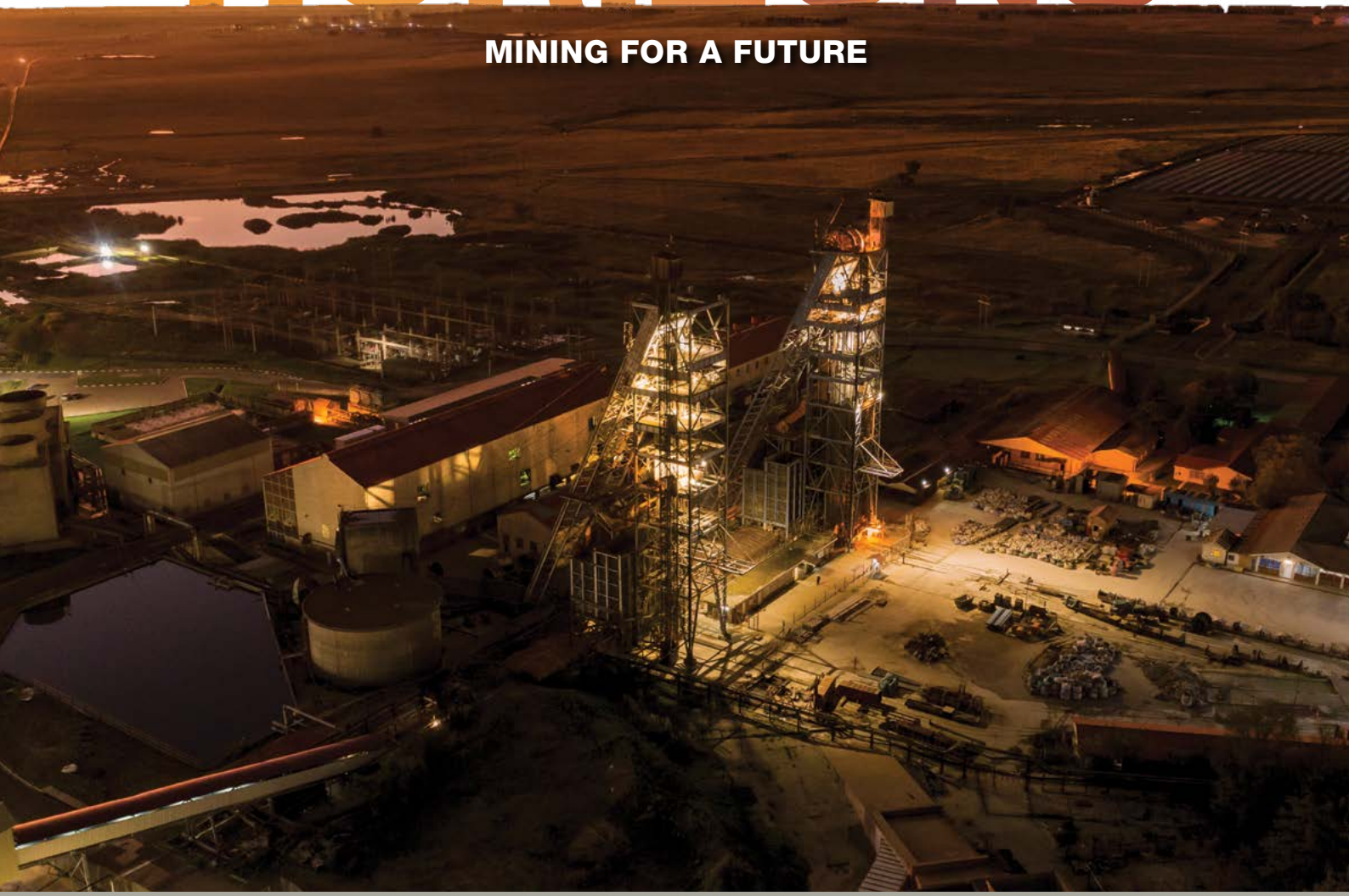


EXPANDING HORIZONS





MINING FOR A FUTURE









REPORT NAVIGATION

CONTENTS

The following tools will assist you throughout this report:

-  Integrated thinking in action
-  Find more information on our website, www.panafricanresources.com/
-  Alternative performance measures (APMs) as reconciled on **pages 282 to 291**.
-  Limited assurance obtained

CAPITALS

-  Financial capital
-  Human capital
-  Manufactured capital
-  Social and relationship capital
-  Intellectual capital
-  Natural capital

Refer to **pages 8 and 9**.

STAKEHOLDERS

-  Providers of capital
-  Communities
-  Customers
-  Governments and regulatory bodies
-  Suppliers
-  Collaboration partners
-  Employees and unions
-  The environment

Refer to **pages 57 to 65**.

MATERIAL MATTERS

-  Execution efficiency
-  Innovation and opportunity
-  Growth aspirations
-  Safety, security, health and wellness
-  Cost consciousness
-  Skills attraction and retention
-  Energy management
-  Social licence to operate
-  Infrastructural constraints
-  Tailings management
-  Water management
-  Climate change, decarbonisation and biodiversity

Refer to **pages 30 to 47**.

About our report

IFC

OUR BUSINESS AND STRATEGY

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ABOUT OUR REPORT



INTEGRATED THINKING

Our business model embraces integrated thinking by incorporating it into our decision-making processes, strategies and operations.

We recognise that our financial performance is not the sole measure of our success, but is intertwined with our impact on the environment, society and governance practices.

We strive to integrate environmental, social and governance (ESG) considerations into our day-to-day activities and strategic initiatives, rather than treating them as separate silos.



We have introduced information boxes to provide additional background or simple explanations of terminology.

Throughout the report:

- we indicate positive impacts, movements and effects in green ▲▼●
- negative outcomes in red ▲▼●
- and neutral results in black ►

OUR REPORTING SUITE



Our **provisional summarised audited results** are available on our website at:

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



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

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



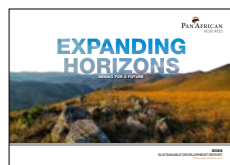
Our **Mineral Resources and Mineral Reserves report** provides technical information in compliance with the SAMREC Code and is available on our website at:

<https://www.panafricanresources.com/african-mines/mineral-resource-mineral-reserve/>



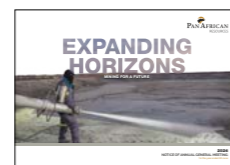
Our **corporate governance report**, including a comprehensive King IV™ index, is available on our website at:

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



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

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

Pan African Resources PLC's (Pan African or the Company or the Group) integrated annual report provides stakeholders with a clear, concise and accurate overview of the Group's activities, performance and its impact on financial, environmental and governance matters. This report encompasses our strategy, operations, financial and non-financial performance and environmental and social responsibility initiatives.

We are committed to building a sustainable future through responsible mining and integrated thinking. We understand that our business success depends on our ability to balance economic, environmental and social considerations.

In this report, we invite you to explore how Pan African continues to create long-term value for our stakeholders.

OUR FOCUS THIS YEAR

We have improved this report by:

- establishing it as the **'umbrella' report** which brings together our reporting suite with summaries of the information contained in our sustainable development, Mineral Resources and Mineral Reserves, climate change and corporate governance reports
- introducing a **double materiality** assessment to ensure that all material sustainability topics are addressed
- improving **consistency and comparability** with a listing of all key performance indicators (KPIs) – both financial and non-financial – in a single table
- further enhancing our **balanced reporting**
- reducing duplication of information with improved cross-references, thereby enhancing **conciseness**.

DOUBLE MATERIALITY

Materiality is central to our reporting; it enables us to present information that is reasonably expected to influence stakeholder decisions. Our double materiality approach involves identifying, evaluating and prioritising matters based on their potential to impact our ability to create and preserve value over the short (one year), medium (two to three years) and long term (more than three years) horizons (financial materiality) as well as our impact on society, communities and the environment (impact materiality).



1 Our double materiality process is outlined on page 30	2 Our operating environment is discussed on pages 66 to 69	3 Our material matters are analysed under each of our capitals on pages 33 to 47
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Management is not aware of any material information that was unavailable or subject to legal publication prohibitions.

REPORTING COMPLIANCE

Compiling this report has been guided by but not limited to the following:

- London Stock Exchange's (LSE) AIM Market (AIM) Rules
- JSE Limited (JSE) Listings Requirements
- Global Reporting Initiative (GRI) Standards
- IFRS® Accounting Standards (IFRS)
- United Kingdom (UK)-adopted International Accounting Standards
- International Integrated Reporting Framework (<IR> Framework) of the IFRS Foundation
- IFRS® Sustainability Disclosure Standards S1 and S2 of the International Sustainability Standards Board
- JSE Sustainability Disclosure Guidance
- King IV Report on Corporate Governance for South Africa, 2016™ (King IV™)

- Principles of the United Nations Global Compact
- South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves, 2016 edition (SAMREC Code)
- South African Companies Act, 71 of 2008 (South African Companies Act)
- South African Institute of Chartered Accountants (SAICA) Financial Reporting Guidelines
- UK Companies Act 2006 (Companies Act 2006)
- United Nations Sustainable Development Goals (UN SDGs)
- Task Force on Climate-related Financial Disclosures (TCFD) recommendations
- Non-financial and sustainability information statement (NFSIS) disclosure requirements.

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General view of Wadi Dirut in Block 12A South

ABOUT OUR REPORT continued

BOUNDARY AND SCOPE

This report covers material information about our strategic initiatives, operating environment and operational performance for the period 1 July 2023 to 30 June 2024 (the 2024 reporting period) and summarises material information from the sustainable development, Mineral Resources and Mineral Reserves, climate change and corporate governance reports. Details of our financial performance are available in the annual financial statements section of this report.

Our integrated reporting boundary

Integrated annual report	Sustainable development report	Mineral Resources and Mineral Reserves report	Climate change report	Corporate governance report	Notice of annual general meeting
--------------------------	--------------------------------	---	-----------------------	-----------------------------	----------------------------------

Our financial reporting boundary

Annual financial statements
Our integrated reporting boundary aligns with our financial statement reporting boundary and includes details of our investments in subsidiaries, associates and listed investments

Holding company – Pan African

Corporate	Gold mining and tailings retreatment operations
100% Pan African Resources SA Holdings Proprietary Limited	100% Barberton Mines Proprietary Limited (Barberton Mines)
100% Pan African Resources Funding Company Proprietary Limited	100% Evander Gold Mining Proprietary Limited (Evander Mines)
49.9% PAR Gold Proprietary Limited	100% Evander Gold Mines Proprietary Limited
100% Pan African Resources Management Services Company Proprietary Limited	100% Mogale Tailings Retreatment Proprietary Limited (MTR)
100% Pan African Resources Properties Proprietary Limited	100% Mogale Gold Proprietary Limited (Mogale Gold)
100% Concrete Rose Proprietary Limited	100% Mintails SA Soweto Cluster Proprietary Limited (MSC)
70% Mogale Clay Proprietary Limited	
Agricultural, solar and ESG projects	Exploration programmes
80% Barberton Blue Proprietary Limited (Barberton Blue)	80% Pan African Resources Minerals DMCC
100% Evander Solar Solutions Proprietary Limited	100% Pan African Resources Minerals Co Limited
100% Barberton Green Proprietary Limited	

SUSTAINABILITY REPORTING BOUNDARY

Our sustainability reporting boundary is outlined on [page 292](#).

ALTERNATIVE PERFORMANCE MEASURES

We use financial and non-financial measures to assess our performance, including APMs that assist in illustrating the underlying financial performance of the Group. The purpose of each of these measures is defined and explained on [pages 282 to 291](#), and a reconciliation to the equivalent IFRS Accounting Standards measures is also provided. It is important to note that these APMs should be considered in addition to, and not as a substitute for, or as superior to, measures reported in accordance with IFRS Accounting Standards. Also, these APMs may not be comparable with similarly titled measures by other companies, including those in the gold mining industry.

FORWARD-LOOKING STATEMENTS

Certain statements in this integrated annual report may be regarded as forward-looking statements or forecasts, but do not constitute an earnings forecast. All forward-looking statements are based solely on the judgement and expectations of the directors at the time of preparing this report. Emerging risks, uncertainties and other important factors may materially change the results from our expectations. These statements have not been reviewed and are not reported on by the external auditors.

STRATEGIC REPORT

Our strategic report, including our investment case, on [pages 2 to 148](#), was reviewed and approved by the board on 11 September 2024.

