Regulatory Story

Go to market news section

Company	Pan African Resources PLC
TIDM	PAF
Headline	Interim results for the six months ended 31 Dec 2010
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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" or the "Group")

Interim Results For the six months ended 31 December 2010

Pan African is pleased to report its interim results for the six months ended 31 December 2010.

Highlights

A Corporate

- Earnings per share increased by 56% to 0.53 pence (2009: 0.34 pence)

- Earnings before interest, taxes, depreciation and amortisation (`EBITDA') increased by 51% to £12.95 million (2009: £8.60 million)

- Revenue increased by 32% to £38.33 million (2009: £29.04 million

- Unhedged and debt-free

- Attributable profit increased by 70% to £7.58 million (2009: £4.47 million)

B Mining Operations

- Gold sold increased 1.5% to 46,655oz (2009: 45,971oz)

- Head grade remains sustainable at 10.55g/t (2009: 10.11g/t)

- Total cash cost of ZAR176,199/kg (2009: ZAR164,697/kg)

C Near-Term Project

- Resource base at Phoenix Platinum Mining (Pty) Ltd (`Phoenix Platinum') increased by 16% to 469,000oz (2009: 405,000oz)

On the results, Chief Executive Officer of Pan African, Jan Nelson commented: "We are pleased to announce a strong set of financial and operational results. Despite the inflationary cost pressure and abnormal security expenditure, Pan African has increased attributable earnings 70% to £7.58 million. We have benefitted from a sustained high gold price but we continue to stress test with a long term forecast of."

"Barberton remains our core asset, producing increased gold sales whilst our platinum project at Phoenix is well underway, on schedule and within budget for production later this year."

"We continue to remain focused on further productivity and cost improvements. Organic growth will continue to improve margins whilst we leverage our balance sheet and strategic partnership with Shanduka to realise further growth opportunities."

Interim Statement

A Nature of Business

Pan African is an African focused precious metals mining group which produces approximately 100,000oz of gold per year, with production of platinum group metals forecast to commence by the end of the 2011 calendar year. It's focus is on low cost, high margin production and near production projects. The group is debt free, unhedged and is able to fund all current capital expenditure from internal cash flows.

B Financial Performance

Pan African is incorporated in England and Wales, and its reporting currency is pound sterling (`£'). Barberton Mines (Pty) Ltd (`Barberton Mines') is a South African Company and its financial statements are prepared in South African Rand (`ZAR'). When Barberton Mines' financial statements are translated into pound sterling for the purpose of Group consolidation and reporting, the average and closing ZAR:£ exchange rates for the period affect the Group consolidated financial results. During the current period, the average ZAR:£ exchange rate was ZAR11.18 (2009: ZAR12.48) and the closing ZAR:£ exchange rate was ZAR10.28 (2009: ZAR11.94). The period-on-period change in the average and closing exchange rates of 10.4% and 13.9% respectively should be taken into account when comparing the period-on-period results.

Gross revenue from gold sales increased by 32% to £38.33 million (2009: £29.04 million). The increase in revenue was mainly attributed to a 24.6% period-on-period increase in the average gold spot price received to US$1,286/oz (2009: US$1,032/oz) and the depreciation of the pound sterling against the ZAR. Revenue expressed in ZAR terms increased by 18.2% to ZAR428.49 million (2009: ZAR362.48 million). The average ZAR:US$ exchange rate was 6.5% stronger at ZAR7.14 (2009: ZAR7.64) which had a negative impact on the ZAR revenue. The effective ZAR gold price was 16.5% higher at ZAR295,281/kg (2009: ZAR253,510/kg). Mining profit at Barberton Mines increased by 54% to £13.4 million (2009: £8.7 million).

Other expenses were £1.35 million (2009: £1.12 million). There were no impairments in the current reporting period (2009:0.34 million).

Cost of production increased by 21.5% to £22.95 million (2009: £18.89 million). In ZAR terms the cost of production increased by 8.8% to ZAR256.58 million (2009: ZAR235.86 million). The increase in costs is mainly attributable to increases in security costs by 97.6% to ZAR18.17 million, electricity by 18% to ZAR24.74 million and salaries, wages and other staff expenses by 8.3% to ZAR118.25 million.

