60,516
<b>Other comprehensive (loss)/income</b>			
<b>Items that may be reclassified to profit or loss</b>			
Foreign currency translation reserve movement		11,658	(40,973)
<b>Items that may not be reclassified to profit or loss</b>			
Investment measured at fair value through other comprehensive income movement		–	1,563
Tax thereon		–	(1,360)
<b>Other comprehensive (loss)/income for the year, net of tax</b>		<b>11,658</b>	(40,770)
<b>Total comprehensive income for the year</b>		<b>90,484</b>	19,746
<b>Profit/(loss) attributable to:</b>			
Owners of the Company		78,826	60,516
Non-controlling interests		79,378	60,918
		(552)	(402)
<b>Total comprehensive income/(loss) attributable to:</b>		<b>90,484</b>	19,746
Owners of the Company		91,071	20,102
Non-controlling interests		(587)	(356)
Basic and diluted earnings per share (US cents)		4.14	3.18
Weighted average number of shares in issue (thousand)		1,916,504	1,916,504
Diluted average number of shares in issue (thousand)		1,916,504	1,916,504

\* The comparative information is restated on account of correction of errors (refer to note 16).

# SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2024

US\$ thousand	Share capital	Share premium	Reserves	Retained earnings	Equity attributable to the owners of the Company	Non-controlling interests	Total equity
<b>Balance as at 1 July 2022, as previously reported</b>	38,002	235,063	(243,125)	264,840	294,780	(171)	294,609
Correction of errors*	–	–	169	(2,593)	(2,424)	–	(2,424)
Balance as at 1 July 2022 (restated)	38,002	235,063	(242,956)	262,247	292,356	(171)	292,185
Total comprehensive income	–	–	(40,816)	60,918	20,102	(356)	19,746
Profit for the period	–	–	–	60,918	60,918	(402)	60,516
Other comprehensive loss	–	–	(40,816)	–	(40,816)	46	(40,770)
Dividends paid <sup>1</sup>	–	–	–	(23,168)	(23,168)	–	(23,168)
Reciprocal dividend – PAR Gold <sup>2</sup>	–	–	–	3,193	3,193	–	3,193
<b>Balance as at 30 June 2023 (restated)</b>	<b>38,002</b>	<b>235,063</b>	<b>(283,772)</b>	<b>303,190</b>	<b>292,483</b>	<b>(527)</b>	<b>291,956</b>
<b>Balance as at 30 June 2023, as previously reported</b>	<b>38,002</b>	<b>235,063</b>	<b>(283,946)</b>	<b>306,004</b>	<b>295,123</b>	<b>(527)</b>	<b>294,596</b>
Correction of errors*	–	–	174	(2,814)	(2,640)	–	(2,640)
<b>Balance as at 30 June 2023 (restated)</b>	<b>38,002</b>	<b>235,063</b>	<b>(283,772)</b>	<b>303,190</b>	<b>292,483</b>	<b>(527)</b>	<b>291,956</b>
Total comprehensive income	–	–	11,658	79,378	91,036	(587)	90,449
Profit for the period	–	–	–	79,378	79,378	(552)	78,826
Other comprehensive income	–	–	11,658	–	11,658	(35)	11,623
Dividends paid <sup>1</sup>	–	–	–	(21,227)	(21,227)	–	(21,227)
Reciprocal dividend – PAR Gold <sup>2</sup>	–	–	–	2,925	2,925	–	2,925
Reclassification of foreign currency translation reserve <sup>3</sup>	–	–	(391)	391	–	–	–
<b>Balance as at 30 June 2024</b>	<b>38,002</b>	<b>235,063</b>	<b>(272,505)</b>	<b>364,657</b>	<b>365,217</b>	<b>(1,114)</b>	<b>364,103</b>

\* The comparative information is restated on account of correction of errors (refer to **note 40**).

<sup>1</sup> Refer to **note 15**.

<sup>2</sup> Reciprocal dividend – PAR Gold Proprietary Limited (PAR Gold) refers to the intra-Group transaction which relates to the dividend received on the treasury shares held by PAR Group in the Company. PAR Gold holds 13.8% (2023: 13.8%) of the issued share capital of the Company. Refer to **note 39** in respect of the related party transaction.

<sup>3</sup> The reclassification relates to the foreign currency translation reserve previously recognised on the Sudan foreign operation. Refer to **note 26** for further details.

# SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2024

US\$ thousand	30 June 2024	30 June 2023
<b>Cash flows from operating activities</b>		
Net cash from operating activities before dividends, tax, royalties and net finance costs	134,310	132,941
Dividend paid	(21,227)	(23,168)
Reciprocal dividend received	2,925	3,193
Income tax paid	(13,007)	(6,521)
Royalties paid	(2,469)	(1,194)
Securities transfer tax paid	–	(7)
Finance costs paid	(11,565)	(6,254)
Finance income received	1,834	1,133
<b>Net cash from operating activities</b>	<b>90,801</b>	<b>100,123</b>
<b>Cash flows from investing activities</b>		
Additions to property, plant and equipment	(166,241)	(112,709)
Proceeds from disposal of property, plant and equipment	141	160
Additions to intangible assets	–	(113)
Acquisition of subsidiary, net of cash acquired	–	(2,939)
Repayment of loans receivable	–	255
Receipts from the environmental rehabilitation obligation fund	–	130
Acquisition of investment	(3,280)	–
Proceeds from disposal of investments – other	–	2,485
<b>Net cash used in investing activities</b>	<b>(169,380)</b>	<b>(112,731)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	114,198	94,705
Repayment of borrowings	(42,854)	(69,276)
Fees paid on borrowings	(1,445)	–
Repayment of lease liabilities	(638)	(562)
Repayment of lease liabilities	(281)	–
<b>Net cash from/(used) in financing activities</b>	<b>68,980</b>	<b>24,867</b>
<b>Net (decrease) in cash equivalents</b>	<b>(9,599)</b>	<b>12,259</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>34,771</b>	<b>26,993</b>
Effect of foreign exchange rate changes	1,160	(4,481)
<b>Cash and cash equivalents at the end of the year</b>	<b>26,332</b>	<b>34,771</b>

# NOTES TO THE SUMMARISED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2024

## 1. BASIS OF PREPARATION

The accounting policies applied in compiling the summarised consolidated annual financial statements, in accordance with UK-adopted International Accounting Standards and IFRS® Accounting Standards as issued by the IASB, are consistent with those applied in preparing the Group's annual financial statements for the year ended 30 June 2023, with the exception of the change in accounting policy for revenue recognition.

The financial information set out in this announcement does not constitute the Company's statutory accounts for the period ended 30 June 2024.

The results have been prepared and presented in accordance with UK-adopted International Accounting as issued by the IASB Standards, IFRS Accounting Standards as issued by the IASB and, at a minimum, contain the information required by IAS 34 *Interim Financial Reporting*.

Furthermore, these have been prepared in accordance with the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Pronouncements as issued by the Financial Reporting Standards Council and the listings requirements of the JSE and LSE, and the Companies Act 2006.

## Going concern

The Group closely monitors and manages its liquidity risk by means of a centralised treasury function. Cash forecasts are regularly produced and sensitivities run for different scenarios including, but not limited to, changes in commodity prices and different production profiles from the Group's operations. The Group had US\$68.7 million (2023: US\$49.9 million) of available debt facilities and US\$26.3 million (2023: US\$34.7 million) of cash and cash equivalents at 30 June 2024. The Group has considered the going concern forecast through to 30 June 2026, using a base case rand gold price of ZAR1,250,000/kg (US\$2,141/oz) and a downside rand gold price of ZAR1,064,000/kg (US\$1,822/oz) coupled with a 10% increase in forecasted production. The Group's forecasts based on the board-approved budgets (with production in line with production guidance announced) demonstrate that it will have sufficient liquidity headroom to meet its obligations, under both scenarios, in the ordinary course of business and will comply with financial covenants for the 24 months from the reporting date. In the downside case, this includes mitigating actions which are in management's control.

The board has a reasonable expectation that the Group has adequate resources to continue in operational existence in the foreseeable future.

## Alternative performance measures

The Group makes reference to APMs, in conjunction with IFRS Accounting Standards measures, when assessing its reported financial performance, financial position and cash flows. APMs should be considered in addition to, and not as a substitute for or superior to, measures of financial performance, financial position or cash flows reported in accordance with IFRS Accounting Standards. Further information on APMs is provided on [page 47](#).

## 2. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's summarised consolidated annual financial statements, in accordance with IFRS Accounting Standards, requires management to make judgements, estimates and assumptions that may materially affect the carrying amounts of assets, liabilities and contingent liabilities reported at the date of the summarised consolidated annual financial statements and the reported amounts of revenue and expenses during the current reporting period.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

## Significant assumptions, estimates and judgements

The following are areas of significant assumptions and judgements, apart from those involving estimations, that have the most significant effect on the amounts recognised in the summarised consolidated financial statements.

## Impairment and impairment reversals of non-financial assets

The Group assesses at each reporting date whether there are any indicators that its assets and cash-generating units (CGUs) may be impaired or that require previously recognised impairment losses to be reversed. Operating and economic assumptions which could affect the valuation of assets using discounted cash flow models are regularly reviewed and updated as part of the Group's monitoring of operational and financial

performance and forecasting processes. Judgement is required in determining whether operating and economic changes are significant and impact the performance potential of an asset or CGU, and therefore contributes to an indication of an impairment or an impairment reversal.

## Cash flow projections and key assumptions

Expected future cash flows used in discounted cash flow models are inherently uncertain and may materially change over time. Cash flow projections are significantly affected by a number of factors, including Mineral Resources and Mineral Reserves, and economic factors such as commodity prices, discount rates, estimates of production costs and future capital expenditure.

Cash flow projections are based on financial forecasts and life-of-mine plans incorporating key assumptions as detailed below:

- **Mineral Resources and Mineral Reserves:** Mineral Reserves are incorporated in projected cash flows, based on Mineral Resources and Mineral Reserves statements (in accordance with the SAMREC Code for South African properties) and exploration and evaluation work undertaken by appropriately qualified persons. Mineral Resources are included where management has a high degree of confidence in their economic extraction, despite additional evaluation still being required prior to meeting the required confidence for conversion to Mineral Resources.
- **Commodity prices:** Commodity prices are based on the latest internal forecasts, benchmarked to external sources of information, to ensure that they are within the range of available analyst forecasts. Where existing sales contracts are in place, the effects of such contracts are considered in determining future cash flows.
- **Discount rates:** Value in use and fair value, less cost of disposal projections are sensitive to changes in the discount rate.
- **Operating costs, capital expenditure and other operating factors:** Operating costs and capital expenditure are based on financial budgets. Cash flow projections are based on life-of-mine plans and internal management forecasts. Cost assumptions incorporate management experience and expectations, as well as the nature and location of the operation and the risks associated therewith (for example, the grade of Mineral Resources and Mineral Reserves varying significantly over time and unforeseen operational issues).

## Deferred tax rate

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised, or the liability is settled, based on tax rates and laws that have been enacted or substantively enacted by the reporting date. The rates used to calculate deferred tax are based on the current estimate of future profitability when temporary differences will be utilised. The respective rates are calculated based on management's best estimate through which the temporary difference will be realised over the life of the mining operations.

South African income tax on gold mining income is determined in accordance with a formula (the gold formula) that takes into account the taxable income and revenue from gold mining operations. Judgement was applied in the determination of the future expected deferred tax rates of the Group's mining entities.

The Group prepares nominal cash flow models to calculate the expected average income tax rate over the life-of-mine. The key assumptions in the cash flow models are the same as those noted in the previous cash flow projections and key assumptions section.

## Environmental rehabilitation obligation

The amount recognised as an obligation represents management's best estimate of the consideration required to complete the restoration and rehabilitation activity. These estimates are inherently uncertain and could materially change over time.