ASSURANCE

We apply a combined assurance model:

- The board and the audit and risk committee assessed the effectiveness of controls for the year ended 30 June 2024 including the remediation actions proposed in light of the restatement of the prior year financial statements to prevent a recurrence, as satisfactory after a review of internal control policies and reports from internal audit and other assurance providers and confirmation from executive management. Refer to the statement of directors' responsibilities on [page 186](#)
- The PricewaterhouseCoopers LLP (PwC) opinion on our 2024 annual financial statements is set out on [pages 194 to 199](#)
- Key sustainability reported values, containing the gold seal of approval, indicate limited assurance granted by PricewaterhouseCoopers Inc. (PwC Inc.) The limited assurance report from PwC Inc. can be found on [pages 69 to 71](#) in the sustainable development report
- The execution of our combined assurance plan is monitored by the audit and risk committee which reports to the board, on an annual basis, on its execution.

BOARD APPROVAL

The board assumes ultimate responsibility for the integrity of this report. The board is satisfied that the report addresses all material matters and fairly presents the Group's performance for the 2024 financial year. The report is also an accurate reflection of our strategic commitments for the short, medium and long term.

The board is of the opinion that the 2024 integrated annual report complies in all material respects with the relevant statutory and regulatory requirements – particularly the <IR> Framework, IFRS Accounting Standards, the UK-adopted international standards and the Companies Act 2006.

This report is prepared under the supervision of senior management and is subject to an internal and external review process. The audit and risk committee reviews the content of this report and the collation process, relying on the assurance provided at the various reporting levels.

On the recommendation of the audit and risk committee, the board approved the integrated annual report and the Group's annual financial statements on 11 September 2024.

Keith Spencer <i>Chairman</i>	Dawn Earp <i>Lead independent</i>	Thabo Mosololi <i>Independent</i>	Charles Needham <i>Independent</i>	Yvonne Themba <i>Independent</i>	Cobus Loots <i>Chief executive officer</i>	Deon Louw <i>Financial director</i>
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Signatures were removed to protect the security and privacy of the signatories.

Pan African is a sustainable, safe, high-margin and long-life gold producer.

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ABOUT PAN AFRICAN

WHO WE ARE

Pan African is a mid-tier, African-focused gold producer. Our shares trade as follows:

- In the **UK** on the AIM market of the LSE (ticker: PAF)
- In **South Africa** through a primary listing on the Main Board of the JSE (ticker: PAN) and a secondary listing on the A2X Market (A2X)
- In the **United States of America (USA)** on the OTCQX Best Market (OTCQX) through a Level 1 American Depository Receipt (ADR) programme sponsored by the Bank of New York Mellon (ticker: PAFRY) and ordinary shares (ticker: PAFRF).

OUR VALUE-CREATING STRATEGY

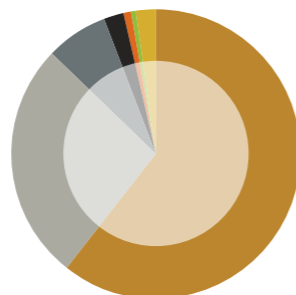
To safely and efficiently extract value from our mineral deposits while prioritising the long-term sustainability of our business.

We leverage our combined knowledge and skills base to approach mining in an entrepreneurial manner, generating compelling returns for our stakeholders. For more information, refer to **pages 16 and 17**.

A unique combination of African underground and surface mining operations

GEOGRAPHICAL REPRESENTATION

of our shareholders at 30 June 2024

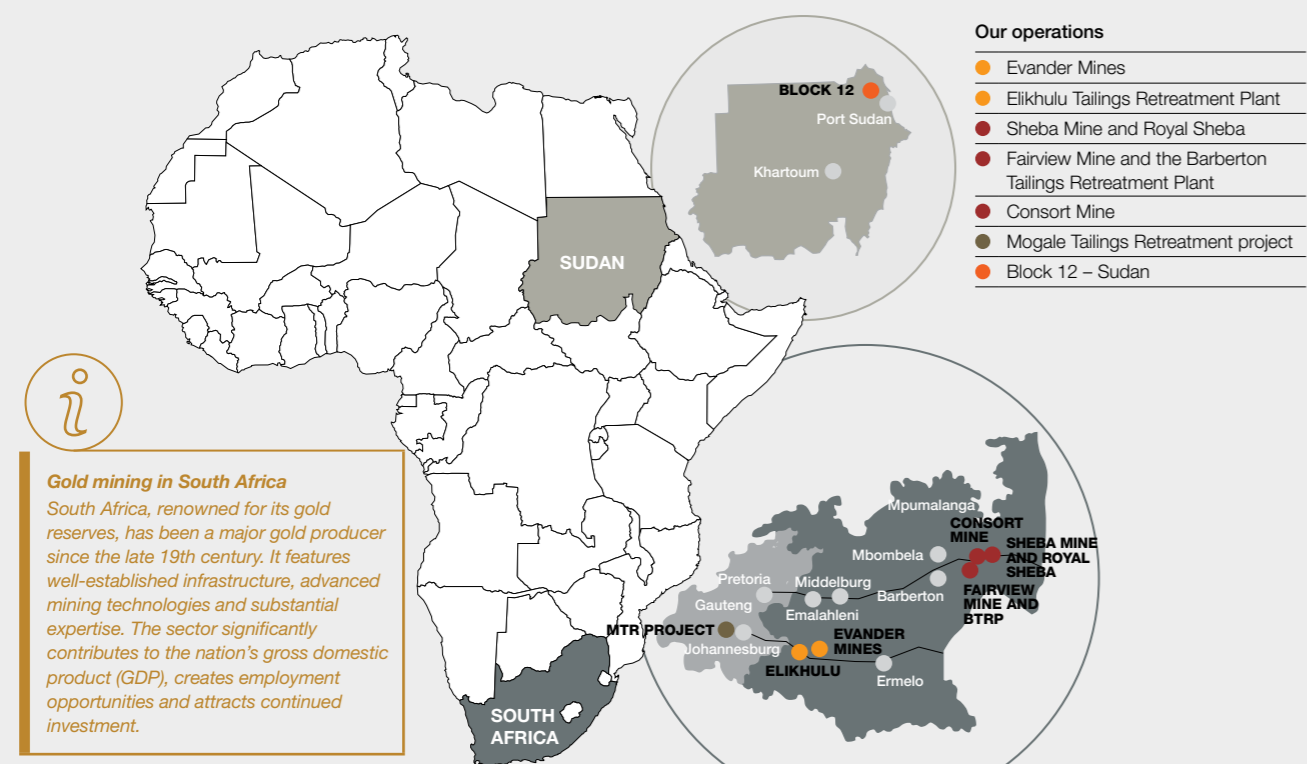


South Africa	60.8%
UK	26.6%
USA	7.0%
Denmark	2.1%
Switzerland	0.9%
France	0.6%
Other	2.0%

OUR OPERATING GOLD MINES

Our operations offer a unique combination of South African underground and surface remining operations:

- Barberton Mines, with a history spanning over 130 years, and Evander Mines are our primary underground operations with remaining life-of-mine estimates of 20 and 11 years, respectively
- Additionally, our surface remining operations include the Elikhulu Tailings Retreatment Plant (Elikhulu), the Barberton Tailings Retreatment Plant (BTRP) and the Mogale Tailings Retreatment Project (MTR project), with commissioning and first gold production anticipated ahead of schedule in October 2024 and steady-state production expected during December 2024.



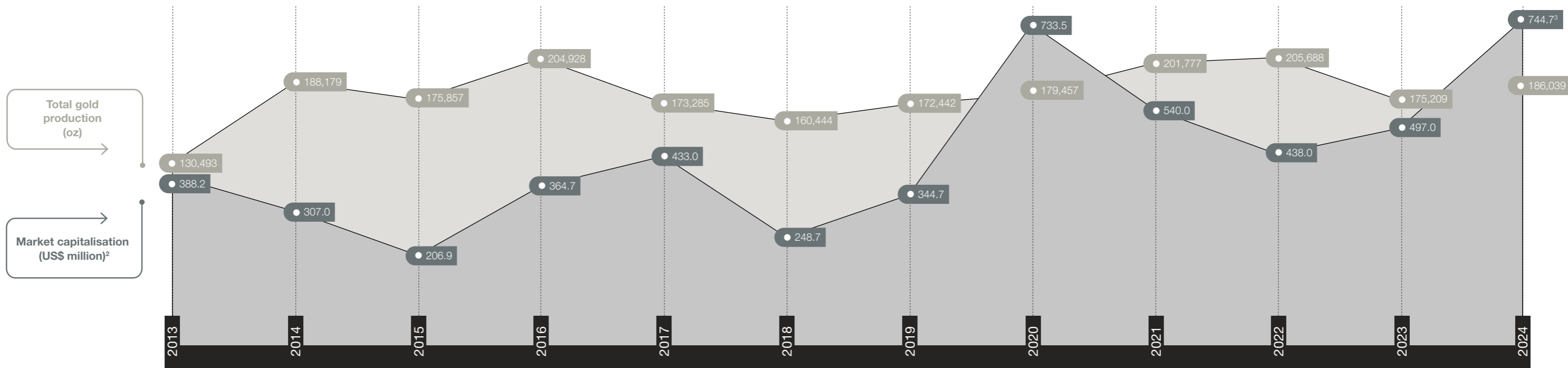
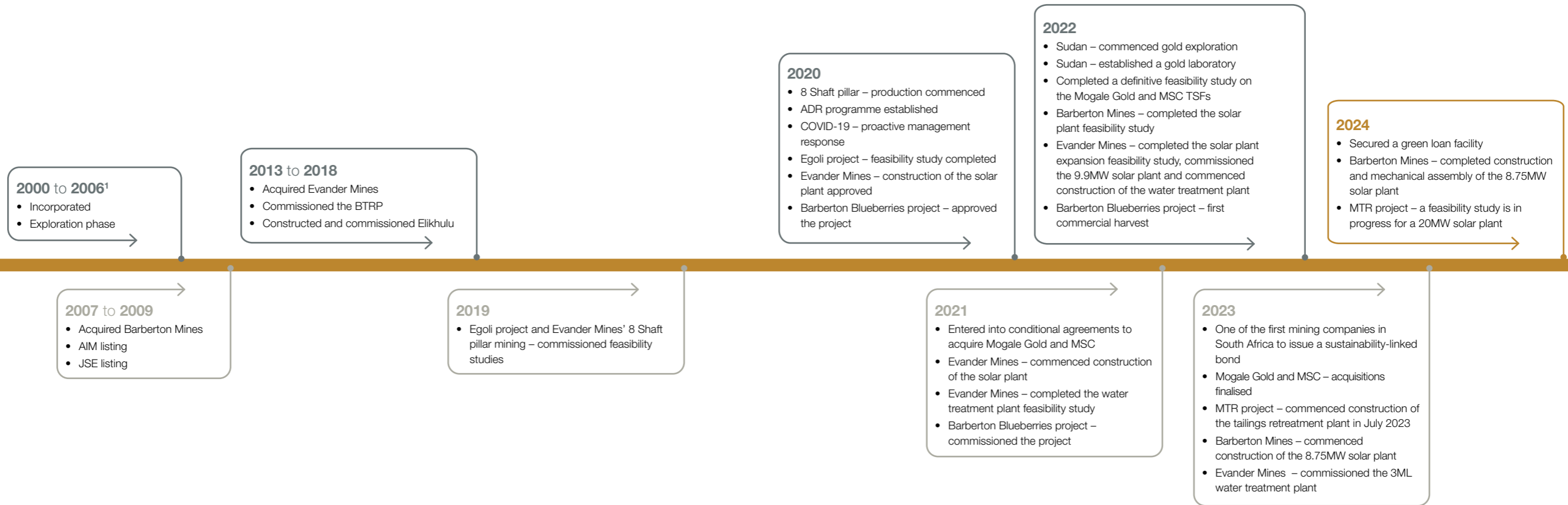
We are strategically transitioning towards a portfolio focused on long-life assets, with a combination of low-cost surface mining and high-grade underground mines.