The Royalty tax charge was £1.01 million (2009: nil) and the income tax expense for the period was £3.75 million (2009: £2.68 million). The Royalty charge was nil in the prior period due to the implementation of the Royalty tax only in March 2010. The increase in the income tax charge is due to the increase in the pre-tax profits.

EBITDA increased by 50.6% to £12.95 million (2009: £8.60 million) and attributable profit increased by 70% to £7.58 million (2009: £4.47 million).

The increase in attributable profit is primarily due to the favourable gold price and the fact that there is no longer an outside shareholding at Barberton Mines. The profit margin in South African Rand terms increased by 34.1% to ZAR119,082/kg (2009: ZAR88,813/kg). The total unit production cash cost increased by 7% to ZAR176,199/kg (2009: ZAR 164,697/kg).

Basic earnings per share increased by 56% to 0.53 pence (2009: 0.33 pence) and basic headline earnings per share increased by 47% to 0.53 pence (2009: 0.36 pence). In ZAR terms the basic earnings per share increased by 41.8% to 5.97 cents (2009: 4.21 cents), and basic headline earnings per share increased by 31.5% to 5.97 cents (2009: 4.54 cents).

Pan African's accounting records are compiled using a pound sterling functional currency. It is management's intention to change the Group's functional currency from pound sterling to ZAR, which is the currency of the primary economic environment in which the Company now operates.

		six months ended 31 Dec 2010	six months ended 31 Dec 2009
		(Unaudited)	(Unaudited)
Revenue	(GBP)	38,326,410	29,044,934
EBITDA	(GBP)	12,947,012	8,597,517
Attributable profit	(GBP)	7,584,317	4,467,939
EPS	(pence)	0.5336	0.3374
HEPS	(pence)	0.5336	0.3638
Weighted average number of shares in issue		1,421,399,407	1,324,071,776

C Review of Barberton Mines

i) Safety & Training

The safety performance at Barberton Mines continued to improve with results of Lost Time Injury Frequency rate (`LTIFR') at 2.61 (2009: 3.6) and Reportable Injury Frequency Rate (`RIFR') at 0.33 (2009: 1.1).

We are pleased to report no fatalities for the period under review. To date fatality free shifts totalled 608,947.

In October 2010, the South African Department of Minerals Resources (`DMR') conducted a two day audit on safety systems as well as a workplace inspection as a follow up to the nationwide Presidential Audit. This audit revealed no fatal flaws and concluded that the safety system at Barberton Mines meets the DMR's standard.

In addition to the already robust Safety, Health, Environment and Community (`SHEC') system in place at the mine, the Company, through the involvement of all role players, has designed additional SHEC elements, in line with best practice, which are being implemented through a safety awareness programme.

ii) Operating Performance

A total of 46,655oz (2009: 45,971oz) of gold was sold from Barberton Mines (which comprises the Fairview, Sheba and New Consort sections), an increase of 1.5% from the previous year. Total underground production decreased marginally by 0.4% to 45,209oz (2009: 45,385oz). Tons milled decreased by 2.2% to 149,231t (2009: 152,584t) and the head grade increased by 4.4% to 10.55g/t (2009: 10.11g/t).

iii) Production Summary

		six months ended 31 December 2010	six months ended 31 December 2009	six months ended 31 December 2008
Tons Milled	(t)	149,231	152,584	159,919

Headgrade	(g/t)	10.55	10.11	11.40
Overall Recovery	(%)	91	91	91
Production: Underground	(oz)	45,209	45,385	47,634
Production: Calcine Dump	(oz)	-	-	3,545
Gold Sold	(oz)	46,655	45,971	51,186
Average price: spot	(US$/oz)	1,286	1,032	824
Average price: hedge	(US$/oz)	-	-	-
Average price: spot	(ZAR/KG)	295,281	253,510	235,338
Total cash cost	(US$/oz)	767	670	451
Total cash cost	(ZAR/KG)	176,199	164,697	134,581
EBITDA	GBP `000	12,947	8,598	8,552
Depreciation	GBP `000	1,909	1,375	1,066
Capital Expenditure	GBP `000	4,076	2,199	2,282
Exchange rate - average	ZAR/GBP	11.18	12.48	15.13
Exchange rate - closing	ZAR/GBP	10.28	11.94	13.78
Exchange rate - average	(R/US$)	7.14	7.64	8.88
Exchange rate - closing	(R/US$)	6.65	7.39	9.55