At each reporting date, the Group estimates the rehabilitation and decommissioning obligation and judgement is applied in determining the assumptions used in calculating the estimated rehabilitation and decommissioning obligation. Inputs used that require judgement include:

- closure costs, which are determined in accordance with regulatory requirements
- the inflation rate, which has been adjusted for a long-term view
- the risk-free rate, which is compounded annually and linked to the life-of-mine
- life-of-mine and related Mineral Resources and Mineral Reserves.

## NOTES TO THE SUMMARISED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

for the year ended 30 June 2024

### 2. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES continued

An assessment of the Group's environmental rehabilitation plan identified a risk relating to the potential pollution of groundwater at Barberton Mines. As a result of the amendments to the Financial Closure Provision Regulations promulgated in terms of the National Environmental Management Act, 107 of 1998, the Group is required to include an obligation for all latent and residual environmental liabilities, including water pollution, as part of the obligation for environmental rehabilitation and decommissioning costs. The Group has undertaken several detailed assessments, including a geohydrological study at Barberton Mines, to ascertain the latent and residual environmental liability as a result of the amendments and to quantify the impact of the amendments. Based on the current closure cost estimate, the amendments will result in an increase to the current obligation of approximately US\$2.1 million (US\$0.4 million on a discounted basis) for environmental and decommissioning costs in real terms, once the amendments become effective. The effective date of the amendment is yet to be determined. Given the uncertainty, no provision obligation has been recognised at the reporting date.

#### Revenue – forward sale contract

The Group entered into a forward sale contract on 13 March 2023 with Rand Merchant Bank, a division of FirstRand Bank Limited (RMB), whereby 4,846oz of gold will be delivered monthly to RMB at a fixed price of ZAR1,025,000/kg (US\$1,723/oz) per month for a period of 24 months. The Group received consideration of US\$21.6 million (ZAR400 million) in advance which has been recognised as a contract liability. Significant judgement has been applied in accounting for the transaction as IFRS 15: *Revenue from Contracts with Customers* as opposed to IFRS 9: *Financial Instruments* given the valuation methodology applied in pricing the transaction. Promised consideration has been adjusted for the time value of money as the period between payment by RMB and transfer of the promised goods by the Group exceeds 12 months and, as such, contains a significant financing component. The financing component has been presented as part of finance costs.

#### Financial guarantees

The Company acts as a co-guarantor for certain of Pan African Resources Funding Company Proprietary Limited (Funding Company) borrowings. The Company recognised financial guarantees for these contracts which are accounted for as financial instruments and

recognised initially at fair value using lifetime expected credit losses (ECLs). The financial guarantees are subsequently measured at the higher of the amount of the loss allowance, based on a 12-month ECL and the initial amount recognised less cumulative amortisation. The initial fair value are determined based on the probability of Funding Company defaulting on its obligations which involves significant judgement and estimation. The initial fair value and subsequent measurement are determined based on the probability of default (PD), loss given default (LGD) and exposure at default (EAD) on the expected probability of Funding Company defaulting on its obligations. In addition to this, a credit conversion factor is applied, which is the expected probability of drawdowns on undrawn facilities.

Determining the fair value on initial recognition and subsequent measurement of financial guarantees requires the use of significant assumptions and estimates. In determining the amount of the initial fair value and subsequent measurement, the specific areas of significant judgement and estimate include the following:

- An EAD (maximum of ZAR 3,250 million accumulating over time) through credit conversion factors ranging between 75% and 100%
- An LDG ranging between 70% and 80% of the EAD
- A PD of less than 5% in any twelve month period.

#### Acquisitions

The Company acquired 33,333 of Tennant Consolidated Mining Group Proprietary Limited's (TCMG) issued share capital on 4 April 2024 representing an 8% shareholding. TCMG is a gold and copper-focused resource company with an exploration portfolio of tenements located in Western Australia. As part of the initial acquisition and a broader share acquisition agreement, the Company obtained the option to acquire additional shares in TCMG, subject to certain suspensive conditions being met. The option allows for the Company to acquire a further 45% investment as well as ultimately acquiring 100% of the issued share capital within a limited time frame. The option was assessed to be non-substantive at the reporting date.

#### Sources of estimation uncertainty

##### Impairment and impairment loss reversals of non-financial assets

For assets where indicators of impairment or impairment reversals are identified, the Group performs an impairment review to assess the recoverable amount

of its operating assets, principally with reference to fair value, less costs of disposal, which is assessed using discounted cash flow models. Mining operations are large, complex assets requiring significant technical and financial resources to operate. Their value may be sensitive to characteristics unique to each asset. There is judgement in determining the assumptions that are considered to be reasonable and consistent with those that would be applied by market participants in the preceding paragraphs.

#### Other assumptions and estimates

##### Cash-settled share-based payment obligation

The Company applies the requirements of IFRS 2: *Share-based Payments* to cash-settled share-based arrangements made to employees in terms of the Group's incentive schemes. These are measured at fair value at grant date and at each subsequent reporting date. The Company revises the estimated fair value of these schemes in accordance with the requirements of IFRS 2 with the movement recognised in profit or loss. The determination of the fair value of the cash-settled share-based payment obligation is subject to judgement pertaining to a number of valuation assumptions.

##### Leases

Management applies judgement in assessing the likelihood of exercising termination or extension options in determining the lease term.

##### Termination and extension

Extension options are included to provide operational flexibility should the economic outlook for an asset be different to expectations. Management considers all facts and circumstances including past practice and any cost that will be incurred to change the asset if an option to extend is not exercised, to assist in determining the lease term. All extension options available have been assessed as reasonably certain to be exercised and included in lease liabilities.

### 3. SEGMENT ANALYSIS

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing the performance of the operating segments, has been identified as Pan African's executive committee (Exco). The operating segments of the Group are determined based on the reports used to make strategic decisions

that are reviewed by Exco. Exco considers the business principally according to the location and nature of the products and services provided, with each segment representing a strategic business unit.

The reported segments are all located in South Africa except for the exploration assets located in Sudan and comprise the following:

- Barberton Mines including the BTRP located in Barberton
- Evander Mines (Elikhulu, the underground 8 Shaft pillar, the 24, 25 and 26 Level project, the Egoli project and surface sources) located in Evander
- The MTR project (Mogale Tailings Retreatment Proprietary Limited (MTR), Mogale Gold Proprietary Limited (Mogale Gold) and MSC located in the Mogale district.

The above segments derive their revenue from mining, extraction, production and the sale of gold.

- Solar projects currently consist of the solar plant located at Evander Mines, the planned development of a solar plant at Barberton Mines and the extension of Evander Mines' solar plant
- Exploration assets consist of five prospecting concessions (or exploration licences) in north-eastern Sudan (the Block 12 concessions), covering an area of almost 1,100km<sup>2</sup> and located approximately 70km north-west of Port Sudan
- Agricultural ESG projects mainly comprise the Group's Barberton Blueberries project (Barberton Blue Proprietary Limited), as well as other small-scale agricultural projects in the Barberton Mines host community areas
- Corporate consists mainly of the Group's holding companies and the management services company which renders services to the Group and is located in Johannesburg
- Funding Company is the centralised treasury function of the Group which is located in Johannesburg.

The segment results have been presented based on Exco's reporting format, in accordance with the disclosures presented as follows.



# NOTES TO THE SUMMARISED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

for the year ended 30 June 2024

## 3. SEGMENT ANALYSIS continued

US\$ thousand	30 June 2024					Mining operations	30 June 2024			
	Barberton Mines	Evander Mines	Solar projects	MTR project			Exploration assets	Agricultural ESG projects	Corporate	Funding Company
Revenue	185,163	188,074	–	–		373,237	–	559	–	–
Cost of production	(117,536)	(102,454)	(448)	–		(220,438)	–	(743)	–	–
Depreciation and amortisation	(8,496)	(12,008)	(462)	(19)		(20,985)	–	(261)	–	–
<b>Gross profit/(loss)</b>	<b>59,131</b>	<b>73,612</b>	<b>(910)</b>	<b>(19)</b>		<b>131,814</b>	<b>–</b>	<b>(445)</b>	<b>–</b>	<b>–</b>
Other income	1,447	2,538	–	165		4,150	260	1	(393)	88
Other expenses	(4,967)	(1,914)	(30)	(132)		(7,043)	(1,184)	(178)	(5,195)	(251)
Royalty costs	(1,319)	(368)	–	–		(1,687)	–	–	–	–
<b>Net income/(loss) before finance income and finance costs</b>	<b>(54,292)</b>	<b>73,868</b>	<b>(940)</b>	<b>14</b>		<b>127,234</b>	<b>(1,554)</b>	<b>(622)</b>	<b>(5,588)</b>	<b>(163)</b>
Finance income <sup>1</sup>	3	6	5	18		32	–	6	203	1,643
Finance costs <sup>1</sup>	(373)	(2,528)	–	(1,085)		(3,986)	–	–	(29)	(7,769)
<b>Profit/(loss) before tax</b>	<b>53,922</b>	<b>71,346</b>	<b>(935)</b>	<b>(1,053)</b>		<b>123,280</b>	<b>(1,554)</b>	<b>(616)</b>	<b>(5,414)</b>	<b>(6,289)</b>
Income tax expense	(14,239)	(14,429)	3	–		(28,665)	–	–	(1,911)	(5)
<b>Profit/(loss) for the year excluding intra-Group transactions</b>	<b>39,683</b>	<b>56,917</b>	<b>(932)</b>	<b>(1,053)</b>		<b>94,615</b>	<b>(1,554)</b>	<b>(616)</b>	<b>(7,325)</b>	<b>(6,294)</b>
<b>Intra-Group transactions</b>										
Revenue	–	–	1,661	–		1,661	–	–	15,916	–
Cost of production	–	(1,661)	–	–		(1,661)	–	–	–	–
Elimination of dividends received from/(paid to) fellow Group companies	–	–	–	–		–	–	–	(15,916)	–
Management fees	(4,422)	(3,536)	(53)	–		(8,011)	(160)	(80)	8,465	(214)
Finance income/(costs)	3,495	(3,705)	(665)	–		(875)	–	(627)	(7,539)	9,041
<b>Profit/(loss) after tax including intra-Group transactions</b>	<b>38,756</b>	<b>48,015</b>	<b>11</b>	<b>(1,053)</b>		<b>85,729</b>	<b>(1,714)</b>	<b>(1,323)</b>	<b>(6,399)</b>	<b>2,533</b>
<b>Segment assets (total assets excluding goodwill)</b>	<b>152,921</b>	<b>352,275</b>	<b>22,636</b>	<b>104,555</b>		<b>632,387</b>	<b>3,683</b>	<b>2,868</b>	<b>8,178</b>	<b>22,270</b>
<b>Segment liabilities</b>	<b>56,373</b>	<b>100,538</b>	<b>1,468</b>	<b>23,340</b>		<b>181,719</b>	<b>17</b>	<b>62</b>	<b>12,333</b>	<b>127,837</b>
<b>Net assets (excluding goodwill)<sup>2</sup></b>	<b>96,548</b>	<b>251,737</b>	<b>21,168</b>	<b>81,215</b>		<b>450,668</b>	<b>3,666</b>	<b>2,806</b>	<b>(4,155)</b>	<b>(105,567)</b>
<b>Goodwill</b>	<b>16,685</b>	<b>–</b>	<b>–</b>	<b>–</b>		<b>16,685</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Capital expenditure<sup>3</sup></b>	<b>21,961</b>	<b>70,642</b>	<b>10,318</b>	<b>68,654</b>		<b>171,575</b>	<b>156</b>	<b>66</b>	<b>608</b>	<b>–</b>
<b>Reconciliation of adjusted EBITDA</b>										
Net income/(loss) before tax, finance income and finance costs	54,292	73,868	(940)	14		127,234	(1,554)	(622)	(5,588)	(163)
Excluding: depreciation and amortisation included in gross profit	8,496	12,008	462	19		20,985	–	261	–	–
Excluding: other depreciation and amortisation	–	–	–	–		–	380	13	268	–
<b>Adjusted EBITDA<sup>4</sup></b>	<b>62,788</b>	<b>85,876</b>	<b>(478)</b>	<b>33</b>		<b>148,219</b>	<b>(1,174)</b>	<b>(348)</b>	<b>(5,320)</b>	<b>(163)</b>

<sup>1</sup> Other expenses and income exclude intra-Group management fees. Finance income and finance costs exclude intra-Group interest.