	Production (oz/annum) 2024 (2023)	Mineral Reserves 2024 (2023)	Mineral Resources 2024 (2023)	Production (tonnes milled and processed) 2024 (2023)	Recovered grade (g/t) 2024 (2023)	AISC® (US\$/oz) 2024 (2023) ¹	Life-of-mine (years) 2024 (2023)
BARBERTON MINES (UNDERGROUND MINING OPERATIONS) A long-life, high-grade operation comprising three underground mines: Fairview, Sheba and Consort							
	71,470 (64,586)	5.8Mt at 5.87g/t 1.09Moz (5.5Mt at 6.49g/t) (1.14Moz)	13.8Mt at 6.22g/t 2.77Moz (24.1Mt at 4.14g/t) (3.20Moz)	358,936 (342,622)	6.2 (5.9)	1,777 (1,800)	20 (20)
BARBERTON TAILINGS RETREATMENT PLANT The plant was completed in June 2013 and adds high-margin and low-risk ounces to our production profile							
	18,888 (19,875)	3.6Mt at 1.63g/t 0.19Moz (3.9Mt at 3.03g/t) (0.38Moz)	20.7Mt at 1.11g/t 0.74Moz (22.7Mt at 1.25g/t) (0.91Moz)	828,392 (921,753)	0.7 (0.7)	669 (721)	2 ² (3)
ELIKHULU This plant exploits tailings deposited on the Kinross, Leslie/Bracken and Winkelhaak tailings storage facilities (TSFs) in Evander. It commenced production in 2018							
	54,812 (50,573)	130.6Mt at 0.27g/t 1.12Moz (140.9Mt at 0.27g/t) (1.24Moz)	155.4Mt at 0.27g/t 1.34Moz (163.4Mt at 0.27g/t) (1.42Moz)	14,198,865 (13,587,371)	0.1 (0.1)	1,034 (989)	9 (10)
EVANDER MINES (UNDERGROUND MINING OPERATIONS) Extraction of the 8 Shaft pillar and the development of the 24, 25 and 26 Level high-grade areas at Evander Mines							
	38,285 (33,256)	4.29Mt at 7.08g/t 0.98Moz (3.5Mt at 6.82g/t) (0.77Moz)	30.6Mt at 8.82g/t 8.68Moz (24.0Mt at 10.28g/t) (7.95Moz)	192,050 (159,063)	6.2 (6.4)	1,307 (1,113)	11 (13)
EVANDER MINES (SURFACE SOURCES) The purchase of gold-bearing material from third parties – leveraging the excess capacity of Evander Mines' metallurgical plants							
	2,584 (6,919)	Not reported	Not reported	104,157 (248,575)	0.8 (0.9)	2,174 (1,718)	Not reported
MTR PROJECT A plant is being constructed to process gold tailings deposited onto the Mogale Gold and MSC TSFs Figures in the table below are based on the expected definitive feasibility study results announced in June 2022							
	50,000	227.7Mt at 0.29g/t	259.8Mt at 0.30g/t	9,600,000 for the Mogale Cluster – for the initial five years 12,000,000 including the Soweto Cluster – from year six onwards	0.1	<1,000	21

¹ Restated due to prior period adjustments, refer to note 40.

² Subsequent to the reporting period, the Group was able to extend the life-of-mine for the BTRP to seven years following positive Mineral Reserves studies.

TIMELINE



¹ The timeline represents the period spanning the start of one financial year to the end of the subsequent financial year.
² Source: JSE's Trading and Market Services. Calculated at the end of each calendar year at quoted prices and the closing US\$/ZAR exchange rate.
³ Source: JSE's Trading and Market Services. Calculated at 30 June 2024 using the quoted price and the closing US\$/ZAR exchange rate at that date.

VALUE CREATED AND DISTRIBUTED IN 2024



The UN SDGs comprise 17 interlinked objectives for peace and prosperity for people and the planet now and into the future. The SDGs emphasise the interconnected environmental, social and economic aspects of sustainable development by putting sustainability at their centre. The SDGs were formulated in 2015 by the UN General Assembly and adopted in a resolution called the 2030 Agenda as most targets are to be achieved by 2030.

Performance

▲ Positive increase ▼ Positive decrease ▲ Negative increase ▼ Negative decrease ► Unchanged

Our capitals	Capitals defined	SDGs	Value created and distributed	2024	2023	%Δ
FINANCIAL CAPITAL	Equity, debt and surplus cash from our operating activities	8 ECONOMIC GROWTH	Revenue Finance income Finance costs paid Dividend paid	US\$373.8 million US\$1.9 million US\$11.6 million US\$21.2 million	US\$319.9 million ¹ US\$1.1 million US\$6.3 million US\$23.2 million	16.8 ▲ 72.7 ▲ 84.1 ▲ (8.6) ▼
MANUFACTURED CAPITAL	Infrastructure, orebodies and tailings retreatment operations at Barberton Mines, Evander Mines and the MTR project	7 AFFORDABLE AND CLEAN ENERGY 6 CLEAN WATER AND SANITATION	All-in sustaining cost (AISC) ² Infrastructure investment • Including: Solar plants – Solar plant – Water treatment plant	US\$1,354/oz US\$166.2 million US\$10.3 million US\$0.1 million	US\$1,309/oz ¹ US\$112.7 million US\$2.3 million US\$2.0 million	3.4 ▲ 47.5 ▲ >100 ▲ (95.0) ▼
INTELLECTUAL CAPITAL	More than 130 years of mining the unique Barberton Greenstone Belt orebodies and an established track record in surface tailings remining and successful project delivery	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 17 PARTNERSHIPS FOR THE GOALS	Utilising modern exploration techniques and mine planning systems expands the resource base, assists in gaining insight into the geological complexities and enhances the effectiveness of our decision-making processes • Metres drilled Integrated security plan and modernisation of security technology • Security costs Collaboration with government bodies and peer companies to combat illegal mining and criminality. Refer to page 137 for more information	13,361m US\$7.2 million	16,665m US\$5.6 million ¹	(19.8) ▼ (28.6) ▼
HUMAN CAPITAL	Employees and contractors who are knowledgeable, competent and adequately skilled, supported by a robust safety culture in pursuit of a zero-harm working environment	1 NO POVERTY 3 GOOD HEALTH AND WELL-BEING	Employee salaries, wages and benefits paid ² Employees Contractors Safety initiatives Skills and development training Health and wellness initiatives	US\$59.0 million 2,887 4,751 US\$1.4 million US\$1.8 million US\$0.5 million	US\$48.7 million ¹ 2,469 4,388 US\$1.4 million US\$2.2 million US\$0.3 million	21.1 ▲ 16.9 ▲ 8.3 ▲ – ► (18.2) ▼ 66.7 ▲
SOCIAL AND RELATIONSHIP CAPITAL	The quality of our stakeholder relationships, the initiatives we have implemented to improve the well-being of our employees and host communities and our commitment to regulatory compliance and responsible business practices	10 REDUCED INEQUALITIES 11 SUSTAINABLE CITIES AND COMMUNITIES 16 PEACE, JUSTICE AND STRONG INSTITUTIONS 17 PARTNERSHIPS FOR THE GOALS 4 QUALITY EDUCATION 5 GENDER EQUALITY	Value-added tax (VAT) received Royalties and income taxes paid Withholding tax paid Employee taxes paid Corporate social investment (CSI) Alternative employment opportunities through the Barberton Blueberries project • Permanent jobs • Seasonal jobs • Salaries and wages paid	US\$60.0 million US\$15.5 million US\$1.7 million US\$13.0 million US\$2.5 million 22 149 US\$0.3 million	US\$35.7 million US\$7.7 million US\$2.3 million US\$11.9 million US\$1.7 million 25 272 US\$0.3 million	68.1 ▲ >100 ▲ (26.1) ▼ 9.2 ▲ 47.1 ▲ (12.0) ▼ (45.2) ▼ – ►
NATURAL CAPITAL	The responsible use of fuel, energy, water, air and land resources while aspiring to do minimal harm to the environment	6 CLEAN WATER AND SANITATION 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 15 LIFE ON LAND 7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION	Water consumption Energy consumption Carbon emissions intensity per ounce produced Direct greenhouse gas (GHG) emissions Scope 1 Direct GHG emissions Scope 2	9,184.8ML 1,503.77TJ 1.88tCO ₂ e/oz Au 5.0ktCO ₂ e 348.0ktCO ₂ e	10,304.4ML ³ 1,447.17TJ 1.91tCO ₂ e/oz Au ¹ 3.7ktCO ₂ e 332.5ktCO ₂ e	(10.9) ▼ 3.9 ▲ (1.6) ▼ 35.1 ▲ 4.7 ▲

¹ Restated due to prior period adjustments, refer to note 40.

² Excludes employee-related taxes paid to the South African government.

³ Prior reporting period water consumption figures have been restated to include water usage from third-party private sources and the Barberton Blueberries project.

A detailed review of our performance in contributing to the UN SDGs is provided in our separate sustainable development report.

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

REASONS TO INVEST IN PAN AFRICAN

As a sustainable and safety-focused gold producer committed to creating long-term value for stakeholders, Pan African presents an attractive investment opportunity with a strong pipeline of growth projects.

FINANCIAL CAPITAL

Diversified operations

A unique combination of South African underground and surface remining operations

- Long-life, high-grade underground mining
- Low-cost surface remining operations
- Long-term mining rights at Evander Mines (to 2038) and Barberton Mines (to 2051)

Low production cost

One of the lowest-cost gold producers in South Africa

- AISC[®] of US\$1,170/oz (2023: restated US\$1,132/oz) for our lower-cost operations, comprising all operations, excluding Sheba Mine and Consort Mine, which account for 84.0% (2023: restated 81.5%) of annual production
- AISC[®] of US\$1,354/oz (2023: restated US\$1,309/oz) for total operations
- Return on shareholders' funds[®] of 24.0% (2023: restated 20.7%)

MANUFACTURED CAPITAL

High and expanding production capacity

Ability to meet and exceed our production guidance, with an increasing production profile

- Production capacity >200,000oz of gold per annum
- 2024 production: 186,039oz (2023: 175,209oz)
- 2025 production guidance: 215,000oz to 225,000oz

INTELLECTUAL CAPITAL

Agile and flexible

Sustainable, safe, high-margin and long-life operations

- Surface remining track record and processing experience
- BIOX[®] processing plant with high recoveries of refractory gold deposits
- Successfully mining highly variable greenstone belt orebodies
- Increased use of mechanisation and technology

HUMAN CAPITAL

Focus on safety, security, health and wellness

Industry-leading safety performance in pursuit of a zero-harm working environment

- Surface remining operations – a low employee complement
- Proactive and effective safety culture
- Constant reinforcement of safety practices and innovative communications
- Awareness programmes aimed at employees and communities to curb illegal mining

SOCIAL AND RELATIONSHIP CAPITAL

Sustainable stakeholder value creation

'Beyond compliance' approach to promoting sustainable communities beyond mining

- Established long-life mines
- Established sustainable renewable energy and agricultural projects
- Land rehabilitation for alternative development purposes
- Continued investment in local community businesses to stimulate sustainable economic development and job creation

NATURAL CAPITAL

Low carbon footprint

Lower carbon dioxide emissions contribute to reducing the impact of climate change

- Surface remining operations
- First mining company in South Africa to commission a large-scale grid-tied solar plant

Responsible and sustainable water use

Moving towards zero use of potable water at the Group's operations

- 3ML water treatment plant at Evander Mines complex



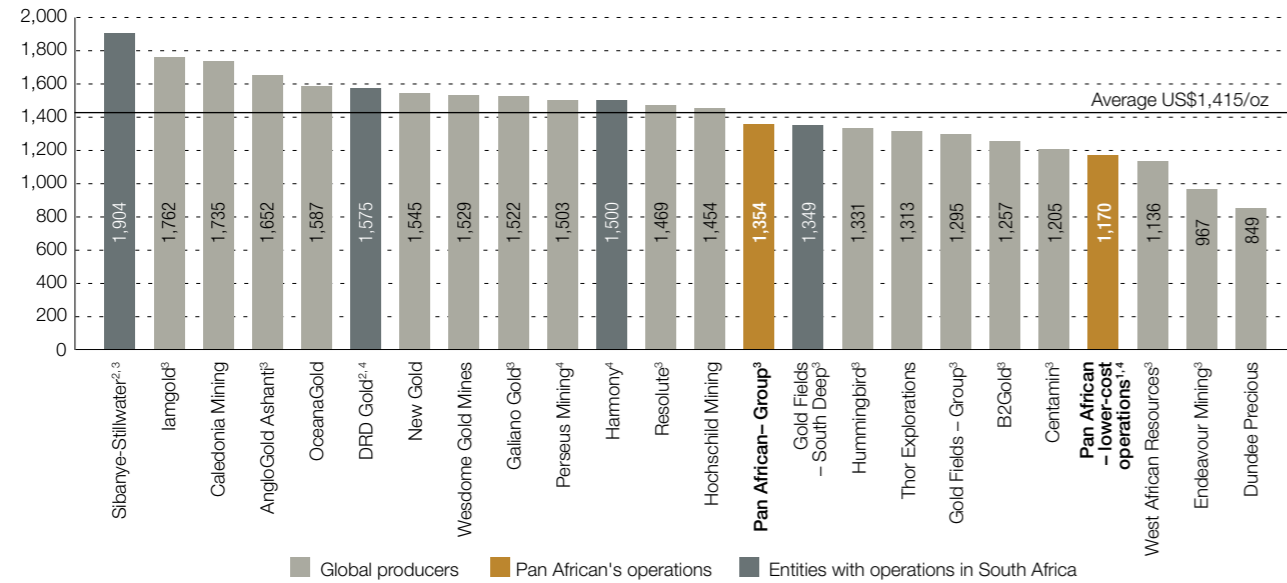
Evander Mines' 7 and 7A Shaft headgear and related infrastructure

REASONS TO INVEST IN PAN AFRICAN continued

ALL-IN SUSTAINING COSTS[®] (US\$/oz)

The Group's AISC[®] of US\$1,354/oz is below the peer group average of US\$1,415/oz.