(Production Summary continued)

		six months ended 31 December 2007	six months ended 31 December 2006
Tons Milled	(t)	161,455	166,377
Headgrade	(g/t)	9.05	9.24
Overall Recovery	(%)	92	92
Production: Underground	(oz)	43,145	45,332
Production: Calcine Dump	(oz)	3,601	-
Gold Sold	(oz)	47,486	45,749
Average price: spot	(US$/oz)	721	567
Average price: hedge	(US$/oz)	460	406
Average price: spot	(ZAR/KG)	165,782	144,564
Total cash cost	(US$/oz)	521	516
Total cash cost	(ZAR/KG)	114,640	104,471
EBITDA	GBP `000	4,001	3,049
Depreciation	GBP `000	806	1,077
Capital Expenditure	GBP `000	1,532	867

Exchange rate - average	ZAR/GBP	14.05	13.68
Exchange rate - closing	ZAR/GBP	13.77	13.78
Exchange rate - average	(R/US$)	6.94	7.22
Exchange rate - closing	(R/US$)	6.86	6.99

v) Capital Expenditure

Organic Growth Projects

Key	Project	Category	Metres developed/ drilled	% Complete	Potential Resource(oz)
a	Sheba - 35 ZK	Development	151.7	57	5,000
b	Sheba - Edwin Bray to Thomas	Development	277.9	100	15,000
c	Sheba - Eureka Reef Zone	Development	-	-	-
d	Fairview - 3 Shaft deepening	Development	74	25	350,000
e	Fairview - 60/62 Level	Development	-	100	376,000
f	Fairview - 54 Level	Equipping	13.8	50	11,000
g	Consort - 37 Level East	Equipping	-	52	12,000
h	Consort - 37 Inter level exploration	Development/ Drilling	0/743	45	10,000
i	Consort - 45 Level	Development/ Drilling	113/972	80	10,000
j	Consort - 50 Level Decline West	Development	45.3	40	30,000
k	Fairview 46-42 Return Airway	Ventilation	13.8	55	-

a Sheba - 35 ZK Decline

Access development has reached the target areas. Development is now following the hanging wall contact of the ZK geological structures to evaluate the cross fractures for mineralisation.

b Sheba - Edwin Bray to Thomas

This project to exploit the Thomas orebody has reached the expected orebody position some 40 metres below the intersection position as interpreted from diamond drilling results. No mineralisation was exposed at this position, thus the development has been redirected via two incline raises towards the lowest drilled intersection.

c Sheba - Eureka Reef Zone

The Eureka reef orebody (exposed enroute to the Thomas orebody) is being developed with reef drives and raises to evaluate the stoping potential.

d Fairview - 3 Shaft deepening

The sliping, support and equipping of the shaft between 62 and 64 levels are complete. Development to establish the hoist chamber is underway and once completed and equipped, the 3 Shaft sinking will commence.

e Fairview - 60/62 Level

This project is complete and stoping is in progress.

f Fairview - 54 Level

The sliping and equipping of this level is 90% complete. Due to excessive water ahead of the planned development the necessary cover drilling and cementation has been completed and the overall project is on schedule.

g Consort - 37 Level East

The re-equipping of 37 level at the PC Shaft is being done to access and explore the upward extension of the eastern section of Consort being mined below 45 level.

h Consort - 37 Inter level exploration

A total of 743m of exploration drilling was completed during the reporting period with some significant results.

i Consort - 45 Level

The exploration drive being developed is used as a drilling platform and 972m of exploration drilling was completed with significant results. This area will be blocked as new reserves.

j Consort - 50 Level Decline West

Development being done to establish reserves below 50 level in the 51 West Area of Consort.

k Fairview 46-42 Return Airway

Development required to establish a return airway in the 3 Shaft area

Maintenance Projects

Metallurgical Plants	Cost	Category	Impact on production
Consort - Knelson Concentrator	ZAR1,200,000	Replacement	Improve gold recovery at Consort
Fairview - Complete Tailings Extention	ZAR8,200,000	Replacement	Tailings facility at end of life potential for re-mining old dam
Biox - Purchase mobile crane	ZAR2,600,000	Replacement	Safety and maintenance improvements
Biox - Refurbish secondary reactors	ZAR440,000	Maintenance	Reactor tanks repaired and relined
Biox - Three compressed air blowers	ZAR2368,000	Replacement	Reduction in power consumption and elimination of oil contamination in process