<sup>2</sup> The segment assets and liabilities above exclude intra-Group balances.

<sup>3</sup> Capital expenditure comprises additions to property, plant and equipment, mineral rights, exploration and intangible assets.

<sup>4</sup> Adjusted EBITDA comprises earnings before interest, tax, depreciation, amortisation and impairment losses.

# NOTES TO THE SUMMARISED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

for the year ended 30 June 2024

## 3. SEGMENT ANALYSIS continued

	Restated 30 June 2023						Restated 30 June 2023				
US\$ thousand	Barberton Mines	Evander Mines	Solar projects	MTR project		Mining operations	Exploration assets	Agricultural ESG projects	Corporate	Funding Company	Group total
Revenue	154,889	164,697	–	–		319,586	–	306	–	–	319,892
Cost of production	(106,929)	(91,052)	(238)	–		(198,219)	–	(669)	–	–	(198,888)
Depreciation and amortisation	(8,806)	(10,905)	(472)	(3)		(20,186)	–	(213)	–	–	(20,399)
Gross profit/(loss)	39,154	62,740	(710)	(3)		101,181	–	(576)	–	–	100,605
Other income	1,021	3,283	–	395		4,699	17	–	486	704	5,906
Other expenses	(1,812)	(721)	(12)	(665)		(3,210)	(767)	(131)	(6,912)	(353)	(11,373)
Royalty costs	(599)	(357)	–	–		(956)	–	–	–	–	(956)
Net income/(loss) before finance income and finance costs	37,764	64,945	(722)	(273)		101,714	(750)	(707)	(6,426)	351	94,182
Finance income <sup>1</sup>	2	7	2	135		146	–	–	117	876	1,139
Finance costs <sup>1</sup>	(430)	(1,782)	(578)	(737)		(3,527)	–	–	(40)	(6,688)	(10,255)
Profit/(loss) before tax	37,336	63,170	(1,298)	(875)		98,333	(750)	(707)	(6,349)	(5,461)	85,066
Income tax expense	(9,323)	(14,446)	(137)	(7)		(23,913)	–	–	(487)	(150)	(24,550)
Profit/(loss) for the year excluding intra-Group transactions	28,013	48,724	(1,435)	(882)		74,420	(750)	(707)	(6,836)	(5,611)	60,516
Intra-Group transactions											
Revenue	–	–	2,198	–		2,198	–	–	12,904	–	15,102
Cost of production	–	(2,198)	–	–		(2,198)	–	–	–	–	(2,198)
Elimination of dividends received from/(paid to) fellow Group companies	–	–	–	–		–	–	–	(12,904)	–	(12,904)
Management fees	(5,784)	(3,471)	(169)	–		(9,424)	(169)	(101)	9,807	(113)	–
Finance income/(costs)	2,165	(2,519)	(299)	(135)		(788)	–	(523)	(3,340)	4,651	–
Profit/(loss) after tax including intra-Group transactions	24,394	40,536	295	(1,017)		64,208	(919)	(1,331)	(369)	(1,073)	60,516
Segment assets (total assets excluding goodwill)	130,867	279,739	11,003	23,305		444,914	4,199	3,060	4,569	31,868	488,610
Segment liabilities	48,755	93,111	1,443	10,943		154,252	1	129	4,923	53,466	212,771
Net assets (excluding goodwill) <sup>2</sup>	82,112	186,628	9,560	12,362		290,662	4,198	2,931	(354)	(21,598)	275,839
Goodwill	16,117	–	–	–		16,117	–	–	–	–	16,117
Capital expenditure <sup>3</sup>	20,381	79,889	2,251	8,806		111,337	872	400	350	–	112,959
Reconciliation of adjusted EBITDA											
Net income/(loss) before tax, finance income and finance costs	37,764	64,945	(722)	(273)		101,714	(750)	(707)	(6,426)	351	94,187
Excluding: depreciation and amortisation included in gross profit	8,806	10,905	472	3		20,186	–	213	–	–	20,399
Excluding: other depreciation and amortisation	–	–	–	–		–	178	14	312	–	504
Adjusted EBITDA <sup>4</sup>	46,570	75,850	(250)	(270)		121,900	(572)	(480)	(6,114)	351	115,085

<sup>1</sup> Other expenses and income exclude intra-Group management fees. Finance income and finance costs exclude intra-Group interest.

<sup>2</sup> The segment assets and liabilities above exclude intra-Group balances.

<sup>3</sup> Capital expenditure comprises additions to property, plant and equipment, mineral rights, exploration and intangible assets.

<sup>4</sup> Adjusted EBITDA comprises earnings before interest, tax, depreciation, amortisation and impairment losses.

## NOTES TO THE SUMMARISED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

for the year ended 30 June 2024

### 4. FINANCE (COSTS)/INCOME

US\$ thousand	30 June 2024	Restated* 30 June 2023
<b>Finance income</b>		
Finance income in respect of:		
– Cash and cash equivalents	1,824	991
– Loans receivable	–	8
– Attorney's trust account	–	134
– South African Revenue Service (SARS)	60	6
<b>Total finance income</b>	<b>1,884</b>	<b>1,139</b>
<b>Finance costs</b>		
Finance costs in respect of:		
– Borrowings	(11,637)	(6,351)
– Borrowing costs capitalised	3,792	–
– Modification (loss)/gain on borrowings	–	(995)
– Lease liabilities	(286)	(389)
– Environmental rehabilitation obligation	(2,161)	(1,830)
– Contract liability	(1,301)	(629)
– Suppliers	(84)	(61)
– Instalment sale obligation	(107)	–
<b>Total finance costs</b>	<b>(11,784)</b>	<b>(10,255)</b>
<b>Net finance costs</b>	<b>(9,900)</b>	<b>(9,116)</b>

### 5. INCOME TAX

US\$ thousand	30 June 2024	Restated* 30 June 2023
<b>South African normal tax</b>	<b>12,527</b>	<b>5,511</b>
– current year	12,504	5,525
– prior reporting period	23	(14)
<b>Securities transfer tax</b>	<b>14</b>	<b>7</b>
<b>Deferred tax</b>	<b>18,040</b>	<b>19,032</b>
– current year	16,911	19,043
– prior reporting period	1,129	(11)
<b>Total income tax expense</b>	<b>30,581</b>	<b>24,550</b>

<sup>1</sup> The South African corporate normal tax rate reduced to 27% for the years of assessment ended on or after 1 March 2023.

### 5. INCOME TAX continued

US\$ thousand	Assessed loss carried forward 30 June 2024	Restated 30 June 2023	Unredeemed capital carried forward 30 June 2024	30 June 2023
Evander Mines	450	166	96,805	96,004

Deferred tax assets have been recognised on the basis that the individual Group companies will be able to generate future taxable economic benefits to utilise against current deductible temporary differences.

### 6. FINANCIAL INSTRUMENTS

US\$ thousand	30 June 2024	30 June 2023
<b>Financial assets</b>		
<b>At amortised cost</b>		
Cash and cash equivalents	(26,332)	34,771
Receivables from Group companies	–	–
Trade and other receivables <sup>1</sup>	4,008	9,164
<b>At fair value through other comprehensive income</b>		
Investments – other	3,373	–
<b>At fair value through profit or loss</b>		
Environmental rehabilitation obligation fund	24,773	21,627
Derivative financial asset	–	451
<b>Financial liabilities</b>		
<b>At amortised cost</b>		
Trade and other payables <sup>2</sup>	59,308	46,891
Borrowings	127,785	53,353
<b>Financial liabilities</b>	<b>703</b>	<b>–</b>
<b>At fair value through profit or loss</b>		
Derivative financial liability	5	55

<sup>1</sup> At the end of the current and previous financial years, trade receivables had an expected loss allowance of nil. Trade and other receivables exclude prepayments, tax receivable and value-added tax (VAT) receivable.

<sup>2</sup> Trade and other payables exclude VAT payable, accrual for employee benefits and leave pay liabilities.

## NOTES TO THE SUMMARISED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

for the year ended 30 June 2024

### 6. FINANCIAL INSTRUMENTS continued

#### Fair value of financial instruments

The directors consider that the carrying amounts of financial assets and liabilities approximate their fair values.

#### Fair value hierarchy

Financial instruments measured at fair value are classified in the fair value hierarchy, based on the extent to which fair value is observable.

The levels are classified as follows:

**Level 1** – Fair value is based on quoted prices in active markets for identical financial assets or liabilities.

**Level 2** – Fair value is determined using inputs other than quoted prices, included within Level 1, that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).

**Level 3** – Fair value is determined on inputs not based on observable market data.

US\$ thousand	Level 1	Level 2	Level 3	Total
<b>30 June 2024</b>				
Investment <sup>1</sup>	–	–	3,373	3,373
Environmental rehabilitation obligation fund <sup>2</sup>	–	24,773	–	24,773
Derivative financial liability	–	(5)	–	(5)
<b>30 June 2023</b>				
Environmental rehabilitation obligation fund <sup>2</sup>	–	21,627	–	21,627
Derivative financial asset	–	451	–	451
Derivative financial liability	–	(55)	–	(55)

<sup>1</sup> The fair value of the TCMG investment was classified as Level 3 as the shares are not quoted on an exchange. An independent valuation specialist was appointed to undertake a detailed valuation of the enterprise value of TCMG. The fair value of TCMG was derived by multiplying the enterprise value with the Company's 8% shareholding and applying a discount for lack of control and marketability. The fair value of the investment was not substantially different to its carrying amount at the reporting date, and therefore no fair value adjustment was recognised.

<sup>2</sup> The environmental rehabilitation obligation fund is classified as Level 2 as the premiums are invested in interest-bearing short-term deposits and equity share portfolios held in an insurance investment product which is managed by independent fund managers.

### 7. BORROWINGS AND FINANCIAL COVENANTS

US\$ thousand	30 June 2024	30 June 2023
<b>Interest-bearing borrowings</b>		
RCF – current portion	66	10,628
RCF – non-current portion	10,776	–
Term loan – current portion	33	–
Term loan – non-current portion	53,486	–
Green loan – current portion	4,385	–
Green loan – non-current portion	14,814	–
Domestic medium-term note (DTMN bond) – current portion	245	240
DMTN bond – non-current portion	43,980	42,485
<b>Total interest-bearing borrowings</b>	<b>127,785</b>	<b>53,353</b>
<b>Available debt facilities</b>		
Non-current portion	123,056	42,485
Current portion	4,729	10,868
	<b>127,785</b>	<b>53,353</b>

#### Financial covenants

The Group's compliance with the RCF covenants is summarised below.

Covenant <sup>1</sup>	Measurement at period-end <sup>2</sup>	30 June 2024	30 June 2023
Net debt-to-equity ratio	Must be less than 1:1	0.29	0.08
Net debt-to-adjusted EBITDA ratio	Must be less than 2:1	0.8	0.2
Interest cover ratio	Must be greater than 4:1	12.2	18.4
Debt service cover ratio	Must be greater than 1:3	3.8	7.5

<sup>1</sup> Refer to the alternative performance measures summary report for the covenant reconciliation and calculations.