Read more on [page 96](#).



¹ All of Pan African's operations excluding Sheba Mine and Consort Mine.

² South African operations.

³ AISC[®] for the respective company at 31 December 2023.

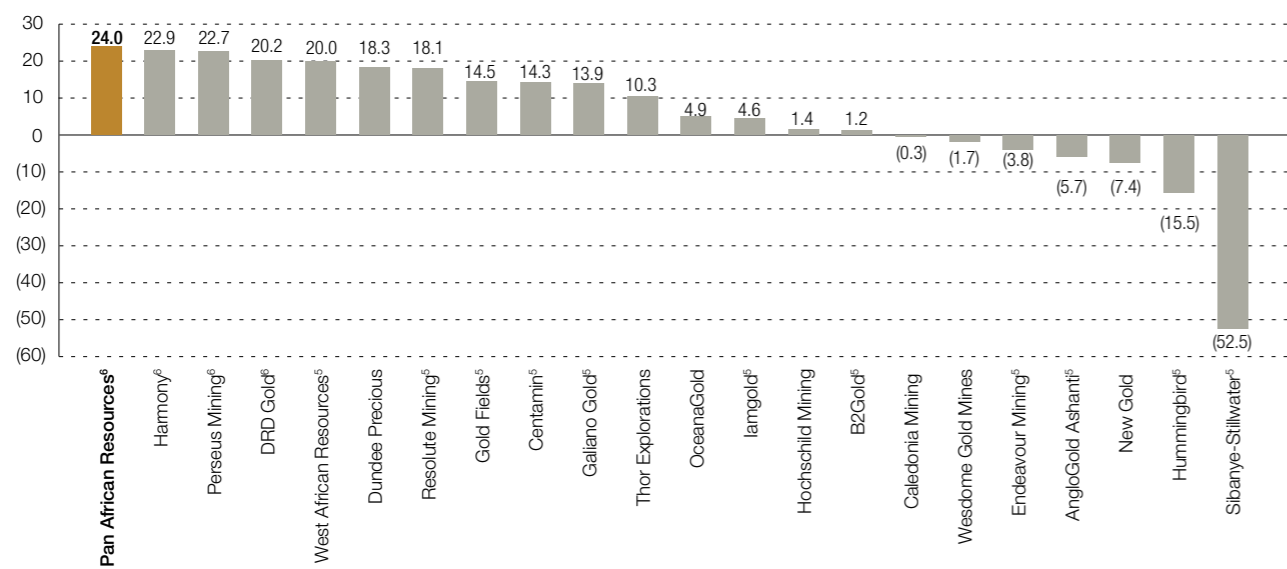
⁴ AISC[®] for the respective company at 30 June 2024.

Source: Individual company websites and presentations.

RETURN ON SHAREHOLDERS' FUNDS[®] (%)

Our return on shareholders' funds[®] comfortably exceeds the peer group average.

Read more on [page 58](#).



⁵ The respective companies have a 31 December 2023 financial year-end.

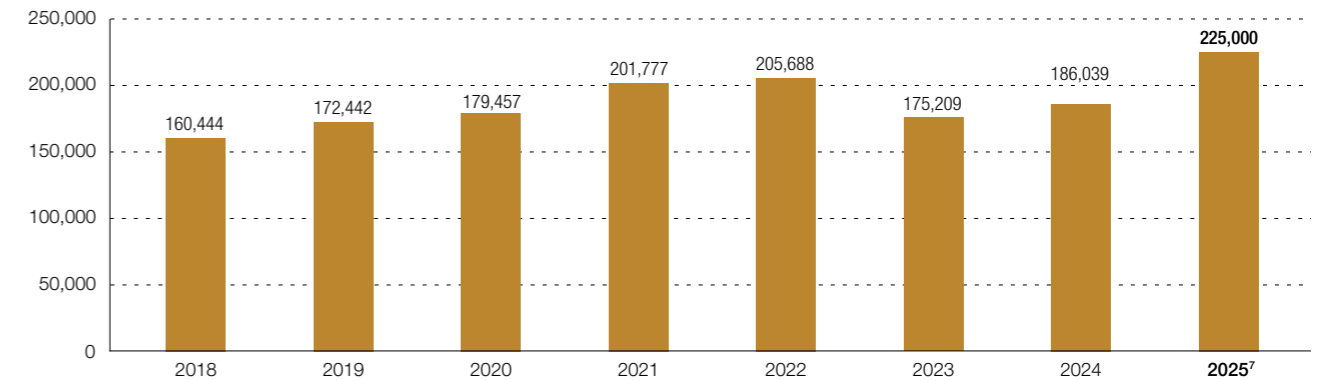
⁶ The respective companies have a 30 June 2024 financial year-end.

Source: Individual company websites and presentations.

PRODUCTION PROFILE (oz)

We aim to steadily increase our production profile with a pipeline of organic and expansionary projects.

Read more on [pages 78 and 79](#).

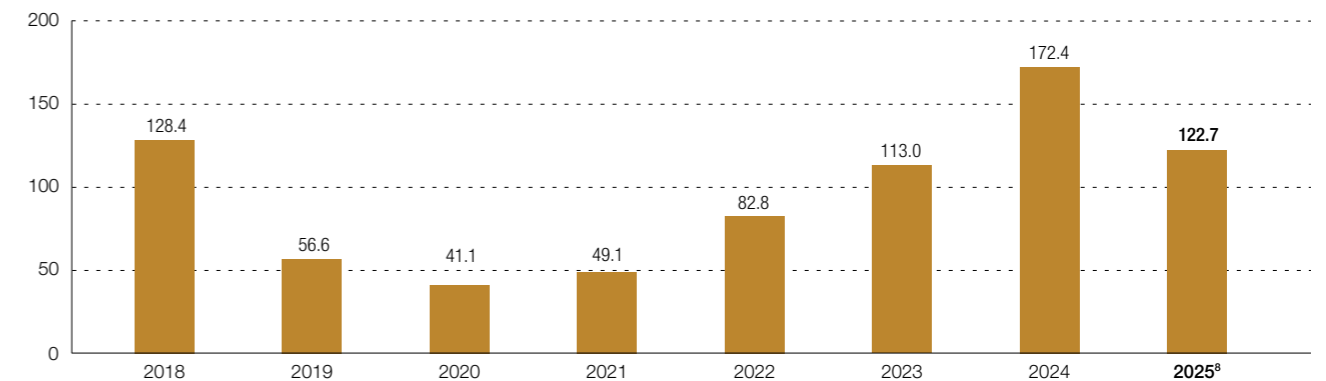


⁷ 2024 production guidance is expected to be between 215,000oz and 225,000oz.

CAPITAL EXPENDITURE (US\$ million)

We continue to reinvest in our mines to ensure sustainability and to generate the requisite returns. We strive to balance reinvestment with other capital allocation priorities.

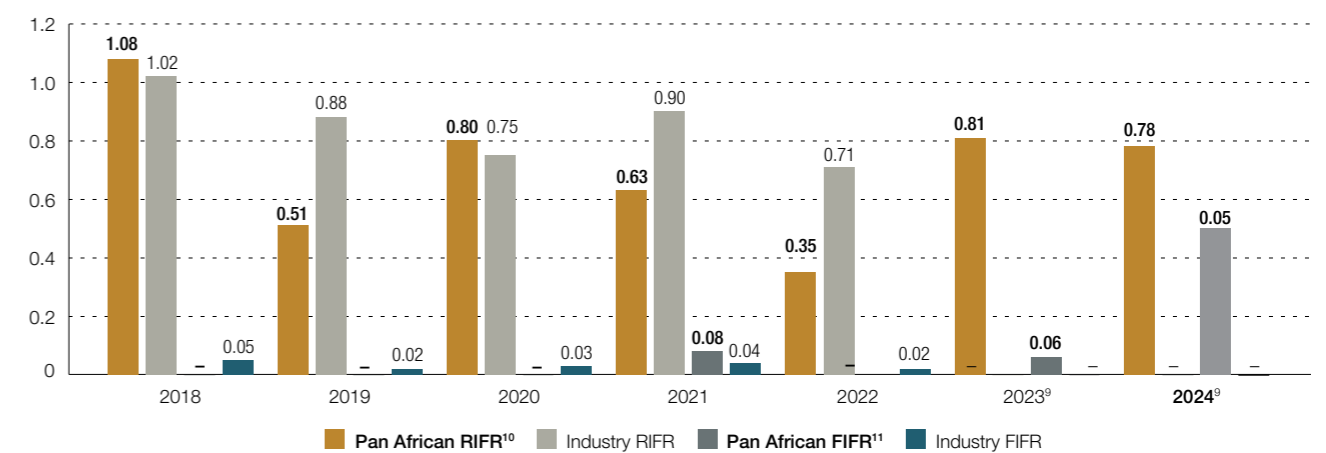
Read more on [page 80](#).



⁸ Forecast capital expenditure converted at an exchange rate of US\$/ZAR:18.50.

SAFETY PERFORMANCE (per million man hours)

Read more on [page 41](#).



⁹ 2023 and 2024 industry rates were not available at the time of this report.

¹⁰ Reportable injury frequency rate (RIFR) per million man hours.

¹¹ Fatal injury frequency rate (FIFR) per million man hours.

CHAIRMAN'S STATEMENT

As the global economy grapples with ongoing geopolitical tensions, gold has reaffirmed its importance as a safe haven in uncertain times. In South Africa, a change in government has sparked renewed optimism for growth in our local economy. The year ahead will be an exciting one for Pan African as we commission our MTR project.



KEITH SPENCER | Chairman

SOUTH AFRICA'S ECONOMIC LANDSCAPE

South Africa's economy is poised to respond to the emergent optimism, following the general election and the formation of a Government of National Unity (GNU). The new administration is committed to addressing challenges such as the energy crisis, infrastructure inefficiencies, high unemployment, crime, high borrowing costs and issues stemming from state-owned enterprise bailouts.

The African Development Bank's outlook for South Africa is cautiously optimistic, with GDP growth projected at 1.3% for 2024 and 1.6% for 2025. This growth is supported by new infrastructure investments that are expected to bolster the construction sector and other areas of the economy. Inflation is expected to stabilise at 4.8% in 2024, and the fiscal deficit is projected to decline to about 4.3% of GDP as tax revenue collections improve. However, the current account trade deficit is anticipated to widen to 3.0% of GDP, due to slower export growth relative to imports, constrained by transport sector issues and power shortages.

Gold continues to prove its value as a safe haven and low-risk asset class for investors, with the high rand gold price boosting Pan African's margins and profitability.

For a more detailed analysis of our operating environment and its impact on Pan African, refer to **pages 66 to 69**.

OUR OPERATIONAL AND FINANCIAL PERFORMANCE

Pan African's robust operations have delivered outstanding financial and operational results. Despite a challenging operational environment, we achieved a 6.2% increase in gold production to 186,039oz, highlighting the operational flexibility and resilience of our producing assets.

Adjusted earnings before interest, income tax expense, depreciation and amortisation (adjusted EBITDA[®]) increased by 22.7% to US\$141.2 million (2023: restated US\$115.1 million), yielding a return on capital employed[®] of 28.5% (2023: restated 28.0%). Our operations generated cash flows of US\$90.8 million (2023: US\$100.1 million). Net senior debt[®] increased to US\$102.8 million (2023: US\$18.9 million), primarily attributable to capital expenditure for the MTR project and Evander Mines' expansionary projects.