Engineering	Cost	Category	Impact on production
Load Haul Dumpers (`LHD') major rebuilds	ZAR1,443,000	Maintenance	Required to maintain underground production

Replace obsolete compressors and overhaul 3000cfm compressor	ZAR770,000	Replacement	Reduction in power consumption
Replace twenty off 2.5 ton hoppers	ZAR586,000	Replacement	Underground tramming ore flow improvement
New 12-ton Tipper truck	ZAR712,000	Replacement	Replaces 50 year old tipper

vi) Illegal Mining

The Company is pleased to report that the illegal miners and leaders of 11 syndicates responsible for coordinating illegal mining activity at Barberton Mines have been arrested by the police. As a result the Company is not aware of illegal mining activity during the period under review. What is more pleasing is that the total cost of security has reduced by 21.6% to ZAR18,167,575 when compared to the last 6 months of the 2010 financial year (ZAR23,184,654), without compromising overall security at Barberton Mines. For the six month period ending 30 June 2011 we expect a further reduction in security costs.

Despite this reduction in security costs, the total cash cost of ZAR176,199/kg for the reporting period included abnormal security expenditure during Q1, which resulted in a cash cost of ZAR195,552/kg for the quarter. The Company is however pleased to report that the cash cost has been reduced to ZAR157,622 for the last quarter of the reporting period.

The Company would like to commend its partners; the South African Police Service, Barberton prosecuting team, local communities, security contractors and our employees for their support and commitment in assisting us in eradicating this problem from Barberton Mines.

D Mineral Resources Management

During the period under review a total of 7,604.5m of exploration drilling was completed underground at Barberton Mines and the following significant intersections are reported:

ShebaNew Consort

Mine Section	Borehole Number	Drill Width (cm)	Grade (g/t)	Mineralisation Type
Fairview	Bh 5803	693	65.8	Down-dip of 64 MRC block
	Bh 5809	277	5.3	Footwall of 60 MRC 25
	24-20ST07	282	60.6	Stockwork extension
	24-20ST04	296	56.4	Stockwork extension
	24-20ST04	297	28.7	Stockwork extension
	29 Stock 09	73	5.1	Stockwork
	29 Stock 09	101	12.2	Stockwork
	20XC-3	100	224.7	New target in MMR deep footwall
	3#Dec-2	100	5.9	3# resource extension intersections
	3#Dec-3	200	17.2	3# resource extension intersections
	3#Dec-4	100	11.7	3# resource extension intersections

3#Dec-6	100	70.7	3# resource extension intersections
3#Dec-9	100	10.3	3# resource extension intersections
3#Dec-9	200	21.8	3# resource extension intersections
37XC-5	200	21.8	Mineralisation within schist
37XC-8	100	24.4	Mineralisation within schist
37XC-9	100	220.4	Mineralisation within schist
45H36	100	27.1	Intersection in footwall lens
45H39	200	7.0	Intersection in footwall lens
50W1-5	200	43.5	Intersection ahead of stope face

A total of 1,636.7m of development was completed on working cost and 661.90m on capital development. A total of 65% (429.60m) of capital development was completed at the Sheba section, targeting 16% of the resource at an in situ grade of 9,96g/t. At the Consort section 24% (158.30m) of total capital metres were completed targeting 16% of Barberton Mines resource at a grade of 10.59g/t. The remaining 11% (74m) of total capital development was focused at the Fairview section, targeting 68% of Barberton resource at a grade of 12.47g/t. Although development at the Fairview section is low compared to the size of the resource, the capital development completed represents a deepening of the number 3# sub-vertical shaft, which will open up access to 350koz on several levels.