## NOTES TO THE SUMMARISED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

for the year ended 30 June 2024

### 8. CAPITAL EXPENDITURE

US\$ thousand		Sustaining capital	Expansion capital	Total
Barberton Mines	30 June 2024	11,546	10,415	21,961
	30 June 2023	17,403	2,988	20,391
Evander Mines	30 June 2024	–	54,348	54,348
	30 June 2023	529	60,658	61,187
Elikhulu	30 June 2024	1,857	14,437	16,294
	30 June 2023	1,566	17,136	18,702
MTR project	30 June 2024	–	68,654	68,654
	30 June 2023	–	8,806	8,806
Corporate	30 June 2024	288	320	608
	30 June 2023	350	–	350
Agricultural ESG projects	30 June 2024	66	–	66
	30 June 2023	400	–	400
Solar projects	30 June 2024	–	10,318	10,318
	30 June 2023	–	2,251	2,251
Exploration assets	30 June 2024	–	156	156
	30 June 2023	–	872	872
Total	30 June 2024	13,757	158,648	172,405
	30 June 2023	20,248	92,711	112,959

### 9. SHARE CAPITAL

Number of shares	30 June 2024	30 June 2023
Issued number of ordinary shares	2,222,862,046	2,222,862,046
<b>Reconciliation of the number of shares</b>		
Number of ordinary shares in issue at the beginning of the year	2,222,862,046	2,222,862,046
<b>Total number of ordinary shares in issue</b>	<b>2,222,862,046</b>	<b>2,222,862,046</b>
Treasury shares	(306,358,058)	(306,358,058)
Number of ordinary shares outstanding and fully paid	1,916,503,988	1,916,503,98

### 10. CONTRACT LIABILITY

The Group entered into a forward sale contract on 13 March 2023 with RMB whereby 4,846oz of gold will be delivered monthly to RMB at a fixed price of ZAR1,025,000/kg (US\$1,723/oz) per month for a period of 24 months. The Group received consideration of US\$21.6 million (ZAR400 million) in advance which has been recognised as a contract liability. Significant judgement has been applied in accounting for the transaction as IFRS 15: *Revenue from Contracts with Customers* as opposed to IFRS 9: *Financial Instruments* given the valuation methodology applied in pricing the transaction. The consideration has been adjusted for the time value of money as the period between payment by RMB and transfer of the promised goods by the Group exceeds 12 months and, as such, contains a significant financing component. The financing component has been presented as part of finance costs.

US\$ thousand	30 June 2024	30 June 2023
Balance as at 1 July	17,702	–
Advance consideration received	–	21,600
Interest accrued	1,301	629
Recognised as revenue	(11,991)	(4,381)
Foreign currency translation movement	318	(146)
<b>Balance as at 30 June</b>	<b>7,330</b>	<b>17,702</b>
Less: current portion	(7,330)	10,621
Non-current portion	–	7,081

## NOTES TO THE SUMMARISED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

for the year ended 30 June 2024

### 11. COMMITMENTS, CONTINGENT LIABILITIES AND GUARANTEES

US\$ thousand	30 June 2024	30 June 2023
Outstanding open orders	35,100	34,400
Approved commitments, not yet contracted for	67,600	155,600
IFRS 16 lease commitments – due within the next 12 months	791	634
Guarantees – Eskom Holdings SOC Limited	1,278	1,234
Instalment sale commitment – due within the next 12 months	329	–
Guarantees – Department of Mineral Resources and Energy	35,963	34,687

The Group identified no material contingent liabilities for the current or previous financial year.

### 12. RELATED PARTY TRANSACTIONS

The related party transactions are summarised as follows:

- Intra-Group interest and management fees – refer to segment analysis note 3
- Intra-Group loans have no specific repayment terms, are repayable on demand and bear interest in relation to the treasury function provided by Funding Company
- Intra-Group PAR Gold reciprocal dividend – refer to the summarised consolidated statement of changes in equity
- Intra-Group electricity charge between Evander Solar Solutions Proprietary Limited and Evander Mines for the electricity produced by the solar plant and utilised by Elikhulu – refer to segment analysis note 3.

No further material related party transactions occurred, either with third parties or with Group entities, during the current or previous financial year.

### 13. LITIGATION AND CLAIMS

Evander Mines terminated the contract mining agreement (CMA) with its 8 Shaft mining contractor during the current reporting period due to disputes over specific clauses in the CMA. Evander Mines referred this matter to arbitration, and the proceedings are still ongoing.

### 14. EVENTS AFTER THE REPORTING PERIOD

The consequences of the relevant distributions (the Company's payment of each of the relevant dividends and the payments made in respect of the purchase of each of the share buy-backs) having been made otherwise than in accordance with the Companies Act 2006 were rectified by way of the cancellation of the Company's share premium account. That reduction of share capital premium was confirmed by the Court on 2 July 2024 and took effect on 18 July 2024. The share capital reduction required (among other things) a special resolution being passed by shareholders at a general meeting held on 10 June 2024.

Following the share capital reduction taking effect on 18 July 2024, Pan African's share premium account of US\$235,063,183 was cancelled, with that amount appropriated to retained earnings to ensure that the Company meets the net assets test for the relevant distributions as well as future distributions to shareholders.

The technical issues identified in respect of the relevant distributions were of a historical nature and there has been no change in the Company's financial position or its net asset value as a consequence.

The Company has taken and continues to take the necessary steps to ensure adequate distributable income (and the ability of the Company to comply with the net assets test) in the future.

### 15. RECONCILIATION OF PROFIT BEFORE TAX TO CASH GENERATED BY OPERATIONS

US\$ thousand	30 June 2024	30 June 2023
<b>Profit before tax</b>	<b>109,407</b>	85,066
Adjusted for:	<b>23,771</b>	24,873
Impairment loss on plant and equipment	–	–
Cash-settled share-based payment expense	4,142	894
Finance income	(1,884)	(1,139)
Finance costs	11,784	10,255
Loss on disposal of plant and equipment	106	–
Royalty costs	1,687	956
Unrealised loss and prior period fair value reversals on derivative contract	403	209
Change in estimate of the environmental rehabilitation obligation	(62)	(888)
Contract liability recognised as revenue	(11,991)	(4,381)
Fair value gain on environmental rehabilitation obligation fund	(2,319)	(1,936)
Depreciation and amortisation	21,905	20,903
<b>Operating cash flows before working capital changes</b>	<b>133,178</b>	109,939
Working capital	4,303	6,664
(Increase)/decrease in inventory	(1,777)	(840)
(Increase)/decrease in trade and other receivables	(6,058)	(401)
Increase in trade and other payables	12,138	7,905
Settlement of cash-settled share-based payment obligation	(3,171)	(5,262)
Contract liability – advance consideration received	–	21,600
<b>Net cash from operating activities before dividend, tax, royalties and finance costs</b>	<b>134,310</b>	132,941

## NOTES TO THE SUMMARISED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

for the year ended 30 June 2024

### 16. CORRECTION OF PRIOR PERIOD ERRORS

#### Gold sales

During the current reporting period, the Group reassessed the timing of revenue recognition on gold sales. Historically, the Group recognised revenue, at a point in time, on delivery of gold to Rand Refinery. The Group's view was that control had transferred to a customer on delivery of gold to Rand Refinery as control had at this point in time passed to the customer.

Following the reassessment, the Group established that control does not pass to the customer on delivery to Rand Refinery but rather on settlement with the customer. The impact resulted in the Group recognising revenue at the reporting date, in respect of gold delivered to Rand Refinery, although the customer had not yet obtained control of the gold and settlement had not taken place.

As a consequence, revenue, cost of production and trade receivables have been overstated and inventory understated. The nature of the error further impacted other expenses, royalty costs and income tax expense and the related asset or liability. The error has been corrected by restating each of the affected financial statement line items for the 2022 and 2023 reporting periods. The following tables below summarise the impacts on the Group's consolidated financial statements.

#### Acquisition of Mogale Gold and MSC – measurement of environmental rehabilitation obligation

During the current reporting period, it was determined that the Mogale Gold and MSC environmental rehabilitation obligations had, on initial recognition in 2023, been incorrectly measured.

As a consequence, the environmental rehabilitation obligation, finance costs and long-term inventory were understated. The error has been corrected by restating each of the affected financial statement line items for the 2023 reporting period.

The restatement had no impact on the accounting treatment for the Mogale Gold and MSC acquisition in the previous reporting period as the purchase price was allocated to assets acquired and liabilities assumed based on their relative fair values, given that the acquisition did not constitute the acquisition of a business as defined. The restatement resulted in no change in the net asset value acquired, however, the environmental obligation and long-term inventory were understated by US\$4.3 million in Mogale Gold and US\$2.4 million in MSC. The following tables summarise the impacts on the Group's consolidated financial statements.

### 16. CORRECTION OF PRIOR PERIOD ERRORS continued

#### Impact of the aforementioned errors

##### Statement of financial position

US\$ thousand	As previously presented 30 June 2022	Increase/(decrease)		Restated 1 July 2022
		Gold sales	Rehabilitation obligation	
Long-term inventory	355,802	–	–	355,802
Deferred tax assets	2,074	–	–	2,074
Inventory	9,977	5,139	–	15,116
Trade and other receivables	17,275	(7,952)	–	9,323
Current tax assets	751	(26)	–	725
Others	71,213	–	–	71,213
<b>Total assets</b>	<b>457,092</b>	<b>(2,839)</b>	<b>–</b>	<b>454,253</b>
Environmental rehabilitation obligations	8,603	–	–	8,603
Deferred tax liabilities	53,781	(415)	–	53,366
Others	100,099	–	–	100,099
<b>Total liabilities</b>	<b>162,483</b>	<b>(415)</b>	<b>–</b>	<b>162,068</b>
Retained earnings	264,840	(2,593)	–	262,247
Reserves	(243,125)	169	–	(242,956)
Others	272,894	–	–	272,894
<b>Total equity</b>	<b>294,609</b>	<b>(2,424)</b>	<b>–</b>	<b>292,185</b>

## NOTES TO THE SUMMARISED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

for the year ended 30 June 2024

### 16. CORRECTION OF PRIOR PERIOD ERRORS continued

#### Impact of the aforementioned errors continued

Statement of financial position continued

US\$ thousand	As previously presented 30 June 2023	Increase/(decrease)		Restated 30 June 2023
		Gold sales	Rehabilitation obligation	
Long-term inventory	5,992	–	6,128	12,120
Deferred tax assets	428	–	–	428
Inventory	9,567	4,350	–	13,917
Trade and other receivables	15,182	(6,720)	–	8,462
Current tax assets	1,292	30	–	1,322
Others	468,478	–	–	468,478
<b>Total assets</b>	<b>500,939</b>	<b>(2,340)</b>	<b>6,128</b>	<b>504,727</b>
Environmental rehabilitation obligations	10,085	–	6,656	16,741
Deferred tax liabilities	64,573	(228)	–	64,345
Others	131,685	–	–	131,685
<b>Total liabilities</b>	<b>206,343</b>	<b>(228)</b>	<b>6,656</b>	<b>212,771</b>
Retained earnings	306,004	(2,251)	(563)	303,190
Reserves	(283,946)	139	35	(283,772)
Others	272,538	–	–	272,538
<b>Total equity</b>	<b>294,596</b>	<b>(2,112)</b>	<b>(528)</b>	<b>291,956</b>