For more details, refer to the financial director's review on **page 86** and to the operational performance review on **page 96**.

SAFETY

The Group deeply regrets the fatal accident that occurred at Elikhulu during the year. Despite this tragic setback, we are encouraged by the progress made in improving our overall safety rates compared to the previous financial year. This improvement is attributable to the implementation of various awareness and other initiatives aimed at further enhancing our safety performance.

Refer to **page 41** for more details.

OUR ESG PERFORMANCE

Pan African's commitment to ESG extends beyond compliance and forms a core part of its business strategy. The Group's renewable energy strategy aims to secure a reliable energy supply, reduce carbon dioxide emissions and realise cost savings through large-scale renewable energy projects.

The key components of this strategy include:

- a 9.9MW solar plant at Evander Mines, the first utility-scale, grid-tied solar plant commissioned in South Africa. An independent bankable feasibility study is underway for phase 2 of this solar plant which aims to expand the facility by 12MW
- the construction of an 8.75MW solar plant at Barberton Mines' Fairview Mine, with construction and mechanical assembly, including installation of the solar trackers, completed in June 2024. First power generation was achieved in August 2024
- financial close of the 75MW Sturdee Energy Bela-Bela solar project is anticipated during September 2024; Pan African will wheel 40MW from this project over a period of up to 15 years. First power is expected in the 2026 calendar year
- an independent feasibility study is in progress for a 20MW solar plant at the MTR project's site.

Other components include:

- the Evander Mines water treatment plant, commissioned in March 2023, now provides potable water to Elikhulu's processing plant and the 8 Shaft underground infrastructure. A feasibility study is in progress to expand this from 3ML to 6ML per day
- ongoing studies exploring ways to enhance water sustainability including the treatment of water from Barberton Mines' processing plants and TSFs
- conducting a Task Force on Nature-related Financial Disclosures (TNFD) maturity assessment and developing a roadmap to guide our implementation of these recommendations
- established rehabilitation targets are in place for the MTR project. This year, 122.3ha is in the process of rehabilitation and the project achieved its sustainability-linked bond target
- Barberton Mines continuing its partnership with the Barberton Nature Reserve and the Mpumalanga Tourism and Parks Agency as well as sponsoring orphaned rhinos at the Care for Wild Rhino Sanctuary
- rehabilitation liabilities related to Barberton Mines and Evander Mines that are fully funded at an estimated US\$24.8 million (2023: US\$21.6 million). The rehabilitation liabilities related to the MTR project of US\$10.2 million (2023: restated US\$8.4 million) will be funded over the project's life.

Read more in our online sustainable development report at <https://www.panafricanresources.com/investors/gri-and-sustainability/>

CORPORATE GOVERNANCE

Pan African is committed to the highest standards of corporate governance, ethics and integrity. The board provides active oversight, enabling management to execute its strategy effectively. We are confident in the board's balance of skills, experience and diversity to fulfil its fiduciary responsibilities and provide the necessary oversight of the Group's strategic direction. Deon Louw, appointed as the Group's financial director in March 2015, has informed the Company of his intention to retire on 30 September 2024. Deon has contributed significantly to Pan African's operations and growth throughout his tenure. We would like to thank him for his invaluable contribution. Marileen Kok will succeed Deon as the Group's financial director and will be appointed to the Company's board. Marileen joined Pan African as Group financial manager in January 2020 and has extensive experience in financial reporting, corporate finance, governance and regulatory compliance. We look forward to her continued contribution to the Group.

STRATEGY AND OUTLOOK

The Group is committed to optimally and consistently extracting gold from mineral deposits to create sustainable value for its stakeholders. We continue to position Pan African as a sustainable, safe, high-margin and long-life gold producer. Refer to **pages 16 to 21** for more information on the Group's strategy, strategic objectives and initiatives.

Our key focus areas for the next year include:

- the unrelenting pursuit of a zero-harm working environment
- delivering on our guided gold production of 215,000oz to 225,000oz for the 2025 financial year
- proactively managing unit production cost increases
- commissioning the MTR project in accordance with the planned schedule and within budget
- advancing our ESG initiatives
- executing our capital and growth projects to position the Group for increased future gold production
- evaluating potential acquisitions and capital projects against our stringent investment criteria and capital allocation priorities
- increasing returns to shareholders through dividends and other means of distribution.

APPRECIATION

I extend my gratitude to my fellow board members, executive management and to all Pan African employees for their commitment and dedication in achieving the Group's long-term value-creation aspirations.

Keith Spencer
Chairman

11 September 2024

OUR VALUE-CREATING STRATEGY

Our strategy is to safely and efficiently extract value from our mineral deposits while prioritising the long-term sustainability of our business. We leverage our combined knowledge and skills base to approach mining in an entrepreneurial manner, generating compelling returns for our stakeholders. Integrated thinking is essential to delivering our strategy, managing our risks and identifying opportunities. It informs our strategic initiatives, which are annually approved by the board.

In executing our strategy and business activities (as described on pages 18 to 21), we prioritise the integration of the six capitals (as defined on page 8) to achieve our strategic objectives. Annually, we review our strategic initiatives to ensure they uphold our purpose, vision and commitment to sustainable value creation, effectively utilising our resources to benefit all stakeholders.

Our strategic pillars and values guide this process. Our strategic initiatives are crafted to align with each capital, fostering sustainable value creation. We carefully weigh trade-offs between capitals to sustainably enhance stakeholder value, ensuring a holistic consideration of value creation, environmental stewardship and employee well-being throughout our operations.



INTEGRATED THINKING

Our purpose is clearly articulated. It is embraced by our board, management, employees, customers, suppliers and local communities as we work together towards the Group's long-term sustainability.

Management reviews and updates the Group's strategic initiatives based on insights gained from the integrated planning process.

OUR PURPOSE

We are committed to optimally and consistently extracting gold from mineral deposits while creating sustainable value for all our stakeholders through responsible mining.

OUR VISION

We aspire to further develop Pan African as a leading mid-tier gold producer that upholds its purpose.

OUR COMMITMENT TO SUSTAINABLE VALUE CREATION

Our commitment extends beyond compliance. We collaborate with experts in community engagement, conservation and sustainability initiatives to benefit all stakeholders. Our approach prioritises ESG considerations, including the use of renewable energy and water recycling.

OUR STRATEGIC PILLARS

Profitability

We maintain a strong focus on profitability by being one of the highest-margin producers of gold in Southern Africa.

Sustainability

Our sustainability is centred on creating long-term value for all stakeholders by balancing economic, environmental and social considerations.

Stakeholders

We believe that an integrated stakeholder approach is crucial for our success and prioritise the health and well-being of our employees and host communities.

Growth

Our growth strategy is based on a combination of organic portfolio growth and production-enhancing, value-accretive projects.

OUR VALUES

- Action and delivery
- Teamwork
- Excellence
- Ownership
- Resilience
- Integrity
- Courageous conversations
- Care
- Innovation
- Attitude.

MATERIAL MATTERS

Given our strategic pillars, we identify **material matters** that influence our ability to create value in the short, medium and long term.

- | | |
|-----------------------------|--|
| Execution efficiency | Innovation and opportunity |
| Growth aspirations | Safety, security, health and wellness |
| Cost consciousness | Skills attraction and retention |
| Energy management | Social licence to operate |
| Infrastructural constraints | Tailings management |
| Water management | Climate change, decarbonisation and biodiversity |

Our material matters are described on pages 33 to 47.

OPERATING ENVIRONMENT

Our **operating environment** has a material impact on our strategy and business activities.

- | | |
|------------------------|--|
| Gold price | Crime, corruption and social cohesiveness |
| US\$/ZAR exchange rate | Economic and political uncertainty |
| South African economy | Activism, special interest groups and regulatory uncertainty |

Refer to pages 66 to 69.

RISKS AND OPPORTUNITIES

We manage and assess our **risks and opportunities**, understand and address key stakeholder concerns and execute value-creating growth projects.

- | | |
|----------------------------|-------------------------------------|
| 01 Operational execution | 06 Skills |
| 02 Constrained electricity | 07 Capital allocation and execution |
| 03 Social instability | 08 Geological variability |
| 04 Safety breaches | 09 Macroeconomic volatility |
| 05 Ageing infrastructure | 10 Cost inflation |
| | 11 Tailings dam failure |

Our primary risks and opportunities are described on pages 48 to 56.

OUR STRATEGIC OBJECTIVES AND INITIATIVES



Our strategic initiatives are designed to align with each of the six capitals, enabling us to meet our strategic objectives while creating sustainable value for our stakeholders. The trade-offs between the capitals are thoughtfully considered to create and preserve sustainable stakeholder value. By adopting this approach, we ensure that our strategic initiatives holistically consider how value is created across all aspects of our operations while safeguarding the environment and prioritising the well-being of our people.



INTEGRATED THINKING

Management reviews and updates the Group's strategic objectives based on insights gained from the integrated planning process.





Time horizon ● Short-term focus (one year) ● Medium-term focus (two to three years) ● Long-term focus (three years or more)
 Progress ● Substantially achieved ● Moderate progress ● Not achieved

Strategic objectives	Strategic initiatives	Time horizon	Value created	2024	2023
 FINANCIAL CAPITAL Ensure adequate, competitively priced and flexible financial resources for the funding of our operations and disciplined capital allocation for sustainable long-term value creation	Further strengthen the capital structure and funding flexibility	● ● ●	Net senior debt [Ⓔ]	US\$102.8 million	US\$18.9 million ●
	Ensure adequate liquidity for operational requirements and debt redemptions	● ●	Net cash from operating activities	US\$90.8 million	US\$100.1 million ●
	Ensure appropriate and innovative medium-term funding for organic growth, exploration and acquisition opportunities	● ●	Available debt facilities	US\$68.7 million	US\$49.9 million ●
	Prioritise sustainable returns to shareholders	● ● ●	In June 2024, a US\$19.2 million green loan facility was secured for the construction of Barberton Mines' solar plant		●
 MANUFACTURED CAPITAL Unlock the full potential of our Mineral Resources and Mineral Reserves through sustainable extraction and processing, while embracing renewable energy, to pave the way for a responsible and prosperous mining future	Efficiently execute capital projects , operational restructuring and maintenance programmes as well as other initiatives to increase and sustain gold production run rates, thereby ensuring long-term growth and sustainability	● ●	Capital expenditure	US\$172.4 million	US\$113.0 million ●
	Achieve production guidance of 180,000oz to 190,000oz of gold per annum	●	Construction of the MTR project commenced in July 2023 and is proceeding on schedule and within budget For more information, refer to the chief executive officer's review on page 74		●
	Diversify the renewable energy sources and enhance water management strategies to improve power security, optimise resource utilisation, reduce costs and promote environmental stewardship	● ● ●	Progressed various other capital projects, restructuring programmes and other initiatives to increase the production run rate For more information, refer to the chief executive officer's review on page 74 and the operational performance review on page 96		●
		●	Gold production	186,039oz	175,209oz ●
		● ● ●	Financial close of the 75MW Sturdee Energy Bela-Bela solar project is anticipated during September 2024, with first power expected in the 2026 calendar year		●
		● ● ●	Progressed with the construction of Barberton Mines' 8.75MW solar plant. First power generation was achieved in August 2024		●
		● ● ●	A bankable feasibility study is in progress for the expansion of Evander Mines' solar plant by 12MW		●
	● ● ●	Initiated a feasibility study to extend Evander Mines' water treatment plant from 3ML to 6ML		●	
	● ● ●	A feasibility study is in progress for a 20MW solar plant at the MTR project		●	
	●	Achieve AISC [Ⓔ] guidance of between US\$1,325/oz and US\$1,350/oz (assuming an exchange rate of US\$/ZAR:18.50)	AISC [Ⓔ]	US\$1,354/oz	US\$1,309/oz ¹ ●

¹ Restated due to prior period adjustments, refer to **note 40**.

