

Pan African Resources PLC  
("Pan African" or "the company" or "the group")  
(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

## TRADING STATEMENT FOR THE SIX MONTHS ENDED 31 DECEMBER 2018

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 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.

Pan African is incorporated in England and Wales and, accordingly, its presentation currency is pounds sterling ("GBP") with a functional currency in South African rand ("ZAR" or "R").

The ZAR:GBP exchange rate affects the reporting of results in GBP. For the six month reporting period ended 31 December 2018 ("current reporting period"), the average prevailing ZAR:GBP exchange rate is used, and in the event of material transactions, the exchange rate on the date of the material transaction is used to translate earnings from ZAR to GBP.

For the six months ended 31 December 2017 ("corresponding reporting period"), the average ZAR:GBP exchange rate was ZAR17.65:1. For the current reporting period, the ZAR depreciated against the GBP to an average exchange rate of ZAR18.36:1. This 4.0% period-on-period depreciation in the average exchange rate should be taken into account when comparing the current reporting period's results with the corresponding reporting period's results.

The group records its revenue from precious metals sales in ZAR. The depreciation in the value of the ZAR/USD exchange rate during the current reporting period positively impacted the USD revenue received when translated into ZAR. In the current reporting period, the average ZAR/USD exchange rate depreciated by 6.0% to ZAR14.19:1 (2017: ZAR13.39:1).

Due to the cessation of large-scale underground mining at Evander Gold Mining Proprietary Limited ("Evander Mines"), which includes 8 Shaft, 7 Shaft and the run-of-mine circuit in the Kinross metallurgical plant, the financial results from Evander Mines' underground operations for the corresponding reporting period were classified as discontinued operations ("discontinued operations"). The corresponding reporting period's figures have therefore been restated to differentiate between discontinued operations and the results from the continuing operations. The combined results comprise the results of the continuing operations and discontinued operations ("combined operations").

In the current reporting period, the group's weighted average number of shares in issue increased by 7.2% to 1,928,329,479 shares (2017: 1,798,329,479 shares). The increase in the weighted average number of shares in issue is due to the disposal of 130-million Pan African shares held by PAR Gold Proprietary Limited ("PAR Gold"), which resulted in a commensurate increase in the weighted average number of shares in issue, as these shares had previously been accounted for as treasury shares. The proceeds from the disposal of the Pan African shares held by PAR Gold were partly used to fund the incorporation of the existing throughput from the Evander Tailing Retreatment Plant ("ETRP") into Elikhulu's processing capacity, which resulted in an increased capacity to 1.2-million tonnes per month.

### **ZAR range for EPS and HEPS:**

Pan African advises shareholders that its earnings per share ("EPS") and headline earnings per share ("HEPS") in ZAR terms, from its combined operations for the current reporting period, are expected to be:

- EPS: 116% to 126% higher than the 3.23 cents per share for the corresponding reporting period, resulting in an expected EPS range of between 6.98 to 7.30 cents per share.
- HEPS: 99% to 109% higher than the 3.51 cents per share for the corresponding reporting period, resulting in an expected HEPS range of between 6.98 to 7.34 cents per share.

EPS and HEPS, in ZAR terms, from the group's continuing operations, for the current reporting period are expected to range between 8% to 18% higher than the 6.34 cents per share reported in the corresponding reporting period, resulting in an expected EPS and HEPS range of between 6.85 to 7.48 cents per share.

### **GBP range for EPS and HEPS:**

In GBP terms, EPS and HEPS from the group's combined operations for the current reporting period, are expected to be:

- EPS: 112% to 122% higher than the 0.18 pence for the corresponding reporting period, resulting in an expected EPS range of between 0.38 to 0.40 pence per share.
- HEPS: 90% to 100% higher than the 0.20 pence for the corresponding reporting period, resulting in an expected HEPS range of between 0.38 to 0.40 pence per share.

In GBP terms, EPS and HEPS from continuing operations for the current reporting period, are expected to range between 3% to 13% higher than the 0.36 pence per share reported in the corresponding reporting period, resulting in an expected EPS and HEPS range of between 0.37 to 0.41 pence per share.

The financial information contained in this announcement has neither been reviewed nor audited by the company's external auditors. The group's unaudited interim results for the period ended 31 December 2018 will be released on 20 February 2019.

For further information on Pan African, please visit the company's website at [www.panafricanresources.com](http://www.panafricanresources.com).

13 February 2019

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