### 16. CORRECTION OF PRIOR PERIOD ERRORS continued

#### Impact of the aforementioned errors continued

Statement of profit or loss and other comprehensive income

US\$ thousand	As previously presented 30 June 2023	Increase/(decrease)		Restated 30 June 2023
		Gold sales	Rehabilitation obligation	
<b>Revenue</b>	321,606	(1,714)	–	319,892
Cost of production	(219,189)	(98)	–	(219,287)
<b>Gross profit</b>	102,417	(1,812)	–	100,605
Other income	5,906	–	–	5,906
Other expenses	(13,253)	1,880	–	(11,373)
Royalty costs	(963)	7	–	(956)
<b>Income before finance income and finance costs</b>	94,107	75	–	94,182
Finance income	1,139	–	–	1,139
Finance costs	(9,692)	–	(563)	(10,255)
<b>Profit before tax</b>	85,554	75	(563)	85,066
Income tax expense	(24,817)	267	–	(24,550)
<b>Profit for the period</b>	60,737	342	(563)	60,516
<b>Other comprehensive (loss)/income</b>				
<b>Items that may be reclassified to profit or loss</b>				
Foreign currency translation (loss)/gain	(40,978)	(30)	35	(40,973)
<b>Items that may not be reclassified to profit or loss</b>				
Fair value adjustment on investment at fair value through other comprehensive income	1,563	–	–	1 563
Tax thereon	(1,360)	–	–	(1,360)
<b>Other comprehensive (loss)/ income for the period, net of tax</b>	(40,775)	(30)	35	(40,770)
<b>Total comprehensive income/(loss) for the period</b>	19,962	312	(528)	19,746
<b>Profit/(loss) attributable to:</b>	60,737	342	(563)	60,516
Owners of the Company	61,139	342	(563)	60,918
Non-controlling interests	(402)	–	–	(402)
<b>Total comprehensive income/(loss) attributable to:</b>	19,962	312	(528)	19,746
Owners of the Company	20,318	312	(528)	20,102
Non-controlling interests	(356)	–	–	(356)
Basic earnings per share	3.19	0.02	(0.03)	3.18
Headline earnings per share	3.15	0.02	(0.03)	3.14



**NOTES TO THE SUMMARISED CONSOLIDATED  
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for the year ended 30 June 2024

**17. PROPERTY, PLANT AND EQUIPMENT**

US\$ thousand	Land <sup>1</sup>	Mineral rights and mining property	Exploration assets – other <sup>2</sup>	Exploration assets – Sudan	Leasehold improvements	Buildings and infrastructure – owned	Buildings and infrastructure – right-of-use assets	Plant and machinery – owned	Plant and machinery – right-of-use assets	Capital under construction <sup>3</sup>	Shafts and exploration	Bearer plants	Other <sup>4</sup>	Total
<b>Cost</b>														
<b>Balance as at 1 July 2022</b>	2,253	39,685	28,923	1,402	561	81,851	532	291,578	4,856	46,620	112,499	1,208	601	612,569
Additions – right-of-use asset	–	–	–	–	–	–	312	–	–	–	–	–	–	312
Acquisitions	18	–	–	–	–	–	–	–	–	–	–	–	–	18
Additions	3,221	138	–	282	260	2,772	–	11,038	(3)	7,249	87,644	7	351	112,959
Disposals	–	–	–	–	–	–	–	(75)	–	–	–	–	(102)	(177)
Borrowing costs capitalised	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers	–	598	(54)	–	–	13,997	–	12,134	(39)	(26,575)	–	–	(5)	56
Foreign currency translation reserve movement	(488)	(5,416)	(3,914)	(115)	248	(12,028)	(89)	(40,542)	(655)	(5,226)	(20,169)	(164)	(95)	(88,653)
<b>Balance as at 30 June 2023</b>	<b>5,004</b>	<b>35,005</b>	<b>24,955</b>	<b>1,569</b>	<b>1,069</b>	<b>86,592</b>	<b>755</b>	<b>274,133</b>	<b>4,159</b>	<b>22,068</b>	<b>179,974</b>	<b>1,051</b>	<b>750</b>	<b>637,084</b>
Additions	–	–	–	–	9	2,893	–	10,244	–	148,925	9,968	57	309	172,405
Disposals	–	–	–	–	–	–	–	(273)	–	(1)	–	–	–	(274)
Increase in environmental rehabilitation obligation	–	–	–	–	–	276	–	–	–	–	–	–	–	276
Borrowing costs capitalised	–	–	–	–	–	–	–	–	–	3,792	–	–	–	3,792
Transfers	–	–	–	–	–	15,887	–	6,570	–	(22,639)	–	–	–	(182)
Derecognition <sup>5</sup>	–	–	–	–	–	(8,077)	–	(32,491)	–	–	(18,209)	–	–	(58,777)
Foreign currency translation reserve movement	176	1,232	878	21	(74)	3,591	27	10,031	146	4,495	6,617	39	35	27,214
<b>Balance as at 30 June 2024</b>	<b>5,180</b>	<b>36,237</b>	<b>25,833</b>	<b>1,590</b>	<b>1,004</b>	<b>101,162</b>	<b>782</b>	<b>268,214</b>	<b>4,305</b>	<b>156,640</b>	<b>178,350</b>	<b>1,147</b>	<b>1,094</b>	<b>781,538</b>
<b>Accumulated depreciation and accumulated impairment losses</b>														
<b>Balance as at 1 July 2022</b>	–	(19,131)	–	–	–	(34,956)	(368)	(152,352)	(1,453)	–	(47,943)	(21)	(543)	(256,767)
Depreciation	–	(487)	–	–	(82)	(3,486)	(189)	(13,439)	(582)	–	(2,341)	(111)	(96)	(20,813)
Disposals	–	–	–	–	–	–	–	55	–	–	–	–	–	55
Transfers	–	(562)	–	–	–	(6,610)	–	3,914	13	–	2,968	–	27	(250)
Decrease in environmental rehabilitation obligation	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Foreign currency translation reserve movement	–	2,650	–	–	(3)	5,302	61	21,156	229	–	6,457	9	77	35,938
<b>Balance as at 30 June 2023</b>	<b>–</b>	<b>(17,530)</b>	<b>–</b>	<b>–</b>	<b>(85)</b>	<b>(39,750)</b>	<b>(496)</b>	<b>(140,666)</b>	<b>(1,793)</b>	<b>–</b>	<b>(40,859)</b>	<b>(123)</b>	<b>(535)</b>	<b>(241,837)</b>
Depreciation	–	(473)	–	–	(173)	(3,970)	(159)	(12,625)	(520)	–	(3,675)	(106)	(123)	(21,824)
Disposals	–	–	–	–	–	–	–	10	–	–	–	–	–	10
Transfers	–	–	–	–	–	–	–	31	–	–	–	–	–	31
Derecognition <sup>5</sup>	–	–	–	–	–	8,077	–	32,491	–	–	18,209	–	–	58,777
Foreign currency translation reserve movement	–	(630)	–	–	3	(1,512)	(22)	(5,296)	(78)	–	(1,543)	(7)	(22)	(9,107)
<b>Balance as at 30 June 2024</b>	<b>–</b>	<b>(18,633)</b>	<b>–</b>	<b>–</b>	<b>(255)</b>	<b>(37,155)</b>	<b>(677)</b>	<b>(126,055)</b>	<b>(2,391)</b>	<b>–</b>	<b>(27,868)</b>	<b>(236)</b>	<b>(680)</b>	<b>(213,950)</b>
<b>Carrying amount</b>														
As at 30 June 2023	5,004	17,475	24,955	1,569	984	46,842	259	133,467	2,366	22,068	139,115	928	215	395,247
<b>As at 30 June 2024</b>	<b>5,180</b>	<b>17,604</b>	<b>25,833</b>	<b>1,590</b>	<b>749</b>	<b>64,007</b>	<b>105</b>	<b>142,159</b>	<b>1,914</b>	<b>156,640</b>	<b>150,482</b>	<b>911</b>	<b>414</b>	<b>567,588</b>

<sup>1</sup> Land registers are maintained at the offices of Barberton Mines and Evander Mines, which may be inspected by a member or their duly authorised agents.

<sup>2</sup> Exploration assets comprising Evander South, Rolspruit and Poplar were recognised on 1 March 2013 at their respective fair values in terms of IFRS 3: Business Combinations.

<sup>3</sup> Capital under construction represents ongoing capital projects within the Group.

<sup>4</sup> Other assets include computer equipment and furniture and fittings.

<sup>5</sup> Items of property, plant and equipment which are fully depreciated were derecognised as they are no longer in use.

## NOTES TO THE SUMMARISED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

for the year ended 30 June 2024

### 18. TRADE AND OTHER RECEIVABLES

US\$ thousand	2024	Restated* 2023
Trade receivables <sup>1</sup>	328	226
Net other receivables	3,680	2,218
– Other receivables <sup>2</sup>	3,740	2,489
– Loss allowance	(60)	(271)
<b>Total financial assets</b>	<b>4,008</b>	<b>2,444</b>
Prepayments	825	1,315
Value-added tax (VAT) receivable	10,342	4,703
<b>Total non-financial assets</b>	<b>11,167</b>	<b>6,018</b>
<b>Total trade and other receivables</b>	<b>15,175</b>	<b>8,462</b>

\* Refer to note 16.

<sup>1</sup> Trade receivables arise from the sale of by-products.

<sup>2</sup> Other receivables arise from transactions outside the normal operating activities of the Group and consist of a large number of small debtor balances of US\$1.8 million (2023: US\$1.9 million) of Evander Mines and Barberton Mines. The increase in other receivables in 2024 relates to a municipal deposit amounting to US\$1.3 million (2023: US\$nil) for MTR.

The loss allowance on other receivables is estimated on an individual debtor basis.

Trade receivables have been pledged as security in terms of the Group's senior debt.

### 19. DEFERRED TAX

#### Significant assumptions and estimates

South African income tax on gold mining income is determined according to the gold formula that takes into account the taxable income and revenue from gold mining operations. Judgement was applied in determining the future expected deferred tax rates of the Group's mining entities. The Group prepares nominal cash flow models to calculate the expected average income tax rate over the life-of-mine. The key assumptions in the cash flow models are the same as those noted in the cash flow projections and key assumptions disclosed in note 16.

#### Deferred tax rates applied within the Group

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised, or the liability is settled, based on tax rates and laws that have been enacted or substantively enacted by the reporting date. The rates used to calculate deferred tax are based on the current estimate of future profitability when temporary differences will be utilised. The respective rates are calculated based on management's best estimate through which the temporary difference will be realised over the life of the mining operations.

%	2024	2023
Barberton Mines	22.00	21.00
Evander Mines (other and mining rights)	27.00	28.00
Other Group companies	27.00	27.00

US\$ thousand	2024	Restated* 2023
<b>Deferred tax liabilities</b>		
Arising from temporary differences relating to:		
Property, plant and equipment	91,404	69,416
Environmental rehabilitation obligation	(3,009)	(2,364)
Prepayments	(47)	(69)
Assessed loss	(2,075)	(1,606)
Lease liabilities	(725)	(845)
Other	(195)	(187)
<b>Net deferred tax liabilities</b>	<b>85,353</b>	<b>64,345</b>
<b>Reconciliation of deferred tax liabilities</b>		
Net deferred tax liabilities as at 1 July	64,345	53,366
Deferred tax recognised in profit or loss	18,223	18,862
Transferred from deferred tax assets	–	46
Foreign currency translation reserve movement	2,785	(7,929)
<b>Net deferred tax liabilities as at 30 June</b>	<b>85,353</b>	<b>64,345</b>

\* Refer to note 16.

## NOTES TO THE SUMMARISED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

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### 20. REVENUE

US\$ thousand	2024	Restated* 2023
<b>Revenue from contracts with customers</b>		
Gold revenue	372,589	319,108
Silver revenue	648	478
Blueberries revenue <sup>1</sup>	559	306
Management fees	–	–
<b>Other revenue</b>		
Dividend received from subsidiary	–	–
<b>Total revenue</b>	<b>373,796</b>	319,892

\* Refer to note 16.

<sup>1</sup> Revenue amounting to US\$256,000 (2023: US\$216,000) was earned through export sales.

### 21. COST OF PRODUCTION

Cost of production is summarised by the nature of its components and consists of the following:

US\$ thousand	Note	2024	Restated* 2023
Salaries and wages		(55,194)	(51,183)
Electricity		(31,115)	(18,698)
Mining		(41,588)	(36,914)
Processing and metallurgy		(47,993)	(30,022)
Engineering and technical services		(25,568)	(44,549)
Administration and other <sup>1</sup>		(9,589)	(9,029)
Realisation costs		(1,038)	(2,845)
Security		(7,157)	(5,605)
Fuel costs <sup>2</sup>		(1,941)	(43)
<b>Cost of production before depreciation and amortisation</b>		<b>(221,183)</b>	(198,888)
Depreciation and amortisation	16	(21,244)	(20,399)
<b>Total cost of production</b>		<b>(242,427)</b>	(219,287)

\* Refer to note 16.