OUR STRATEGIC OBJECTIVES AND INITIATIVES continued

Time horizon ● Short-term focus (one year) ● Medium-term focus (two to three years) ● Long-term focus (three years or more)
 Progress ● Substantially achieved ● Moderate progress ● Not achieved

Strategic objectives	Strategic initiatives	Time horizon	Value created	2024	2023
 <p>INTELLECTUAL CAPITAL Optimise the use of technology and harness the expertise of our teams to consistently deliver safe, reliable, efficient and responsible mining operations</p>	Use technology to improve mine production, efficiency, safety and security	● ●	The Group employed modern exploration techniques and advanced mine planning systems and enhanced our surveillance technology		●
	Evaluate organic and acquisitive growth opportunities and exploration projects to increase our annual production profile to 250,000oz	● ● ●	Acquired a strategic equity interest in Tennant Consolidated Mining Group Proprietary Limited (TCMG)		●
	Investigate potential exploration and mining opportunities outside South Africa that meet the Group's stringent investment criteria	● ●	Continued the gold exploration programme in north-eastern Sudan. For more information, refer to page 79		●
 <p>HUMAN CAPITAL Attract, cultivate and retain exceptional talent while fostering a culture of safety, respect and continuous learning</p>	Strive for zero fatalities and an average annual improvement of 3.86% in the total recordable injury frequency rate (TRIFR)	● ● ●	Fatalities	1	1 ●
			TRIFR (per million man hours)	6.52 [Ⓢ] Target: 8.08	7.96 Target: 8.5 ●
	Develop employee skills and introduce retention programmes for scarce skills	● ●	Skills and development training	US\$1.8 million	US\$2.2 million ●
	Maintain an entrepreneurial and performance-driven culture	● ● ●	Continued progress in fostering an entrepreneurial and results-driven culture		●
 <p>SOCIAL AND RELATIONSHIP CAPITAL Engage stakeholders to build positive relationships, maintain our social licence to operate and create sustainable value</p>	Curtail illegal mining and property theft through cooperation between all stakeholders and law enforcement agencies	● ● ●	Reduced illegal mining through partnerships with law enforcement, surveillance and enhanced technology applications		●
	Maintain compliance with Social and Labour Plan (SLP) requirements while seeking opportunities to go beyond ESG regulatory requirements for the benefit of our stakeholders	● ●	Successfully handed over the computer and science laboratories at the Thomas Nhlabathi High School and Thistle Grove Combined School to the Department of Basic Education during November 2023 Granted full scholarships to 25 high-achieving students from Barberton's local communities Created alternative employment opportunities through the Barberton Blueberries project Implemented phase 1 of a formal health and wellness programme at Barberton Mines		●
	Operate TSFs in line with the Global Industry Standard on Tailings Management (GISTM) as far as reasonably practicable	● ●	Continued to implement operational measures to progress the Group's TSFs in line with the GISTM as far as reasonably practicable		●
	Continue to enhance, improve and refine sustainability performance and reporting	● ●	Continued to address ESG readiness gaps identified in the 2022 PwC Inc. report		●
			Increased the number of assured ESG KPIs from 11 to 16		●
			Published our second climate change report in alignment with the three-year roadmap, reinforcing and strengthening our climate change strategy		●
			The TNFD maturity assessment is being conducted and a roadmap is being developed to benchmark the Group's alignment with the TNFD recommendations		●
 <p>NATURAL CAPITAL Manage our operations with climate-conscious practices that preserve and protect natural resources and promote sustainability</p>	Rehabilitate 41% of the MTR project's surface area by 2030, while concurrently conducting remining operations	● ●	MTR project area rehabilitated	122.3ha	- ●
	Achieve a renewable energy mix of 15% by 2027	● ●	Renewable energy mix	6.1% [Ⓢ] Target: 7%	6.1% Target: 5% ●
	Reduce the Group's carbon footprint and advance its decarbonisation strategy	● ● ●	Scope 1 and 2 emissions	353.0ktCO ₂ e	336.2ktCO ₂ e ●
			Carbon intensity per ounce sold	1.88tCO ₂ e/oz Au [Ⓢ]	1.91tCO ₂ e/oz Au ●
	Progress the implementation of TSF audit recommendations and advance compliance with the GISTM, as far as reasonably practicable	● ●	Action plans and remedial activities are being implemented to mitigate high-risk safety and environmental issues		●

OUR BUSINESS MODEL

Our activities align with our strategy to safely and efficiently extract value from our mineral deposits while prioritising the long-term sustainability of our business.

1. EXPLORE

On-mine growth projects and greenfield exploration contribute to our Mineral Resources, which potentially extend the life of our mining operations.

Read more in the abridged Mineral Resources and Mineral Reserves report on page 106.

2. DEVELOP

Successful development of our orebodies and execution of our capital projects improve our costs and production profile and increase the economic life of our operations.



INTEGRATED THINKING

Our integrated view of all aspects of our business assists in making informed choices when considering capital trade-offs in pursuit of value creation and preservation in the short, medium and long term. This approach and resultant experience have endowed us with a competitive advantage.

3. MINE

3.1 Surface remining operations

We remine gold-bearing tailings through hydro-mining.

3.2 Underground mining

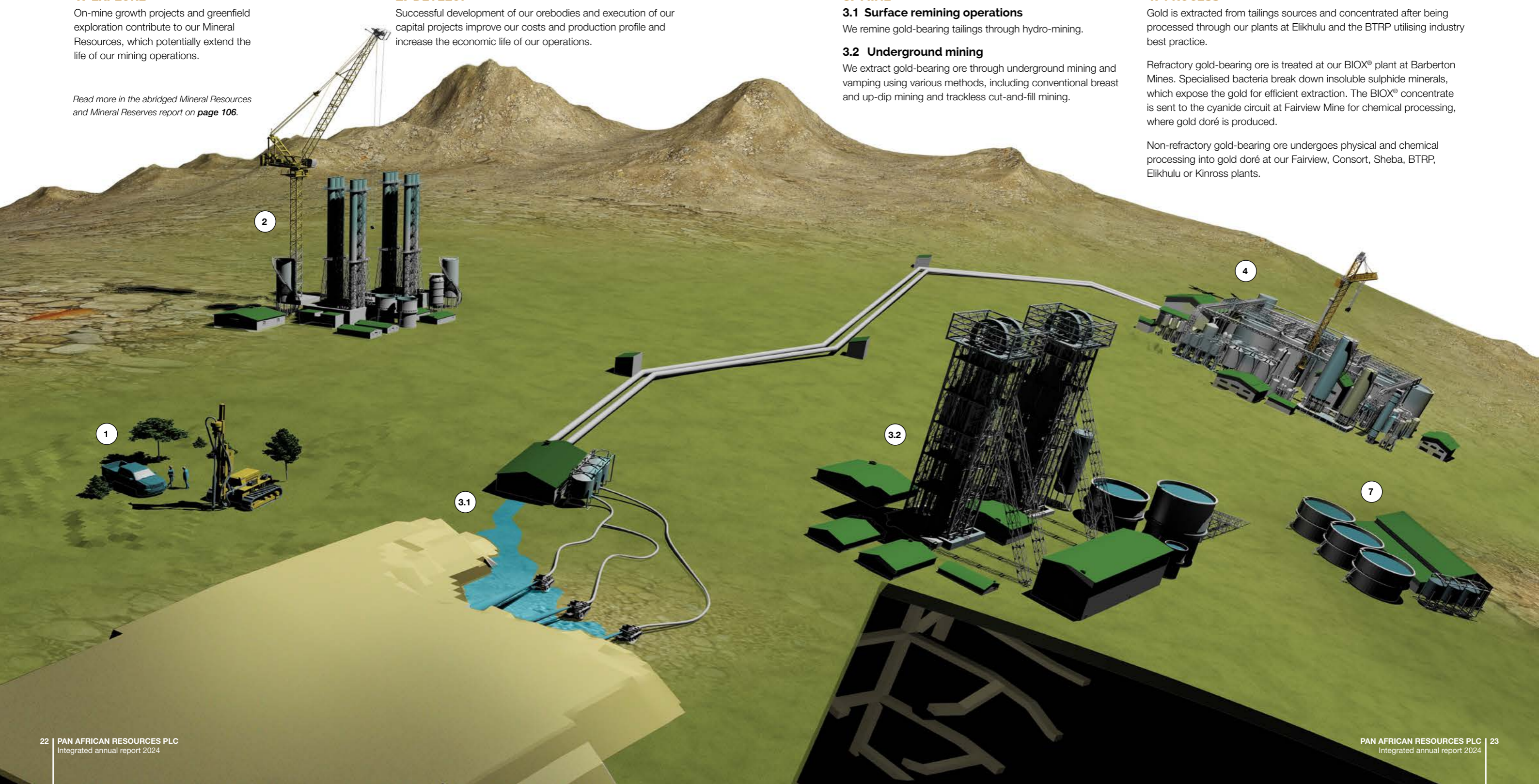
We extract gold-bearing ore through underground mining and vamping using various methods, including conventional breast and up-dip mining and trackless cut-and-fill mining.

4. PROCESS

Gold is extracted from tailings sources and concentrated after being processed through our plants at Elikhulu and the BTRP utilising industry best practice.

Refractory gold-bearing ore is treated at our BIOX[®] plant at Barberton Mines. Specialised bacteria break down insoluble sulphide minerals, which expose the gold for efficient extraction. The BIOX[®] concentrate is sent to the cyanide circuit at Fairview Mine for chemical processing, where gold doré is produced.

Non-refractory gold-bearing ore undergoes physical and chemical processing into gold doré at our Fairview, Consort, Sheba, BTRP, Elikhulu or Kinross plants.



OUR BUSINESS MODEL continued

5. REFINE

Gold doré is transported to Rand Refinery Proprietary Limited (Rand Refinery) where it is refined into gold bullion.

6. MONETISE

Gold sales transactions are entered into with authorised bullion banks and other credible parties. Our customers include the major South African banks.

7. SUSTAINABILITY PRACTICES, PROJECTS AND PARTNERSHIPS

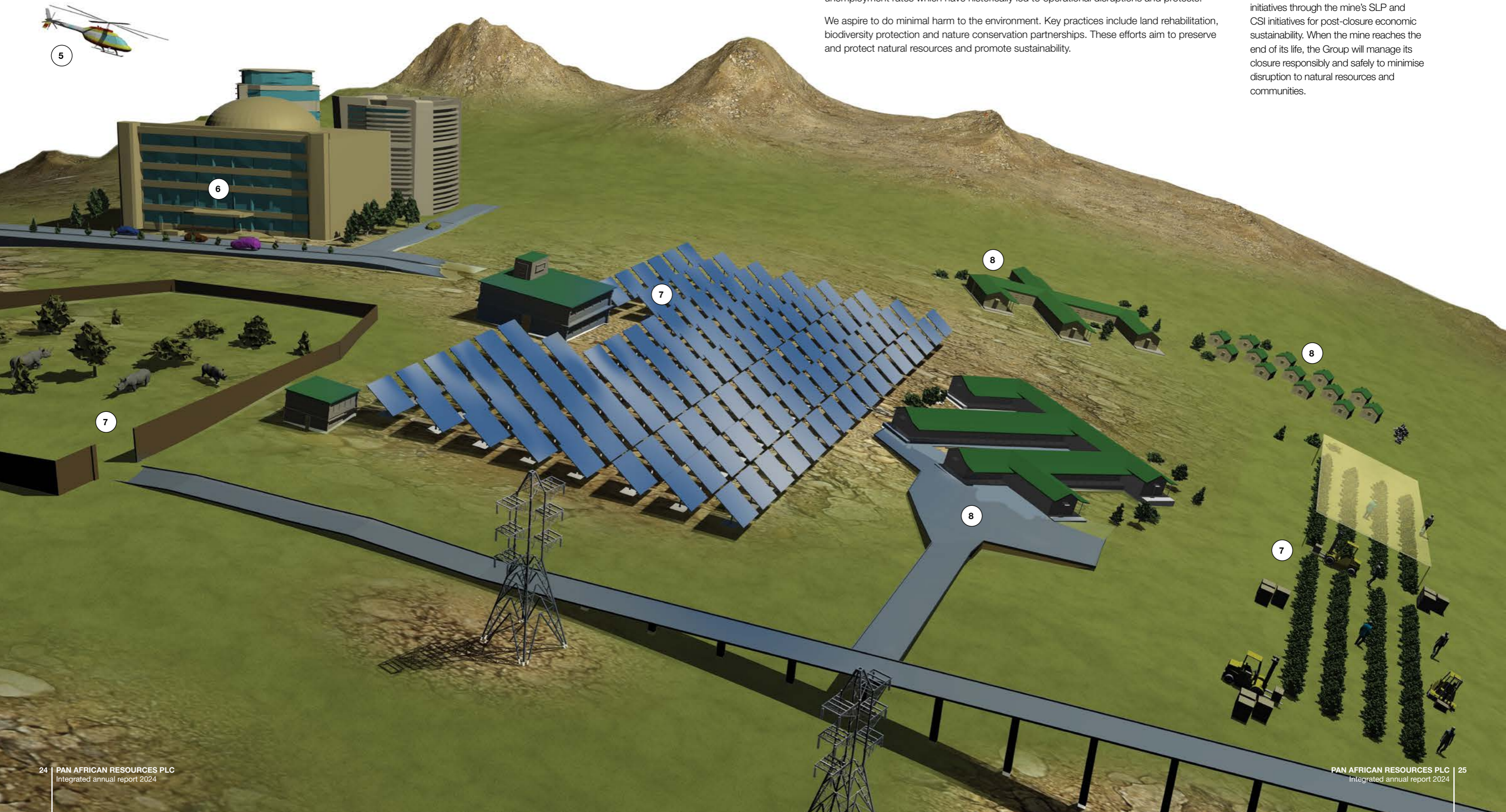
These projects include renewable energy projects which are intended to stabilise electricity supply and water treatment projects intended to provide potable water. They result in cost savings and assist in reducing our overall long-term AISC while contributing to achieving our sustainability targets by measurably reducing carbon emissions and municipal water consumption. We also invest in agricultural projects such as the Barberton Blueberries project, which is aimed at fostering a sustainable local economy and reducing high unemployment rates which have historically led to operational disruptions and protests.