	New Consort		Fairview		Sheba	
	Metres	g/t	Metres	g/t	Metres	g/t
Reef	278.8	3.45	368.8	3.57	392	3.14
Stope Development	318.6	8.08	77	6.41	75	15.78
Capital	157.7		140.7		429.5	
Waste working cost	378.6		408.3		849.8	
Waste total	536.3		549		1,279.3	

E Review of Phoenix Platinum

Milestones achieved for the period under review

On 5 November 2010 a formal Chrome Tailings Retreatment Plant (`CTRP') agreement was concluded with International Ferro Metals SA (Pty) Ltd (`IFM'), which enables Phoenix Platinum, Pan African's 100% owned subsidiary, to construct and commission the CTRP on IFM's Lesedi Mine property. The consideration of ZAR80 million (GBP7.2 million), payable to IFM, will be funded from existing Pan African cash resources. On signature of the CTRP agreement a payment of ZAR25 million (GBP2.24 million) was made, with the balance of the consideration to be paid in tranches. A further ZAR25 million (GBP2.24 million) is payable on commencement of the bulk earthworks to prepare for construction of the CTRP and ZAR29.5 million (GBP2.64 million) becomes payable on commissioning of the CTRP. The balance of ZAR500,000 (GBP0.05 million) is to purchase the property on which the CTRP is to be constructed and is payable on transfer of the property.

This agreement enables Phoenix Platinum to purchase the property on which the plant is to be sited, as well as the right to leverage off IFM's existing mining permits and licenses and to gain access to, and the use of, existing infrastructure and services, substantially accelerating the commissioning of the project from three years to one year. Phoenix Platinum is permitted to expand the planned CTRP tonnage throughput of 20,000 tons to 40,000 tons per month, placing it in a position to secure and treat additional tailings resources from the area. Furthermore, the agreement terminates the 25% net profit interest held by IFM in respect of the platinum group metals (`PGM's').

On 18 November 2010, Matomo Projects (Pty) Ltd, a subsidiary of TWP Holdings (Pty) Ltd, was contracted on a fixed price lump sum turnkey basis to design, supply and construct the CTRP.

Outlook for 2011

The procurement of all major equipment and long lead items (feed thickener, ultra fine grind mill and flotation cells) has been prioritised to be completed by end February 2011, in order to finalise construction drawings and diagrams. Civil construction is planned to commence with bulk earthworks during mid March 2011 and mechanical construction and erection starting in mid May 2011. Plant commissioning is to commence in October 2011 with the CTRP full production rate of 20,000 tons per month being achieved in the first quarter of 2012.

F Review of Manica Gold

The application to convert the prospecting licence to a mining licence was submitted to the Mozambican government on 20 October 2010. The Company has been informed that the application is in the process of being reviewed and that conversion should be in 2011.

The pre-feasibility study on mining the oxide and some of sulphide bearing mineralized material has been completed on schedule (December 2010). A detailed pre-feasibility is being completed on the remainder of the sulphide bearing mineralised material, which will include a detailed three dimensional underground mine design. This study is expected to be completed by Q2 of 2011 and results of both studies will be made available towards the beginning of Q3 of 2011.

G New Business

Although it continues to review new business opportunities, the Company has shifted the new business team resources to focus on major projects at Barberton Mines that have the potential to significantly increase the production profile of the mine.

The first project that the team is working on is the viability of the Fairview tailings dam, which has been in use since 1986. A new tailings facility has been established which presents the Company with the opportunity to drill the Fairview tailings dam in order to determine the grade profile. The tailings dam represents a total of 3,5Mt and 449 holes at an average depth of 24m are planned to be drilled on a 20m x 20m grid. To date 120 holes have been completed and assays received from 120 samples out of a total of 2,000 have yielded grades of between 0,6g/t and 2,5g/t.

Drilling, sampling and assaying will be complete by Q2 of 2011. Metallurgical test work will commence towards the end of Q2 and feasibility is expected to be completed by Q3 of 2011. If viable, and depending on the grade profile, this project could increase the Barberton Mines production profile.

H Capital Expenditure and Commitments

Capital expenditure at Barberton Mines totalled £4.08 million, of which development capital was £1.45 million and maintenance capital was £2.63 million.

Capital expenditure on growth projects totalled £0.42 million, and £3.96 million was incurred on the development of Phoenix Platinum.

There were £0.69 million in outstanding orders contracted for capital commitments at the end of the period.

Operating lease commitments, which fall due within the next year, amounted to £

0.179 million (2009: £0.156 million).

I Directorship Change

No changes have occurred during the period under review.

J Shares Issued

During the period under review the Company announced the issue and allotment of 34,500,000 new ordinary shares in respect of share options exercised:

On 25 August 2010 4,000,000 shares issued to N Steinberg at 4 pence per share.