<sup>1</sup> Other costs include leases of low-value assets amounting to US\$37,000 (2023: US\$61,000) and short-term leases amounting to US\$443,000 (2023: US\$519,000).

<sup>2</sup> As of the current reporting year, fuel costs are disclosed separately. Fuel costs for the comparative period amounted to US\$2.0 million and have not been reclassified.

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## OTHER ITEMS

### ALTERNATIVE PERFORMANCE MEASURES

#### Introduction

When assessing Pan African's reported financial performance, financial position and cash flows, management makes reference to APMs of historical or future financial performance, financial position or cash flows that are not defined or specified under IFRS Accounting Standards.

The APMs include financial APMs, non-financial APMs and ratios as described below.

- **Financial APMs:** These financial measures are usually derived from the financial statements, prepared in accordance with IFRS Accounting Standards. Certain financial measures cannot be directly derived from the financial statements as they contain additional information such as financial information from earlier periods or profit estimates or projections. The accounting policies applied when calculating APMs are, where relevant and unless otherwise stated, the same as those disclosed in the Group's consolidated annual financial statements for the year ended 30 June 2024.
- **Non-financial APMs:** These measures incorporate certain non-financial information that management believes is useful when assessing the Group's performance.
- **Ratios:** Ratios calculated using any of the APMs referred to above, IFRS Accounting Standards measures, or a combination of APMs and IFRS Accounting Standards measures.

The table below summarises the Group's financial and non-financial APMs. APMs are not uniformly defined by all companies, including those in Pan African's industry. APMs should be considered in addition to, and not as a substitute for or as superior to, measures of financial performance, financial position or cash flows reported in accordance with IFRS Accounting Standards.

#### Financial APMs

Group APM	Equivalent IFRS Accounting Standards measure	Adjustments to reconcile to primary statements	Rationale for adjustment
<b>Performance</b>			
All-in sustaining costs (AISC)	Cost of production	Other related costs as defined by the World Gold Council, including royalty costs, community costs, sustaining and development capital (excluding non-gold operations)	The objective of AISC and all-in-cost (AIC) metrics is to provide key stakeholders (i.e. management, shareholders, governments, local communities, etc.) with comparable metrics that reflect, as close as possible, the full cost of producing and selling an ounce of gold, and which are fully and transparently reconcilable back to amounts reported under IFRS Accounting Standards
All-in costs	Gold cost of production	Once-off capital costs	As per the above for AISC with additional expansionary capital and once-off non-production-related cost adjustments
Adjusted EBITDA	Profit after tax	<ul style="list-style-type: none"> <li>• Tax</li> <li>• Depreciation and amortisation</li> <li>• Net finance costs</li> <li>• Impairment loss or impairment loss reversal</li> </ul>	Excludes the impact of non-recurring items or certain accounting adjustments that can mask underlying changes in performance

### ALTERNATIVE PERFORMANCE MEASURES continued

#### Financial APMs continued

<b>Performance continued</b>			
Headline earnings	Profit after tax	<ul style="list-style-type: none"> <li>• Profit on disposal of property, plant and equipment</li> <li>• Tax on profit on disposal of property, plant and equipment and mineral rights</li> <li>• Impairment or impairment reversals</li> <li>• Tax on impairment or impairment reversal</li> <li>• Compensation received from insurers</li> <li>• Tax on insurance compensation</li> </ul>	Indicates the extent of the Group's normalised earnings to shareholders based on SAICA's Circular 2023/1
<b>Statement of financial position</b>			
Net debt	Borrowings from financial institutions less cash and related hedges	<ul style="list-style-type: none"> <li>• IFRS 9 accounting adjustments</li> <li>• IFRS 16 lease liabilities</li> <li>• Restricted cash</li> <li>• Instalment sale obligations</li> </ul>	Excludes the impact of accounting adjustments from the net debt obligations of the Group
Net senior debt	Borrowings from financial institutions less cash	<ul style="list-style-type: none"> <li>• IFRS 9 accounting adjustments</li> <li>• IFRS 16 lease liabilities</li> <li>• Restricted cash</li> <li>• Instalment sale obligations</li> </ul>	Excludes the impact of accounting adjustments from debt obligations of the Group

#### Cash cost

Direct production costs attributable to gold sold by the Group.

#### All-in sustaining costs

Incorporates costs related to sustaining current production. AISC are defined by the World Gold Council as operating costs and costs not already included therein relating to sustaining the current production, including sustaining capital expenditure. The value of by-product revenue is deducted from operating costs as it effectively reduces the cost of gold production.

#### All-in costs

Includes additional costs which relate to the growth of the Group. AIC starts with AISC and adds additional costs which relate to the growth of the Group, including non-sustaining capital expenditure not associated with current operations and costs such as voluntary severance pay.

AISC and AIC are reported on the basis of a rand per kilogramme of gold and US\$ per ounce of gold. The US\$ equivalent is converted at the average exchange rate applicable for the current reporting period as disclosed in the Group's production summary table on **pages 64 to 67**. A kilogramme of gold is converted to an ounce of gold at a ratio of 1:32.1509.



## ALTERNATIVE PERFORMANCE MEASURES continued

## All-in costs continued

The following table sets out a reconciliation of Pan African's cost of production as calculated in accordance with IFRS Accounting Standards to AISC and AIC for the financial years ended 30 June 2024 and 30 June 2023. The equivalent of a rand per kilogramme and US\$ per ounce basis is disclosed in the Group's operational production table on pages 64 to 67.

ZAR million	Mining operations				Tailings operations				Total operations		
	Barberton Mines	Evander Mines	Total		BTRP	Evander Mines' surface sources	Elikhulu	Total	Barberton Mines total	Evander Mines total	Group total
<b>Year ended 30 June 2024</b>											
Cost of production <sup>1</sup>	1,971.6	891.6	2,863.2		227.5	105.1	951.3	1,283.9	2,199.1	1,948.0	4,147.1
Royalties	24.5	6.9	31.4		0.2	–	–	0.2	24.7	6.9	31.6
Community cost related to gold operations	29.3	11.8	41.1		–	–	–	–	29.3	11.8	41.1
By-products credits	(1.5)	(10.7)	(12.2)		–	–	–	–	(1.5)	(10.7)	(12.2)
Corporate, general and administrative costs	127.3	53.5	180.8		–	–	63.7	63.7	127.3	117.2	244.5
Reclamation and remediation – accretion and amortisation (operating sites)	(8.0)	(12.6)	(20.6)		–	–	–	–	(8.0)	(12.6)	(20.6)
Sustaining capital – maintenance	208.2	–	208.2		7.9	–	34.7	42.6	216.1	34.7	250.8
<b>All-in sustaining costs<sup>1</sup></b>	<b>2,351.4</b>	<b>940.6</b>	<b>3,292.0</b>		<b>235.5</b>	<b>105.1</b>	<b>1,049.7</b>	<b>1,390.3</b>	<b>2,586.9</b>	<b>2,095.4</b>	<b>4,682.3</b>
Expansion capital – capital expenditure	193.5	1,016.8	1,210.3		1.4	–	270.1	271.5	194.9	1,286.9	1,481.8
<b>All-in costs<sup>1</sup></b>	<b>2,544.9</b>	<b>1,957.4</b>	<b>4,502.3</b>		<b>236.9</b>	<b>105.1</b>	<b>1,319.8</b>	<b>1,661.8</b>	<b>2,781.8</b>	<b>3,382.3</b>	<b>6,164.1</b>
<b>Year ended 30 June 2023</b>											
Cost of production <sup>1</sup>	1,647.9	624.3	2,272.2		252.2	201.8	830.9	1,284.9	1,900.1	1,657.0	3,557.1
Royalties	10.6	5.2	15.8		0.1	–	1.2	1.3	10.7	6.4	17.1
Community cost related to gold operations	21.1	4.2	25.3		–	–	–	–	21.1	4.2	25.3
By-products credits	(1.8)	(6.7)	(8.5)		–	–	–	–	(1.8)	(6.7)	(8.5)
Corporate, general and administrative costs	101.8	27.8	129.6		–	–	42.9	42.9	101.8	70.7	172.5
Reclamation and remediation – accretion and amortisation (operating sites)	(6.0)	(4.3)	(10.3)		–	–	–	–	(6.0)	(4.3)	(10.3)
Sustaining capital – development	128.9	–	128.9		–	–	–	–	128.9	–	128.9
Sustaining capital – maintenance	175.2	–	175.2		5.2	9.4	27.9	42.5	180.4	37.3	217.7
<b>All-in sustaining costs<sup>1</sup></b>	<b>2,077.7</b>	<b>650.5</b>	<b>2,728.2</b>		<b>257.4</b>	<b>211.2</b>	<b>902.9</b>	<b>1,371.5</b>	<b>2,335.1</b>	<b>1,764.6</b>	<b>4,099.7</b>
Expansion capital – capital expenditure	46.7	1,077.8	1,124.5		6.4	–	304.5	310.9	53.1	1,382.3	1,435.4
<b>All-in costs<sup>1</sup></b>	<b>2,124.4</b>	<b>1,728.3</b>	<b>3,852.7</b>		<b>263.8</b>	<b>211.2</b>	<b>1,207.5</b>	<b>1,682.5</b>	<b>2,388.2</b>	<b>3,147.0</b>	<b>5,535.2</b>

<sup>1</sup> This total may not reflect the sum of the line items due to rounding.

**ALTERNATIVE PERFORMANCE MEASURES** continued**Net debt**

Net debt is calculated as total borrowings from financial institutions (before IFRS 9 accounting adjustments) less cash and cash equivalents (including derivatives that are entered into for protection against, or benefit from, fluctuations in the exchange rate or commodity prices). A reconciliation to the consolidated statement of financial position is provided below.

US\$ million	30 June 2024	30 June 2023
Cash and cash equivalents	(26.3)	(34.8)
RCF	10.8	10.7
DMTN bonds	44.2	42.7
Term loan facility	53.5	–
Green loan	19.2	–
Add: net derivative financial liability/(asset)	–	(0.4)
Lease liability	3	3.5
Other liabilities	0.7	–
Restricted cash	0.1	0.2
Facility arrangement fees adjustment	1.2	–
<b>Net debt</b>	<b>106.4</b>	<b>21.9</b>

**Adjusted EBITDA**

Adjusted EBITDA is a measure of the Group's operating performance and is calculated as net profit or loss for the Group before finance income and finance costs and tax, before any amount attributable to the amortisation of intangible assets and the depreciation of tangible assets and before any extraordinary items or the impairment of non-financial assets.

Adjusted EBITDA by operation ZAR million	Mining operations				Tailings operations				Total operations		
	Barberton Mines	Evander Mines	Total		BTRP	Evander Mines' surface sources	Elikhulu	Total	Barberton Mines total	Evander Mines total	Group total
Net income before finance income and finance costs	628.8	501.2	1,130.0		387.0	(16.1)	836.0	1,206.9	1,015.8	1,321.1	2,336.9
Depreciation and amortisation	136.8	19.1	155.9		22.2	–	205.6	227.8	159.0	224.7	383.7
<b>EBITDA</b>	<b>765.6</b>	<b>520.3</b>	<b>1,285.9</b>		<b>409.2</b>	<b>(16.1)</b>	<b>1,041.6</b>	<b>1,434.7</b>	<b>1,174.8</b>	<b>1,545.8</b>	<b>2,720.6</b>
<b>Adjusted EBITDA – 2024</b>	<b>765.6</b>	<b>520.3</b>	<b>1,285.9</b>		<b>409.2</b>	<b>(16.1)</b>	<b>1,041.6</b>	<b>1,434.7</b>	<b>1,174.8</b>	<b>1,545.8</b>	<b>2,720.6</b>
Net income before finance income and finance costs	410.5	514.5	925.0		260.6	572.7	736.5	844.6	671.1	1,098.5	1,769.6
Depreciation and amortisation	110.0	30.0	140.0		46.5	163.8	163.8	210.3	156.5	193.8	350.3
<b>EBITDA</b>	<b>520.5</b>	<b>544.5</b>	<b>1,065.0</b>		<b>307.1</b>	<b>736.5</b>	<b>900.3</b>	<b>1,054.9</b>	<b>827.6</b>	<b>1,292.3</b>	<b>2,119.9</b>
<b>Adjusted EBITDA – 2023</b>	<b>520.5</b>	<b>544.5</b>	<b>1,065.0</b>		<b>307.1</b>	<b>736.5</b>	<b>900.3</b>	<b>1,054.9</b>	<b>827.6</b>	<b>1,292.3</b>	<b>2,119.9</b>

**ALTERNATIVE PERFORMANCE MEASURES** continued**Net senior debt**

Net senior debt includes senior, interest-bearing debt provided by financial institutions, net of available cash.