We aspire to do minimal harm to the environment. Key practices include land rehabilitation, biodiversity protection and nature conservation partnerships. These efforts aim to preserve and protect natural resources and promote sustainability.

8. RESPONSIBLE MINE CLOSURE

Consultation with affected communities is necessary during a mine's life to ensure social and economic stability after mine closure.





These consultations help develop initiatives through the mine's SLP and CSI initiatives for post-closure economic sustainability. When the mine reaches the end of its life, the Group will manage its closure responsibly and safely to minimise disruption to natural resources and communities.



OUR BUSINESS MODEL continued

Performance

▲ Positive increase ▼ Positive decrease ▲ Negative increase ▼ Negative decrease ► Unchanged



INPUTS				OUTCOMES						
Our capital resources	2024	2023	Trade-offs made	What we want to achieve	Stakeholders affected	Value created, preserved or eroded	2024	2023	%Δ	
 <p>FINANCIAL CAPITAL</p>	Shareholders' equity	US\$364.1 million	US\$291.9 million ¹	<ul style="list-style-type: none"> We have no control over the US\$ gold price or the US\$/ZAR exchange rate and therefore mitigate potential adverse impacts through disciplined financial capital management, strict cost control and hedging 	<ul style="list-style-type: none"> Achieve production targets and optimise performance through disciplined capital allocation Manage financial risk Meet stakeholder expectations Enhance shareholder returns 	<ul style="list-style-type: none"> Providers of capital Customers Suppliers Governments and regulatory bodies 	Revenue	US\$373.8 million	US\$319.9 million ¹	16.8 ▲
	Available debt facilities	US\$68.7 million	US\$49.9 million				Profit for the period	US\$78.8 million	US\$60.5 million ¹	30.2 ▲
 <p>MANUFACTURED CAPITAL</p>	Mineral Resources	41.18Moz gold	40.50Moz gold	<ul style="list-style-type: none"> Investment in our mining assets ensures long-term sustainability Balancing organic growth and value-enhancing acquisitions to increase our production profile 	<ul style="list-style-type: none"> Excellent safety performance Cost-effectiveness Progress exploration and mining projects Rehabilitate land Increase Mineral Reserves 	<ul style="list-style-type: none"> Providers of capital Customers Suppliers Employees and unions Communities 	AISC [Ⓢ]	US\$1,354/oz	US\$1,309/oz ¹	3.4 ▲
	Mineral Reserves	12.64Moz gold	12.81Moz gold							
	Investment in infrastructure	US\$166.2 million	US\$112.7 million							
	Production costs before depreciation and amortisation	US\$221.2 million	US\$198.9 ¹ million							
 <p>INTELLECTUAL CAPITAL</p>	Mining and prospecting rights			<ul style="list-style-type: none"> Investing in technology and efficiency-improving processes Growing tailings and processing expertise 	<ul style="list-style-type: none"> Competitive advantage in mining applications Efficient extraction of gold from mined ore Increased production portfolio Sudanese gold exploration Investment in an Australian prospect Improve valuation and expand our shareholder base 	<ul style="list-style-type: none"> Employees and unions Providers of capital Collaboration partners 	Maximised resource utilisation			
	Sudanese exploration licences						Increased annual production ounces to improve our profile and attract larger fund managers			
	Key personnel with requisite skills						Effective and efficient technology application at Elikhulu to further improve yields			
	Management and board expertise						Diversified the Group's Mineral Resources base outside of South Africa in a value-enhancing manner			
	Expansion and integration of technologies at our operations						Improved trading liquidity			
	Increasing our investor outreach to new markets									
Sudanese gold assay laboratory										
 <p>HUMAN CAPITAL</p>	Employees and contractors	7,638	6,857	<ul style="list-style-type: none"> Tailings retreatment lends itself to automation, is less labour-intensive and inherently safer Employee earnings supplement the local community's income Multi-year wage agreements concluded at Barberton Mines, contributing to employee stability and cost-containment 	<ul style="list-style-type: none"> Safe working environment Create employment opportunities 	<ul style="list-style-type: none"> Employees and unions Providers of capital Governments and regulatory bodies 	Fatalities	1	1	- ►
	Women permanently employed	458	406				TRIFR (per million man hours)	6.52 [Ⓢ]	7.96	(18.1) ▼
	Percentage of women in mining	17.1 [Ⓢ]	16.1				Employee remuneration	US\$72.0 million	US\$60.6 million ¹	18.8 ▲
	Skills development and training	US\$1.8 million	US\$2.2 million							

¹ Restated due to prior period adjustments, refer to note 40.

OUR BUSINESS MODEL continued

Performance

▲ Positive increase ▼ Positive decrease ▲ Negative increase ▼ Negative decrease ► Unchanged

INPUTS				OUTCOMES						
Our capital resources	2024	2023	Trade-offs made	What we want to achieve	Stakeholders affected	Value created, preserved or eroded	2024	2023	%Δ	
 <p>SOCIAL AND RELATIONSHIP CAPITAL</p> <p>CSI, local economic development (LED) projects and bursaries</p> <p>Enterprise development programmes in place at Barberton Mines and Evander Mines</p>	US\$2.5 million	US\$1.7 million	<ul style="list-style-type: none"> Investing in socio-economic development secures our social licence to operate and contributes to stable long-term operations Investment in projects to establish a sustainable local economy not reliant on mining Well-established stakeholder engagement forums in place in communities to address issues before they escalate 	<ul style="list-style-type: none"> Build trust with local communities Secure social licence to operate through SLP and 'beyond compliance' initiatives Create new employment opportunities to sustain communities 	<ul style="list-style-type: none"> Suppliers Employees and unions Communities Governments and regulatory bodies 	Government taxes paid excluding VAT	US\$30.2 million	US\$21.9 million	37.9	▲
	Percentage of mining goods procured from suppliers controlled by historically disadvantaged persons (HDPs)	35.9% [Ⓢ]				37.6%	(4.5)	▼		
	Percentage of services procured from suppliers controlled by HDPs	49.9% [Ⓢ]				40.5%	23.2	▲		
	Preferential procurement	US\$118.2 million				US\$66.8 million	76.9	▲		
	Socio-economic development of host communities	Refer to page 136 for more information								
 <p>NATURAL CAPITAL</p>	Energy consumption	1,503.77TJ [Ⓢ]	1,447.17TJ	<ul style="list-style-type: none"> Our environmental footprint reduces as surface tailings remaining operations are expanded Rehabilitation expenditure supports local supplier development and creates job opportunities 	<ul style="list-style-type: none"> The environment Communities Governments and regulatory bodies Providers of capital 	Carbon emission intensity per ounce of gold sold	1.88tCO ₂ e/oz Au [Ⓢ]	1.91tCO ₂ e/oz Au	(1.6)	▼
	Water consumption	9,184.8ML	10,304.4ML ¹			Independent rehabilitation closure cost assessments conducted at all operations				
	Tonnes milled and processed	15,682,400t	15,259,384t			Reduced TSF footprint through the combined Elikhulu and Kinross TSFs and the rehabilitation of the Leslie/Bracken and Winkelhaak TSF footprints				
	Electricity generated by solar plants at our operations	24.6GWh [Ⓢ]	23.8GWh							

¹ Prior period water consumption figures have been restated to include water usage from third-party private sources and the Barberton Blueberries project.

OUTPUTS



² Prior reporting period waste consumption figures have been restated to align with GRI waste standards.

OUR MATERIAL MATTERS



INTEGRATED THINKING

We identify our material matters and assess their impact on our business model and our strategic execution.

Through double materiality, we also consider the impact our business can have on external stakeholders and the environment.

Identifying and addressing our material matters is essential to our performance and ability to create or preserve value in the short, medium and long term. We prioritise understanding our impact on society, communities and the environment. Integrating these considerations into our strategic planning and reporting activities ensures a comprehensive approach to sustainability.

HOW WE DEFINE OUR MATERIAL MATTERS

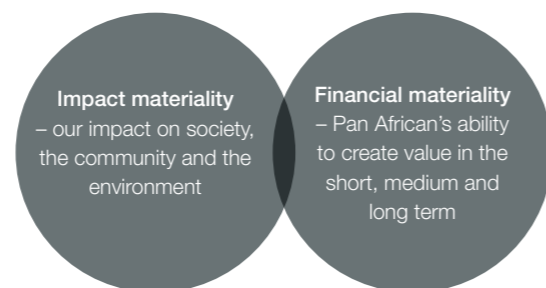
- 1 Review and analyse our business model, operating environment and risks and opportunities
- 2 Engage with our key stakeholders through various platforms
- 3 Brainstorm with executive and senior management in a dedicated, externally facilitated double materiality workshop
- 4 Collate, analyse and categorise information to identify and prioritise all matters identified
- 5 Present the identified material matters annually to the board for review
- 6 Material matters are addressed and, to the extent possible, reported on with the aim of providing all our stakeholders with a balanced view of our business

Our material matters are integrated into our strategy and inform our strategic objectives (refer to **pages 18 to 21**).

Performance against the strategic objectives is tracked through clearly identified KPIs set by the remuneration committee (Remco) and monitored by the board.

DOUBLE MATERIALITY

Our material matters are shown on the graph on **page 32**. It reflects:



OPERATING ENVIRONMENT

The operating environment presents factors which have the potential to materially impact our performance or future value. These items are almost entirely of an external nature and are therefore not included in our list of material matters.



FINANCIAL CAPITAL

Gold price	The price of gold in US\$ has a significant impact on our overall profitability and cash flows
US\$/ZAR exchange rate	As the rand is our functional currency, US\$/ZAR exchange rate fluctuations have a direct impact on our revenue and profitability. The fragility of South Africa’s post-pandemic economic recovery has adversely affected the valuation of the rand relative to the major currencies and we monitor it closely to manage our financial risks
South African economy	The current state of the economy is characterised by poor employment figures, worsening consumer sentiment, rising borrowing costs, a depreciating currency and other concerns over diplomatic relations, compounded by the electricity crisis and challenges faced by Eskom



SOCIAL AND RELATIONSHIP CAPITAL

Crime, corruption and social cohesiveness	Illegal mining and vandalism have necessitated measures to protect the Group’s employees and assets, leading to increased security-related operational costs. Within the context of further challenges, such as poor service delivery, social unrest and political corruption prevalent in South Africa, there is a growing societal expectation for both businesses and the government to address these systemic issues
Economic and political uncertainty	Globally, the economic and political environments remain uncertain. The recent South African national elections saw the African National Congress (ANC) lose its 30-year majority, highlighting the country’s evolving political landscape. The ongoing Russia-Ukraine conflict and escalating tensions in the Middle East, particularly the Israel-Palestine conflict, have increased gold’s status as a safe-haven asset but have also contributed to slow global growth, rising inflation and supply chain disruptions



NATURAL CAPITAL

Activism, special interest groups and regulatory uncertainty	Gold plays a distinct role in the global economy, ensuring financial stability while contributing to innovation across industries. Responsible gold mining enables socio-economic growth by creating jobs, generating tax revenues, supporting local communities and aligning with sustainability goals. Stakeholders expect transparent, assured non-financial sustainability disclosure and reporting
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For an in-depth discussion on our operating environment, refer to **pages 66 to 69**.