On 6 October 2010 6,000,000 shares issued to J Nelson at 2 pence per share.

On 4 November 2010 4,000,000 shares issued to R Still at 4 pence per share.

On 4 November 2010 7,500,000 shares issued to Pangea Exploration (Pty) Ltd ("Pangea") at 4 pence per share.

On 10 November 2010 3,000,000 shares issued to J Yates at 5.5 pence per share.

On 25 November 2010 4,000,000 shares issued to M Bevelander at 7 pence per share.

On 25 November 2010 4,000,000 shares issued to E Victor at 5.5 pence per share.

On 25 November 2010 2,000,000 shares issued to E Victor at 7 pence per share.

K Dividend

The Company has adopted a policy whereby dividends are considered, and where deemed appropriate by the Board, declared, on an annual basis. The consideration of any dividend will take account of cashflow requirements and growth plans, whilst recognising that where possible, a consistent dividend policy increases shareholder value.

During the period under review the Company approved and paid a dividend of 0.3723 pence per share totalling £5.38 million.

L Going Concern

The directors are satisfied that the Group is a going concern for the foreseeable future, and have adopted the going-concern basis in preparing these interim results.

M Accounting Policies

The financial information set out in this announcement does not constitute the Company's statutory accounts for the half year ended 31 December 2010.

The interim results have been prepared and presented in accordance with, and containing the information required by International Financial Reporting Standards (`IFRS') on Interim Financial Reporting, IAS 34. The financial information included in the interim results has been prepared in accordance with the recognition and measurement criteria of IFRS. This announcement does not itself contain sufficient disclosure information to comply fully with IFRS.

The interim results have not been reviewed or reported on by the Company's external auditors.

N Directors' Dealings

Please see the detailed table for Directors' Dealings in Section 21.

O Pan African Outlook

The team at Barberton Mines continues to not only deliver results on target, but improve on previous achievements. This, together with significant cost reductions in spite of inflationary pressures and abnormal security expenditure, continues to highlight the strength of our team at Barberton Mines and the quality of our asset.

Our journey towards platinum production has begun and we are on schedule to start production in Q4 of 2011. We have grown our in-house project development capability and re-focussed our new business team on sourcing additional production ounces from our near-term growth projects at Barberton Mines.

We continue to remain focused on further productivity and cost improvements. Organic growth will continue to improve margins whilst we leverage our balance sheet and strategic partnership with Shanduka to realise further growth opportunities.

The recent rerating of the Company's stock rewards stakeholders for the team's consistent record of delivery. The journey has just started and the team is far from finished.

We are looking forward to an exciting 2011

By order of the Board,

Jan Nelson   Cobus Loots

Chief Executive Officer   Financial Director

17 February 2011

Consolidated Statement of Comprehensive Income for the six months ended 31 December 2010

	six months ended 31 December 2010	six months ended 31 December 2009
	(Unaudited)	(Unaudited)
	£	£
Revenue		
Gold sales	38,326,410	29,044,934
Realisation costs	(75,604)	(82,410)
On - mine revenue	38,250,806	28,962,524
Cost of production	(22,949,762)	(18,898,789)
Depreciation	(1,908,836)	(1,374,753)
Mining Profit	13,392,208	8,688,982
Other expenses	(1,346,045)	(1,117,303)
Impairment	-	(348,915)
Royalty costs	(1,007,987)	-
Net income before finance income and finance costs	11,038,176	7,222,764
Finance income	414,657	152,607
Finance costs	(19,868)	(1,588)
Profit before taxation	11,432,965	7,373,783
Taxation	(3,848,648)	(2,683,201)

Profit after taxation	7,584,317	4,690,582
Other comprehensive income:		
Foreign currency translation differences	4,676,586	2,216,274
Total comprehensive income for the year	12,260,903	6,906,856
Profit attributable to:		
Owners of the parent	7,584,317	4,467,939
Non-controlling interest	-	222,643
	7,584,317	4,690,582
Earnings per share	0.5336	0.3374
Diluted earnings per share	0.5318	0.3360
Weighted average number of shares in issue	1,421,399,407	1,324,071,776
Diluted weighted average number of shares in issue	1,426,159,912	1,329,710,617
Headline earnings per share is calculated :		
Basic earnings	7,584,317	4,467,939
Adjustments: Impairment	-	348,915
Headline earnings	7,584,317	4,816,854
Headline earnings per share	0.5336	0.3638
Diluted headline earnings per share	0.5318	0.3622

