

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

("Pan African" or "the Company")



TRADING STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019 AND NOTICE OF RESULTS

In terms of paragraph 3.4(b) of the Listings Requirements of the JSE Limited, a listed company is required to publish a trading statement as soon as it is satisfied that a reasonable degree of certainty exists that the financial results for the period to be reported upon next, will differ by at least 20% from those of the previous corresponding period.

The group's presentation currency changed for the financial year ended 30 June 2019 ("current reporting period") to United States dollars ("USD") from pounds sterling ("GBP"). Reporting in USD provides a more comparable presentation currency for the group's financial position, financial performance and cash flow. All group subsidiaries are incorporated in South Africa and their functional currency is South African rand ("ZAR"). The group's business is conducted in ZAR and the accounting records are maintained in this same currency, except precious metal product sales, which are conducted in USD prior to conversion into ZAR.

The ZAR:USD exchange rate affects the reporting of results in USD. For the current reporting period, the average ZAR:USD exchange rate is used and, in the event of material transactions, the exchange rate on the date of the transaction is used to translate earnings from ZAR to USD.

During the current reporting period, the average ZAR:USD exchange rate was R14.19:1 (2018: R12.85:1) and the closing ZAR:USD exchange rate was R14.08:1 (2018: R13.72:1). The year-on-year change in the average and closing exchange rates of 10.4% and 2.6%, respectively, must be taken into account for the purposes of translating and comparing year-on-year results. Furthermore, the weighted average number of shares in issue increased by 6.6% to 1,928.3 million shares (2018: 1,809.7 million shares), following the disposal of 130 million Pan African shares held by PAR Gold (Pty) Ltd on 29 May 2018.

Pan African advises shareholders that its USD earnings per share ("EPS") and headline earnings per share ("HEPS") in respect of its total and continuing operations for the current reporting period are expected to be as follows:

	Year ended 30 June 2019 Expected results (USD cents)		Year ended 30 June 2018		Year ended 30 June 2019 Expected USD ranges % change	
	Lower range	Upper range	GBP (pence) ⁽⁴⁾	USD (cents) ⁽³⁾	Lower range	Upper range
Total operations						
EPS ⁽¹⁾	1.63	2.32	(5.15)	(6.79)	124%	134%
HEPS ⁽²⁾	1.14	1.24	0.73	0.99	15%	25%
Continuing operations						
EPS ⁽¹⁾	1.93	2.02	0.63	0.86	124%	134%
HEPS ⁽²⁾	1.12	1.27	1.08	1.46	(23%)	(13%)

Notes

- (1) EPS in the current reporting period includes the financial impact of a reversal of an impairment charge of USD17.9 million which was recognised following commencement of development at Evander Mines' 8 Shaft Pillar Project ("Pillar Project"). In the corresponding reporting period, following the cessation of large-scale underground mining operations at Evander Mines in May 2018, an impairment charge of USD140.3 million was recognised of which USD129.5 million related to discontinued operations and USD10.8 million, which related to the ETRP, was recognised as part of continuing operations. The reversal of the impairment charge relates specifically to the property, plant and equipment previously impaired at Evander Mines in the corresponding reporting period which will be utilised by the Pillar Project.
- (2) The movement in continuing operations HEPS is predominantly due to:
 - The weighted average number of shares in issue increasing by 6.6%; and
 - The ZAR:USD exchange rate depreciating by 10.4% to R14.19:1 (2018: R12.85:1), with the average USD gold price received decreasing by 2.7% to USD1,266/oz (2018: USD1,301/oz).
- (3) EPS and HEPS in USD, using the average exchange rates for the corresponding reporting period.
- (4) As previously presented, given that the corresponding reporting period's presentation currency was GBP.

The financial information contained in this announcement has neither been reviewed nor audited by the company's auditors. The group's provisional summarised audited year-end results for the year ended 30 June 2019 will be released on 18 September 2019.

For further information on Pan African, please visit the company's website at www.panafricanresources.com

11 September 2019

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