US\$ million	30 June 2024	30 June 2023
Cash and cash equivalents	(26.3)	(34.8)
Restricted cash	0.1	0.2
Borrowings	127.8	53.4
Facility arrangement fee	1.2	0.1
<b>Net senior debt</b>	<b>102.8</b>	<b>18.9</b>

**ALTERNATIVE PERFORMANCE MEASURES** continued**Net adjusted EBITDA**

Net adjusted EBITDA starts with adjusted EBITDA, adjusted for unrealised fair value gains or losses on financial derivative instruments that are entered into in the normal course of business as part of the Group's financial risk management process.

**Headline earnings**

Headline earnings, a JSE-defined performance measure (as defined by Circular 2023/1 issued by SAICA), is reconciled to profit after tax below.

US\$ thousand	30 June 2024	30 June 2023
Profit attributable to owners of the Company	79,378	60,918
Adjusted for:		
Loss on disposal of property, plant and equipment <sup>1</sup>	106	–
Tax effect on loss on disposal of plant and equipment	–	–
Insurance compensation <sup>1</sup>		(675)
<b>Headline earnings</b>	<b>79,484</b>	<b>60,243</b>
<b>Headline earnings per share (US cents)</b>	<b>4.15</b>	<b>3.14</b>

<sup>1</sup> There was no tax effect on the transactions.

**RATIOS****Net debt-to-equity ratio**

This ratio measures the degree to which the Group finances its operations through debt relative to equity and is calculated as net debt divided by total equity.

**Net debt-to-net adjusted EBITDA ratio**

This ratio measures the number of years it would take the Group to repay its net debt from net adjusted EBITDA, assuming both variables are held consistent, and is calculated as net debt divided by net adjusted EBITDA.

**Interest cover ratio**

This ratio measures the Group's ability to redeem interest on its outstanding senior debt from net adjusted EBITDA and is calculated as total net adjusted EBITDA divided by finance costs incurred on interest-bearing debt.

**Debt service cover ratio**

This ratio measures the cash flow available for debt service relative to the Group's obligatory principal and interest debt obligations and is calculated as free cash flow available for debt service divided by principal and interest-debt obligations.

**ALTERNATIVE PERFORMANCE MEASURES** continued**Covenant reconciliation and calculation**

US\$ thousand	30 June 2024	30 June 2023
Net debt <sup>1</sup>	106,406	21,955
Total equity	364,103	294,596
<b>Net debt-to-equity ratio</b>	<b>0.29</b>	<b>0.07</b>
<b>Finance cost paid</b>		
RCF	1,836	–
DMTN bonds	5,172	2,383
Term loan facility	3,185	–
Green loan	80	–
Redink Rentals (RF) Limited loan	–	688
General banking facility	1,292	1,002
<b>Finance cost – interest-bearing facilities</b>	<b>11,565</b>	<b>4,073</b>
Adjusted EBITDA <sup>2</sup>	141,214	115,010
Fair value gain on derivatives	180	(26)
<b>Net adjusted EBITDA<sup>3</sup></b>	<b>141,394</b>	<b>114,984</b>
<b>Interest cover ratio</b>	<b>12.2</b>	<b>28.2</b>
Net debt	21,909	21,909
Net adjusted EBITDA <sup>3</sup>	114,984	114,984
<b>Net debt-to-net adjusted EBITDA</b>	<b>0.2</b>	<b>0.2</b>
Net adjusted EBITDA	141,394	114,984
Net working capital change	4,303	6,732
Add: non-cash flow items	8,543	5,349
Total capital expenditure less capital funded through permitted indebtedness	(94,886)	(64,327)
Less: tax and royalties paid	(15,476)	(7,722)
<b>Free cash flow</b>	<b>43,878</b>	<b>55,016</b>
Finance cost on interest-bearing facilities	11,565	6,253
Obligatory debt capital repayments	–	1,125
<b>Debt service obligation</b>	<b>11,565</b>	<b>7,378</b>
<b>Debt service cover ratio</b>	<b>3.8</b>	<b>7.5</b>

<sup>1</sup> The Group's net debt excludes the unaccrued refinancing modification and unaccrued facilities' arranging fees.

<sup>2</sup> Adjusted EBITDA represents earnings before interest, tax, depreciation and amortisation and impairment losses.

<sup>3</sup> Net adjusted EBITDA is the adjusted EBITDA excluding realised and unrealised gains and losses on financial instruments.

**ALTERNATIVE PERFORMANCE MEASURES** continued**Net asset value per share**

This is calculated as total equity divided by the total number of shares in issue less treasury shares held by the Group.

	Unit	30 June 2024	30 June 2023
Total equity	US\$ million	364.1	291.9
Shares in issue	number million	2,222.9	2,222.9
Treasury shares	number million	(306.4)	(306.4)
<b>Net asset value per share</b>	US cents	<b>19.00</b>	15.23

**AISC margin**

Is calculated as the margin between the average gold price received and AISC expressed as a percentage of the average gold price received.

	Unit	30 June 2024	30 June 2023
Average US\$ gold price received	US\$	2,015	1,811
AISC	US\$/oz	1,354	1,308
<b>AISC margin</b>	%	<b>32.8</b>	27.8

**Levered free cash flow**

Levered free cash flow measures the cash available after the Group's financial obligations have been met including interest payments and debt. It represents the cash flow available to shareholders.

	Unit	30 June 2024	30 June 2023
Adjusted EBITDA	US\$ million	141.2	115.0
Finance costs paid	US\$ million	(11.6)	(6.3)
Income tax paid	US\$ million	(13.0)	(6.5)
Net working capital change	US\$ million	4.3	6.7
Capital expenditure	US\$ million	(166.2)	(112.7)
Proceeds from borrowings	US\$ million	114.2	94.7
Repayment of borrowings	US\$ million	(42.9)	(69.3)
<b>Levered free cash flow</b>	US\$ million	<b>26.0</b>	21.6
Shares in issue	number million	2,222.9	2,222.9
Treasury shares	number million	(306.4)	(306.4)
<b>Total</b>	number million	<b>1,916.5</b>	1,916.5
<b>Levered free cash flow per share</b>	US cents per share	<b>1.36</b>	1.13

**ALTERNATIVE PERFORMANCE MEASURES** continued**Levered free cash flow yield per share**

Is calculated as the levered free cash flow per share expressed as a percentage of the last traded price per Pan African share at 30 June.

	Unit	30 June 2024	30 June 2023
Levered free cash flow per share	US cents per share	1.36	1.13
Last traded price per Pan African share <sup>1</sup>	US cents per share	33.26	16.09
<b>Cash flow yield per share</b>	%	<b>4.08</b>	6.99

<sup>1</sup> Amounts converted at the 30 June 2024 closing exchange rate of US\$/ZAR:18.19 (2023: US\$/ZAR:18.83).

**Return on capital employed**

This ratio measures the profitability of the Group's capital investments and shows how effectively assets are generating profits on invested capital for equity shareholders of the Group. It is calculated as earnings before finance costs and tax divided by the sum of the average total equity for the current and previous financial year and average debt from financial institutions.

	Unit	30 June 2024	30 June 2023
Net income before finance income and finance costs	US\$ million	119.3	60.5
Average equity	US\$ million	328.0	292.1
Average debt from financial institutions	US\$ million	90.6	44.0
<b>Return on capital employed</b>	%	<b>28.5</b>	28.0

**Dividend yield at the last traded share price**

	Unit	30 June 2024	30 June 2023
Dividend	ZA cents	22.0	18.0
Last traded price	ZA cents	606.0	303.0
<b>Dividend yield</b>	%	<b>3.6</b>	5.9

## GROUP PRODUCTION SUMMARY

	Year ended 30 June	Unit	Mining operations				Tailings operations				Total operations		
			Barberton Mines	Evander Mines	Total		BTRP	Evander Mines' surface sources	Elikhulu	Total	Barberton Mines total	Evander Mines total	Group total
Tonnes milled – underground	2024	t	250,744	192,050	442,794		–	–	–	–	250,744	192,050	442,794
	2023	t	235,028	159,063	394,091		–	–	–	–	235,028	159,063	394,091
Tonnes milled – surface	2024	t	108,192	–	108,192		–	–	–	–	108,192	–	108,192
	2023	t	107,594	–	107,594		–	–	–	–	107,594	–	107,594
Tonnes milled – total underground and surface	2024	t	358,936	192,050	550,986		–	–	–	–	358,936	192,050	550,986
	2023	t	342,622	159,063	501,685		–	–	–	–	342,622	159,063	501,685
Tonnes processed – tailings	2024	t	–	–	–		828,392	–	14,198,865	15,027,257	828,392	14,198,865	15,027,257
	2023	t	–	–	–		921,753	–	13,587,371	14,509,124	921,753	13,587,371	14,509,124
Tonnes processed – surface feedstock	2024	t	–	–	–		–	104,157	–	104,157	–	104,157	104,157
	2023	t	–	–	–		–	248,575	–	248,575	–	248,575	248,575
Tonnes processed – total tailings and surface feedstock	2024	t	–	–	–		828,392	104,157	14,198,865	15,131,414	828,392	14,303,022	15,131,414
	2023	t	–	–	–		921,753	248,575	13,587,371	14,757,699	921,753	13,835,946	14,757,699
<b>Tonnes milled and processed – total</b>	2024	t	358,936	192,050	550,986		828,392	104,157	14,198,865	15,131,414	1,187,328	14,495,072	15,682,400
	2023	t	342,622	159,063	501,685		921,753	248,575	13,587,371	14,757,699	1,264,375	13,995,009	15,259,384
Head grade – total	2024	g/t	6.8	6.6	6.7		1.3	1.3	0.3	1.3	3.0	0.4	0.6
	2023	g/t	6.5	6.7	6.5		1.4	1.2	0.4	1.4	2.8	0.4	0.6
Overall recovered grade	2024	g/t	6.2	6.2	6.2		0.7	0.8	0.1	0.2	2.4	0.2	0.4
	2023	g/t	5.9	6.4	6.1		0.7	0.9	0.1	0.2	2.1	0.2	0.4
Overall recovery – underground	2024	%	92	94	93		–	–	–	–	92	94	93
	2023	%	91	96	93		–	–	–	–	91	96	93
Overall recovery – tailings	2024	%	–	–	–		53	60	35	39	53	60	39
	2023	%	–	–	–		47	74	32	37	47	74	37
Gold produced – underground	2024	oz	67,513	38,285	105,798		–	–	–	–	67,513	38,285	105,798
	2023	oz	60,477	33,256	93,733		–	–	–	–	60,477	33,256	93,733
Gold production – surface operations	2024	oz	3,957	–	3,957		–	–	–	–	3,957	–	3,957
	2023	oz	4,109	–	4,109		–	–	–	–	4,109	–	4,109
Gold produced – tailings	2024	oz	–	–	–		18,888	–	54,812	73,700	18,888	54,812	73,700
	2023	oz	–	–	–		19,875	–	50,573	70,448	19,875	50,573	70,448
Gold produced – surface feedstock	2024	oz	–	–	–		–	2,584	–	2,584	–	2,584	2,584
	2023	oz	–	–	–		–	6,919	–	6,919	–	6,919	6,919
<b>Gold produced – total</b>	2024	oz	71,470	38,285	109,755		18,888	2,584	54,812	76,284	90,358	95,681	186,039
	2023	oz	64,586	33,256	97,842		19,875	6,919	50,573	77,367	84,461	90,748	175,209