Consolidated Statement of Financial Position as at 31 December 2010

	31 December 2010	30 June 2010
	(Unaudited)	(Audited)
	£	£
ASSETS		
Non-current assets		
Property, plant and equipment and mineral rights	44,422,134	37,495,010
Other intangible assets	17,247,371	13,087,880
Goodwill	21,000,714	21,000,714
Rehabilitation trust fund	3,073,793	2,740,546
	85,744,012	74,324,150
Current assets		
Inventories	1,740,777	1,126,374
Trade and other receivables	4,886,229	3,794,659
Cash and cash equivalents	10,630,963	12,756,262

	17,257,969	17,677,295
TOTAL ASSETS	103,001,981	92,001,445
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	14,440,406	14,095,406
Share premium	50,752,830	49,732,830
Translation reserve	9,172,451	4,495,865
Share option reserve	807,924	754,394
Retained income	28,022,935	25,814,783
Realisation of equity reserve	(10,701,093)	(10,701,093)
Merger reserve	(10,705,308)	(10,705,308)
Equity attributable to owners of the parent	81,790,145	73,486,877
Non-controlling interest	-	-
Total equity	81,790,145	73,486,877
Non - Current liabilities		
Long term provisions	3,735,682	3,338,198
Deferred taxation	9,717,443	8,092,332
	13,453,125	11,430,530
Current liabilities		
Trade and other payables	5,437,913	5,041,754
Short term provisions	1,689,122	1,465,299
Current tax liability	631,676	576,985
	7,758,711	7,084,038
TOTAL EQUITY AND LIABILITIES	103,001,981	92,001,445

Consolidated Cash flow Statement for the six months ended 31 December 2010

	six months ended 31 December 2010 (Unaudited)	six months ended 31 December 2009 (Unaudited)
	£	£
Cash Generated by operations	15,928,379	7,776,767
Taxation paid	(3,587,061)	(2,537,000)
Royalty paid	(1,065,267)	-
Dividends paid	(5,376,165)	-
Net finance income	394,789	151,019

Cash inflow from operating activities	6,294,675	5,390,786
Cash outflow from investing activities	(8,500,858)	(2,429,578)
Cash inflow / (outflow) from finance activities	1,365,000	(954,759)
Net (decrease) / increase in cash equivalents	(841,183)	2,006,449
Cash at the beginning of period	12,756,262	2,389,301
Effect of foreign currency rate changes	(1,284,116)	(160,273)
Cash at end of year	10,630,963	4,235,477

Consolidated Statement of Changes in Equity for the six months ended 31 December 2010

	six months ended 31 December 2010	six months ended 31 December 2009
	(Unaudited)	(Unaudited)
	£	£
Shareholders' equity at start of period	73,486,877	56,360,402
Share issue	1,365,000	14,754,348
Share option reserve	53,530	79,128
Other comprehensive income	4,676,586	2,216,274
Profit for the period	7,584,317	4,467,939
Dividend	(5,376,165)	-
Realisation of equity reserve	-	(10,701,093)
Non-controlling interest	-	(3,988,577)
Total Equity	81,790,145	63,188,421

Consolidated Segment Report for the six months ended 31 December 2010

	Barberton Mines	Phoenix Platinum	Corporate and Growth Projects	Group
	£	£	£	£
Revenue				
Gold sales	38,326,410	-	-	38,326,410
Realisation costs	(75,604)	-	-	(75,604)
On - mine revenue	38,250,806	-	-	38,250,806
Cost of production	(22,949,762)	-	-	(22,949,762)
Depreciation	(1,908,836)	-	-	(1,908,836)
Mining Profit	13,392,208	-	-	13,392,208
Other (expenses)/	(772,076)	-	(573,969)	(1,346,045)

income				
Impairment costs	-	-	-	-
Royalty costs	(1,007,987)	-	-	(1,007,987)
Net income before finance income and finance costs	11,612,145	-	(573,969)	11,038,176
Finance income	10,252	-	404,405	414,657
Finance costs	(19,868)	-	-	(19,868)
Profit before taxation	11,602,529	-	(169,564)	11,432,965
Taxation	(3,848,648)	-	-	(3,848,648)
Profit after taxation	7,753,881	-	(169,564)	7,584,317

* Costs directly attributable to Phoenix Platinum, along with attributable overheads, are capitalised to intangible assets.

