

Pan African Resources PLC

(Incorporated and registered in England and Wales under Companies Act 1985 with registered number 3937466 on 25 February 2000)

Share code on AIM: PAF

Share code on JSE: PAN

ISIN: GB0004300496

ADR ticker code: PAFRY

("Pan African" or "the Company")

## Restructure of Long-term Incentive Schemes

### 1. Introduction

Shareholders are referred to the announcement of 17 September 2020, where certain of the group's long-term incentive schemes were restructured with the intent of simplifying and consolidating these schemes and improving their retention capability.

Pursuant to this restructuring, shareholders are notified in accordance with paragraph 3.63 of the JSE Listings Requirements that on 25 June 2021, the Chief Executive Officer, Cobus Loots and the Financial Director, Deon Louw, and other prescribed officers of the group (details of which are set out in the tables in paragraph 3 below) ("**Affected Participants**") have agreed to relinquish the share options issued to them on 1 July 2019 ("**PARSMSS 1<sup>st</sup> issue**") and 1 July 2020 ("**PARSMSS 2<sup>nd</sup> issue**") under the Pan African Senior Management Share Scheme ("**PARSMSS**").

In *lieu* of the relinquishment set out above, restricted class C ordinary shares ("**Class C-Shares**") and class D ordinary shares ("**Class D-Shares**") of no par value in the share capital of PAR Gold Proprietary Limited ("**PAR Gold**"), will be issued to the Affected Participants respectively in terms of a newly-established Pan African C Executive Incentive Scheme ("**C-Share Scheme**") and Pan African D Executive Incentive Scheme ("**D-Share Scheme**").

### 2. Overview of the C-Share and D-Share Scheme's and key terms of the Class C and D-Shares

Pan African owns 49.9% of the issued share capital of PAR Gold.

The Class C and D-Shares are being created to facilitate the C-Share and D-Share Schemes. A summary of the rights and preferences of these schemes are provided below:

- the Class C and D-Shares do not confer any right to the holders of the Class C and D-Shares ("**Class C and D-Shareholders**") to attend, speak at and/or vote at general meetings of PAR Gold, save when a resolution of PAR Gold is proposed which affects the preferences, rights, limitations and other terms associated with the Class C and D-Shares;
- each issued Class C-Share and Class D-Share will entitle a Class C-Shareholder and Class D-Shareholder the right to receive distributions, in priority to the PAR Gold ordinary shares, equal to the 90-day volume weighted average price of a Pan African ordinary share on the JSE measured on vesting date which is three years from grant date ("**Distribution Amount**");
- the Class C Shares and Class D Shares will be repurchased by PAR Gold in accordance with the rules of the C-Share Scheme ("**C-Share Scheme Rules**") and D-Share Scheme ("**D-Share Scheme Rules**") by exercising certain put and call options granted for an amount equal to the higher of a) R0.0001 per Class C-Share and R0.0001 per Class D-Share or b) a shortfall in any Distribution Amount owing to a Class C-Shareholder or Class D-Shareholder in accordance with the C-Share Scheme Rules and D-Share Scheme Rules;
- the Class C and Class D-Shareholders may not transfer or encumber their Class C-Shares or Class D-Shares other than in accordance with the provisions of the C-Share Scheme Rules or D-Share Scheme Rules or with the prior written approval of the Board; and
- The Class C and D-Shares will rank *pari-passu* with class B shares in PAR Gold, as detailed in the company's announcement on 17 September 2020.

### 3. Directors and prescribed officers' dealings

The details of the dealings are set out below:

Class C-Shares allocated:

Name of director/ prescribed officer	Number of Relinquished Options under PARSMSS (PARSMSS 1 <sup>st</sup> issue)	Number of Class C- Shares* to be allocated in lieu of the Relinquished Options
Cobus Loots	4,667,768	4,434,380
Deon Louw	3,826,998	3,635,648
Bert van den Berg	1,244,444	1,182,222
Jonathan Irons	1,055,440	1,002,668
Barry Naicker	970,686	922,152
Niel Symington	927,607	881,227
Lyle Pienaar	596,368	566,550
Mthandazo Dlamini	576,261	547,448
Hendrik Pretorius	541,150	514,093
<b>Total</b>	<b>14,406,722</b>	<b>13,686,388</b>

\* Vesting date – 30 June 2022

Class D-Shares allocated:

Name of director/ prescribed officer	Number of Relinquished Options under PARSMSS (PARSMSS 2 <sup>nd</sup> issue)	Number of Class D- Shares* to be allocated in lieu of the Relinquished Options
Cobus Loots	2,998,480	2,848,556
Deon Louw	2,458,387	2,335,468
Bert van den Berg	799,406	759,436
Jonathan Irons	677,993	644,093
Barry Naicker	623,549	592,372
Niel Symington	595,876	566,082
Marileen Kok	487,138	462,781
Lyle Pienaar	383,095	363,940
Mthandazo Dlamini	376,225	357,414
Hendrik Pretorius	442,165	420,057
Itumeleng Phoshoko	336,430	319,609
<b>Total</b>	<b>10,178,744</b>	<b>9,669,808</b>

\* Vesting date – 30 June 2023

The above executive directors and prescribed officers held a direct beneficial interest in the relinquished options and likewise will hold a direct beneficial interest in the Class C-Shares and Class D-Shares. The Class C-Shares and Class D-Shares were acquired at a nominal value to the aforementioned executive directors and prescribed officers, and the amounts to which holders of the Class C-Shares and Class D-Shares are entitled to will depend on movements in the Pan African share price and vesting criteria attached to each class of share at their respective vesting dates.

All the above trades are considered to be off-market trades in terms of the JSE Listings Requirements. Clearance to deal was obtained in terms of paragraph 3.66 of the JSE Listings Requirements.

#### **4. Related Party Transaction**

The issuance of the Class C-Shares and Class D-Shares to Cobus Loots and Deon Louw constitutes a related party transaction under the JSE Listings Requirements.

Notwithstanding the fact that directors are related parties in terms of the JSE Listings Requirements, agreements with directors pursuant to share incentive schemes are exempt from related party requirements under paragraph 10.6(c)(iii) of the JSE Listings Requirements.

The issuance of the Class C-Shares and Class D-Shares to Cobus Loots and Deon Louw also constitutes a related party transaction under the AIM Rules for Companies. The Board, other than Cobus Loots and Deon Louw, who are not deemed independent, having consulted with the Company's nominated adviser, Peel Hunt LLP, consider that the terms of the aforementioned related party transaction are fair and reasonable insofar as shareholders are concerned.

Rosebank

30 June 2021

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

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

Contact information	
<p>Corporate Office</p> <p>The Firs Office Building</p> <p>2nd Floor, Office 204</p> <p>Cnr. Cradock and Biermann Avenues</p> <p>Rosebank, Johannesburg</p> <p>South Africa</p> <p>Office: +27 (0)11 243 2900</p> <p><a href="mailto:info@paf.co.za">info@paf.co.za</a></p>	<p>Registered Office</p> <p>Suite 31</p> <p>Second Floor</p> <p>107 Cheapside</p> <p>London</p> <p>EC2V 6DN</p> <p>United Kingdom</p> <p>Office: +44 (0)20 7796 8644</p>
<p>Cobus Loots</p> <p>Pan African Resources PLC</p> <p>Chief Executive Officer</p> <p>Office: +27 (0)11 243 2900</p>	<p>Deon Louw</p> <p>Pan African Resources PLC</p> <p>Financial Director</p> <p>Office: +27 (0)11 243 2900</p>
<p>Phil Dexter/Jane Kirton</p> <p>St James's Corporate Services Limited</p> <p>Company Secretary</p> <p>Office: +44 (0)20 7796 8644</p>	<p>Ross Allister/David McKeown</p> <p>Peel Hunt LLP</p> <p>Nominated Adviser and Joint Broker</p> <p>Office: +44 (0)20 7418 8900</p>
<p>Ciska Kloppers</p> <p>Questco Corporate Advisory Proprietary Limited</p> <p>JSE Sponsor</p> <p>Office: +27 (0)<a href="tel:+2720110119200">11 011 9200</a></p>	<p>Thomas Rider/Nick Macann</p> <p>BMO Capital Markets Limited</p> <p>Joint Broker</p> <p>Office: +44 (0)20 7236 1010</p>
<p>Hethen Hira</p> <p>Pan African Resources PLC</p> <p>Head: Investor Relations</p> <p>Tel: +27 (0)11 243 2900</p> <p>E-mail: <a href="mailto:hhira@paf.co.za">hhira@paf.co.za</a></p>	<p>Sholto Simpson</p> <p>Vestra Advisory Proprietary Limited</p> <p>Corporate Advisor</p> <p>Office: +27 (82) 449 1355</p>
<p>Website: <a href="http://www.panafricanresources.com">www.panafricanresources.com</a></p>	