## GROUP PRODUCTION SUMMARY continued

	Year ended 30 June	Unit	Mining operations				Tailings operations				Total operations		
			Barberton Mines	Evander Mines	Total		BTRP	Evander Mines' surface sources	Elikhulu	Total	Barberton Mines total	Evander Mines total	Group total
Gold sold – total	2024	oz	70,732	38,477	109,209		18,827	2,584	54,265	75,676	89,559	95,326	184,885
	2023	oz	64,941	32,898	97,839		20,087	6,919	51,371	78,377	85,028	91,188	176,216
Average ZAR gold price received	2024	ZAR/kg	1,242,415	1,138,564	1,205,824		1,245,920	1,107,365	1,218,492	1,221,521	1,243,151	1,183,222	1,212,252
	2023	ZAR/kg	1,049,525	1,074,812	1,058,026		1,009,466	1,002,305	1,004,120	1,005,330	1,040,061	1,029,482	1,034,586
Average US\$ gold price received	2024	US\$/oz	2,065	1,893	2,005		2,071	1,841	2,026	2,031	2,067	1,967	2,015
	2023	US\$/oz	1,837	1,881	1,852		1,767	1,754	1,758	1,760	1,820	1,802	1,811
ZAR cash cost	2024	ZAR/kg	896,195	745,000	842,925		388,448	1,307,957	563,605	545,443	789,455	656,999	721,161
	2023	ZAR/kg	815,858	610,129	746,682		403,671	937,904	520,041	527,104	718,481	584,247	649,018
ZAR all-in sustaining cost	2024	ZAR/kg	1,068,831	785,928	969,157		402,151	1,307,957	621,943	590,685	928,680	706,729	814,243
	2023	ZAR/kg	1,028,634	635,728	896,519		412,041	981,523	565,106	562,636	882,967	622,180	748,015
ZAR all-in cost	2024	ZAR/kg	1,156,771	1,635,585	1,325,470		404,526	1,307,957	781,983	706,036	998,632	1,140,786	1,071,926
	2023	ZAR/kg	1,051,737	1,689,006	1,266,019		422,281	981,523	755,697	690,180	903,031	1,109,545	1,009,898
US\$ cash cost	2024	US\$/oz	1,490	1,238	1,401		646	2,174	937	907	1,312	1,092	1,199
	2023	US\$/oz	1,428	1,068	1,307		707	1,642	910	923	1,258	1,023	1,136
US\$ all-in sustaining cost	2024	US\$/oz	1,777	1,307	1,611		669	2,174	1,034	982	1,544	1,175	1,354
	2023	US\$/oz	1,800	1,113	1,569		721	1,718	989	985	1,545	1,089	1,309
US\$ all-in cost	2024	US\$/oz	1,923	2,719	2,203		672	2,174	1,300	1,174	1,660	1,896	1,782
	2023	US\$/oz	1,841	2,956	2,216		739	1,718	1,323	1,208	1,581	1,942	1,768
ZAR cash cost per tonne	2024	ZAR/t	5,493	4,643	5,197		275	1,009	67	85	1,852	134	264
	2023	ZAR/t	4,810	3,925	4,529		274	812	61	87	1,503	118	233
Capital expenditure	2024	ZAR million	401.6	1,016.9	1,418.5		9.3	–	304.9	314.2	410.9	1,321.8	1,732.7
	2023	ZAR million	350.8	1,077.9	1,428.7		11.6	9.4	332.5	353.5	362.4	1,419.8	1,782.2
Revenue	2024	ZAR million	2,733.3	1,362.6	4,095.9		729.6	89.0	2,056.6	2,875.2	3,462.9	3,508.2	6,971.1
	2023	ZAR million	2,119.9	1,099.8	3,219.7		630.7	215.7	1,604.4	2,450.8	2,750.6	2,919.9	5,670.5
Cost of production	2024	ZAR million	1,971.6	891.6	2,863.2		227.5	105.1	951.3	1,283.9	2,199.1	1,948.0	4,147.1
	2023	ZAR million	1,647.9	624.3	2,272.2		252.2	201.8	830.9	1,284.9	1,900.1	1,657.0	3,557.1
All-in sustaining cost of production	2024	ZAR million	2,351.4	940.6	3,292.0		235.5	105.1	1,049.7	1,390.3	2,586.9	2,095.4	4,682.3
	2023	ZAR million	2,077.7	650.5	2,728.2		257.4	211.2	902.9	1,371.5	2,335.1	1,764.6	4,099.7
All-in cost of production	2024	ZAR million	2,544.9	1,957.4	4,502.3		236.9	105.1	1,319.8	1,661.8	2,781.8	3,382.3	6,164.1
	2023	ZAR million	2,124.4	1,728.3	3,852.7		263.8	211.2	1,207.5	1,682.5	2,388.2	3,147.0	5,535.2
Adjusted EBITDA <sup>1</sup>	2024	ZAR million	765.6	520.3	1,285.9		409.2	(16.1)	1,041.6	1,434.7	1,174.8	1,545.6	2,720.6
	2023	ZAR million	520.5	544.5	1,065.0		307.1	11.3	736.5	1,054.9	827.6	1,292.3	2,119.9
Average exchange rate	2024	US\$/ZAR	18.71	18.71	18.71		18.71	18.71	18.71	18.71	18.71	18.71	18.71
	2023	US\$/ZAR	17.77	17.77	17.77		17.77	17.77	17.77	17.77	17.77	17.77	17.77

<sup>1</sup> Adjusted EBITDA is represented by earnings before interest, taxation, depreciation and amortisation, impairments, discontinued operations and profit/(loss) on disposal of investments.

# GLOSSARY

## DEFINITIONS OF TERMS AND ABBREVIATIONS USED IN THIS REPORT

A2X	A2X Market, a licensed stock exchange authorised to provide a secondary listing venue for companies
AAL	Aachen Assisted Leach reactor
ADR	American Depository Receipt programme through the Bank of New York Mellon
AGM	Annual general meeting
AIC	All-in costs
AIM	AIM Market, the LSE's international market for smaller growing companies
AISC	All-in sustaining costs
ALARP	As low as reasonably practicable
APMs	Alternative performance measures
Barberton Mines	Barberton Mines Proprietary Limited
BNY Mellon	Bank of New York Mellon
the board	The board of directors of Pan African
BTRP	Barberton Tailings Retreatment Plant, a gold recovery tailings plant owned by Barberton Mines, which reached steady-state production in June 2013
CGU	Cash-generating unit
CMA	Contract mining agreement
Companies Act 2006	An act of the Parliament of the UK which forms the primary source of UK company law
COVID-19	Coronavirus disease 2019, an infectious disease caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2)
Current reporting period	The financial year ended 30 June 2024
DMTN	Domestic medium-term note
EAD	Exposure at default
EBITDA	Earnings before interest, income taxation expense, depreciation and amortisation, and impairment reversal
ECL	Expected credit losses
Elikhulu	The Elikhulu Tailings Retreatment Plant in Mpumalanga province, with its inaugural gold pour in August 2018
EPS	Earnings per share
ESG	Environmental, social and governance
EU	European Union
Evander Mines	Evander Gold Mining Proprietary Limited
Exco	Executive committee of Pan African Resources
Funding Company	Pan African Resources Funding Company Proprietary Limited
g/t	Grammes/tonne
GBP	British pound
GISTM	Global Industry Standard on Tailings Management
GWh	Gigawatt hour

ha	Hectare
HEPS	Headline earnings per share
IAS	International Accounting Standards
IFRS	IFRS® Accounting Standards
JSE	JSE Limited incorporating the Johannesburg Securities Exchange, the main bourse in South Africa
kg	Kilogramme
km	Kilometre
km²	Square kilometre
LGD	Loss given default
LSE	London Stock Exchange
ML	Megalitre
MMR	Main Muiden Reef
Mogale Gold	Mogale Gold Proprietary Limited
Moz	Million ounces
MRC	Main Reef Complex
MSC	Mintails SA Soweto Cluster Proprietary Limited
Mt	Mega tonne
MTR	Mogale Tailings Retreatment Proprietary Limited
MTR project or plant	The Mogale Tailings Retreatment project is located in the Mogale district. A plant is being constructed to process gold tailings deposited onto the Mogale Gold and MSC TSFs
MW	Megatonne
OTC	Over-the-counter
OTCQX	OTCQX Best Market in the USA
oz	Ounce
Pan African Resources PLC	Holding company – Pan African
PAR Gold	PAR Gold Proprietary Limited
PC	Barberton Mines' Prince Consort Shaft
PD	Probability of default
PwC	PricewaterhouseCoopers LLP
RCF	Revolving credit facility
RMB	Rand Merchant Bank, a division of FirstRand Bank Limited
RoM	Run-of-mine
SA	South Africa
SAICA	South African Institute of Chartered Accountants
SAMREC Code	South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves, 2016 edition
t	Tonnes
TCMG	Tennant Consolidated Mining Group Proprietary Limited

the Group or the Company or Pan African	Pan African Resources PLC, listed on the LSE's AIM and on the JSE in the Gold Mining sector
TRIFR	Total recordable injury frequency rate
TSF	Tailings storage facility
UK	United Kingdom
US	United States
USA	United States of America
US\$	United States dollar
VAT	15% value-added tax in South Africa
ZAR	South African rand

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Participation details for the 2024 financial year results presentation are as follows:

#### DATE

11 September 2024

#### TIME

11:00 (SA time), 10:00 (UK time)

#### WEBCAST/DIALLING IN

To participate in the webcast and conference call, please pre-register ahead of time.

Webcast link  <https://www.corpcam.com/PAR13092023>

Dialling-in link  <https://services.choruscall.za.com/DiamondPassRegistration/register?confirmationNumber=7364641&linkSecurityString=125b942412>

A conference playback will be available one hour after the presentation concludes. Please use the following details:

SA/international: +27 10 500 4108

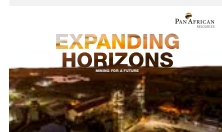
UK: 0 203 608 8021

USA and Canada: 1 412 317 0088

Playback code: 44245#

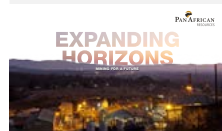


## OUR REPORTING SUITE



Our **integrated annual report** includes our annual financial statements and is available on our website at:

<https://www.panafricanresources.com/investors/financial-reports/>



Our **Mineral Resources and Mineral Reserves report** provides technical information in compliance with the SAMREC Code and is available on our website at:

<https://www.panafricanresources.com/operations-at-a-glance-2/mineral-resource-mineral-reserve-2/>



Our **sustainable development report** contains additional non-financial disclosures and is available on our website at:

<https://www.panafricanresources.com/investors/gri-and-sustainability/>



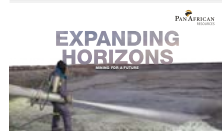
Our **climate change report** is available on our website at:

<https://www.panafricanresources.com/investors/gri-and-sustainability/>



Our **corporate governance report**, including a comprehensive King IV™ index is available on our website at:

<https://www.panafricanresources.com/about/corporate-governance/>



Our **notice of annual general meeting** will be available on our website on 30 October 2024 at:

<https://www.panafricanresources.com/investors/shareholder-announcements/>

## FEEDBACK

We welcome any feedback stakeholders may have on our reports. Please send any feedback to [info@paf.co.za](mailto:info@paf.co.za).



Evander Mines' Elikhulu plant's infrastructure



[www.panafricanresources.com](http://www.panafricanresources.com)