Segmental Assets	43,136,356	5,592,221	33,272,690	82,001,267
Segmental Liabilities	20,686,361	238,990	286,485	21,211,836
Goodwill	-	-	-	21,000,714
Net Assets (excluding goodwill)	22,449,995	5,353,231	32,986,205	60,789,431
Capital Expenditure	4,075,674	-	15,102	4,090,775

Consolidated Segment Report for the six months ended 31 December 2010

	Barberton Mines	Phoenix Platinum	Corporate and Growth Projects	Group
	£	£	£	£
Revenue				
Gold sales	29,044,934	-	-	29,044,934
Realisation costs	(82,410)	-	-	(82,410)
On - mine revenue	28,962,524	-	-	28,962,524
Cost of production	(18,898,789)	-	-	(18,898,789)
Depreciation	(1,374,753)	-	-	(1,374,753)
Mining Profit	8,688,982	-	-	8,688,982
Other (expenses)/ income	(595,064)	-	(522,239)	(1,117,303)
Impairment costs	-	-	(348,915)	(348,915)
Royalty costs	-	-	-	-
Net income before finance income and finance costs	8,093,918	-	(871,154)	7,222,764
Finance income	70,686		81,921	152,607

Finance costs	(1,532)		(56)	(1,588)
Profit before taxation	8,163,072	-	(789,289)	7,373,783
Taxation	(2,683,201)	-	-	(2,683,201)
Profit after taxation	5,479,871	-	(789,289)	4,690,582

* Costs directly attributable to Phoenix Platinum, along with attributable overheads, are capitalised to intangible assets.

Segmental Assets	37,757,322	4,591,649	15,859,269	58,208,240
Segmental Liabilities	15,783,514	25,768	211,251	16,020,533
Goodwill	-	-	-	21,000,714
Net Assets (excluding goodwill)	21,973,808	4,565,881	15,648,018	42,187,707
Capital Expenditure	2,199,471	-	10,484	2,209,955

Directors' Dealings

Name	Relationship to Company	Date	Strike Price (if applicable)
JP Nelson	CEO	6 October	2 pence per share
		12 October	
		8 November	
R Still	Non-Executive Director	4 November	4 pence per share
		14 December	
		30 December	
J Yates	Immediate family member of R Still 1	9 November	
		26 November	
		1 December	
		3 December	
		6 December	
		7 December	
C Loots	Financial Director	11 November	
Pangea Exploration (Pty) Limited ("Pangea")	2	4 November	4 pence per share
		10,11 November	
		17, 18 November	
		17, 18 November	
		19, 22 November	

23 November

1 Mr R Still, a non-executive director of the Company, is an immediate family member of Mrs J Yates. Mr R Still is therefore deemed to have an indirect, non-beneficial interest in Mrs Yates's holding in the Company.

2 Mr R Still, a non-executive director of the Company, is also a director of Pangea and a trustee of a family trust which owns 33.33% of Pangea. Mr Still is therefore deemed to have an indirect, non-beneficial interest in Pangea's holding in the Company.

Directors' Dealings CONTINUED

Name	Shares Issued in relation to share options issued	No. of shares sold	Remaining holding share
JP Nelson	6,000,000	-	-
	-	2,500,000	3,622,442
	-	2,500,000	1,122,442
R Still	4,000,000	-	-
	-	1,300,000	2,700,000
	-	700,000	2,000,000
J Yates	3,000,000	-	
	-	450,000	2,550,000
	-	600,000	1,950,000
	-	542,268	1,407,732
	-	661,289	746,443
	-	746,443	-
C Loots	-	65,000	65,000
Pangea Exploration (Pty) Limited ("Pangea")	7,500,000	-	-
		1,250,000	44,993,798
		567,126	43,743,798
		1,021,071	43,176,672
		331,193	42,155,601
		132,807	41,824,408

For further information on Pan African Resources plc, please visit the website at www.panafricanresources.com

Rosebank

22 February 2011

JSE Sponsor

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