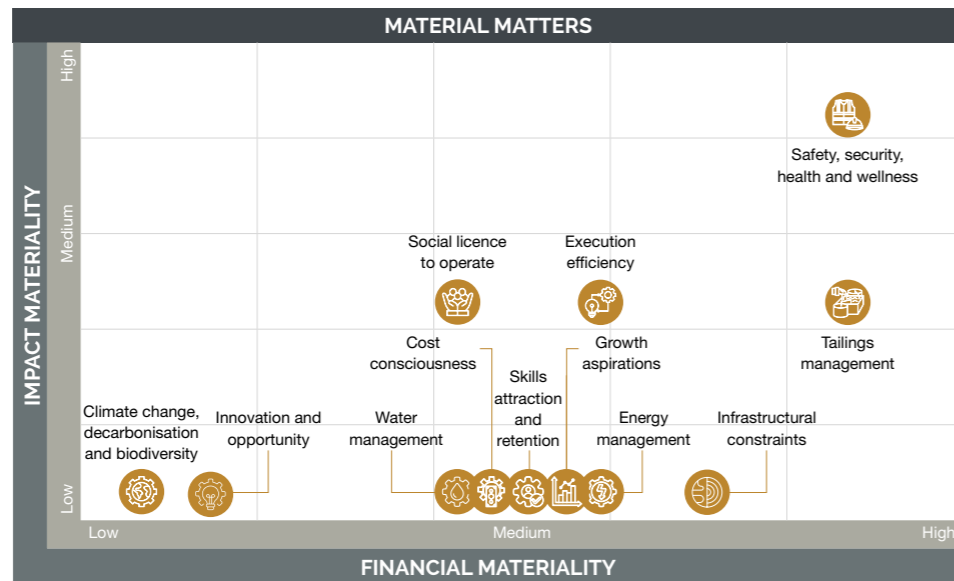
Elikhulu process water pumped to the process water dam by the Kinross TSF

OUR MATERIAL MATTERS continued

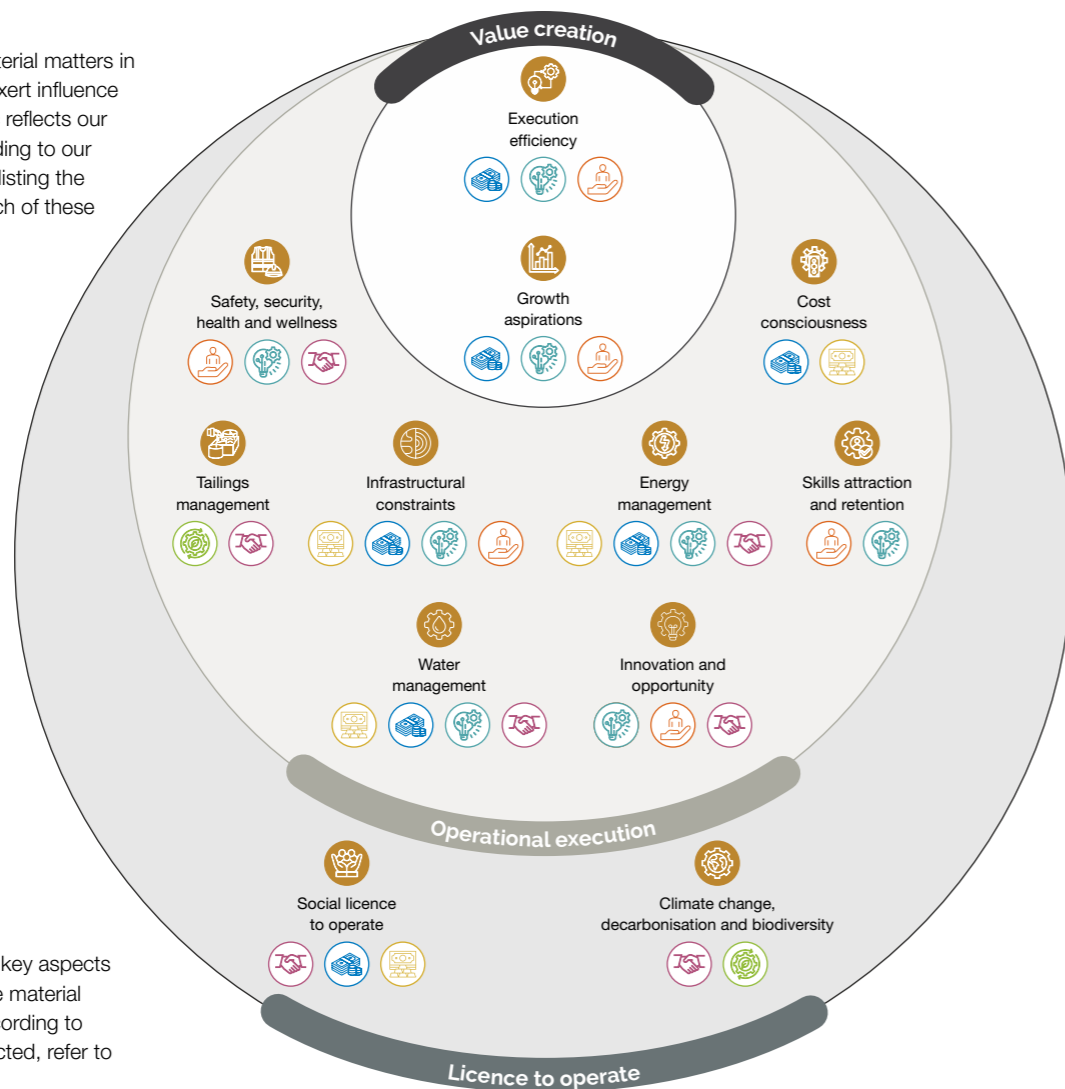
MATERIAL MATTERS

The results of our double materiality assessment are depicted in this graph.

Material matters with an environmental and social impact are discussed in greater detail in the sustainable development report, which is available on our website at <https://www.panafricanresources.com/investors/gri-and-sustainability/>



We analysed these material matters in terms of our ability to exert influence over them. The graphic reflects our material matters according to our **spheres of influence**, listing the capitals affected by each of these material matters.



For a discussion of the key aspects related to each of these material matters, structured according to the primary capital affected, refer to pages 33 to 47.

Time horizon ● Short-term focus (one year) ● Medium-term focus (two to three years) ● Long-term focus (three years or more)
 Link to ESG E Environmental impact S Social impact

FINANCIAL CAPITAL

EXECUTION EFFICIENCY

Our profitability is influenced by several factors, including production levels, cost-containment measures, efficiency in extracting high-grade gold and maintaining a robust capital structure

Why this is important

- Effective execution enhances profitability, maintains operational efficiency and secures our competitive advantage
- Maintaining a robust capital structure enhances our operational resilience, facilitates growth and enables us to return capital to shareholders through dividends or share buy-backs
- It also ensures our ability to navigate commodity cycles and macroeconomic volatility, allowing us to fund operations and access capital for organic and acquisitive growth opportunities

Strategic initiatives

- Further strengthen the capital structure and funding flexibility
- Ensure adequate liquidity for operational requirements and debt redemptions
- Ensure appropriate and innovative medium-term funding for organic growth, exploration and acquisition opportunities
- Prioritise sustainable returns to shareholders
- Achieve production guidance of 180,000oz to 190,000oz of gold per annum
- Achieve AISC[®] guidance of between US\$1,325/oz and US\$1,350/oz
- Use technology to improve mine production, efficiency, safety and security

Progress in 2024

- In June 2024, a US\$19.2 million green loan facility was secured for the construction of Barberton Mines' solar plant
- Gold produced increased to 186,039oz (2023: 175,209oz)
- Group AISC increased to US\$1,354/oz (2023: restated US\$1,309/oz)

For further metrics, refer to the financial capital KPIs on page 72

Related risks

- Constrained electricity
- Operational execution
- Social instability
- Safety breaches
- Skills
- Ageing infrastructure
- Geological variability
- Capital allocation and execution
- Cost inflation
- Macroeconomic volatility
- Tailings dam failure

Long-term objective


- Establish a sustainable and resilient business model that consistently delivers profitable operations, drives operational efficiency, maintains a competitive advantage and maximises shareholder value through effective execution and a robust capital structure


OUR MATERIAL MATTERS continued

Time horizon ● Short-term focus (one year) ● Medium-term focus (two to three years) ● Long-term focus (three years or more)

Link to ESG ● Environmental impact ● Social impact

 FINANCIAL CAPITAL

 GROWTH ASPIRATIONS		● ●
<p>Our portfolio of growth projects and expansion opportunities has been rigorously evaluated and meets our strict investment criteria, ensuring that we can deliver long-term value to our shareholders</p>		
<p>Why this is important</p> <ul style="list-style-type: none"> Successfully executing capital growth projects allows the Group to increase annual production, advance its position among mid-tier gold producers and deliver long-term value to shareholders 		
<p>Strategic initiatives</p> <ul style="list-style-type: none"> Efficiently execute capital projects, operational restructuring and maintenance programmes as well as other initiatives to increase and sustain gold production run rates, thereby ensuring long-term growth and sustainability Achieve production guidance of 180,000oz to 190,000oz of gold per annum Evaluate organic and acquisitive growth opportunities and exploration projects to increase our annual production profile to 250,000oz Investigate potential exploration and mining opportunities outside South Africa that meet the Group's stringent investment criteria 	<p>Progress in 2024</p> <ul style="list-style-type: none"> Evander Mines' 24 and 25 Level project <ul style="list-style-type: none"> Development of the 24 and 25 Levels is progressing well, with ramped-up mining operations at 24 Level Refrigeration plant phase 2 completed Ventilation shaft and associated conveyor systems to be commissioned during the first quarter of the 2025 financial year Barberton Mines' underground operations <ul style="list-style-type: none"> Increased reserve delineation drilling to further improve orebody definition, optimise resource models and increase confidence in the Mineral Reserves Grout plant at Fairview completed Increased lateral development within the Zwartkoppie (ZK) orebody to open more ground for the continuation of down-dip mining Development into the up-dip area of the Western Cross orebody is progressing well Mining underway on the 258, 259, 260 and 261 Platforms within the high-grade Main Reef Complex (MRC) orebody Barberton Mines' consolidated Royal Sheba and Western Cross projects (Sheba Fault project) <ul style="list-style-type: none"> Advancing studies to optimise mining and transport of resources from the Sheba Fault project to the BTRP The MTR project (refer to page 118) is expected to achieve steady-state production by December 2024 Acquired a strategic equity interest in TCMG The Sudanese exploration programme (refer to page 119) resumed in August 2023 <p>For further metrics, refer to the manufactured capital KPIs on page 72</p>	
<p>Related risks</p> <ul style="list-style-type: none"> Constrained electricity Operational execution Skills Ageing infrastructure Geological variability 	<p>Long-term objectives</p> <ul style="list-style-type: none"> Strategically leverage growth projects and expansion opportunities to extend the life of our operations, diversify the portfolio to mitigate risks associated with a single sovereign jurisdiction and utilise expertise in exploration and surface tailings retreatment to construct and operate similar facilities in other jurisdictions Maintain robust returns across commodity cycles by adopting a disciplined investment strategy focused on projects within the lower half of the cost curve. By mitigating market volatility and aligning execution risks with our capabilities, we aim to ensure sustained profitability and enhance shareholder value Increase the annual gold production profile to exceed 300,000oz and expand the investor base in global markets to enhance liquidity and investor confidence 	<p>Related risks</p> <ul style="list-style-type: none"> Capital allocation and execution Cost inflation Macroeconomic volatility Tailings dam failure

 COST CONSCIOUSNESS		● ● ●
<p>We prioritise sustainable profitability, growth and expansion through disciplined cost and cash flow management, strategic capital allocation and prudent capital spending</p>		
<p>Why this is important</p> <ul style="list-style-type: none"> Delivering on annual cost and production guidance ensures profitable operations and the cash flows to meet capital expenditure and debt obligations, thereby improving investor confidence in the Group's sustainability Effective cost management further supports long-term sustainability and growth 		
<p>Strategic initiatives</p> <ul style="list-style-type: none"> Efficiently execute capital projects, operational restructuring and maintenance programmes as well as other initiatives to increase and sustain gold production run rates, thereby ensuring long-term growth and sustainability Achieve production guidance of 180,000oz to 190,000oz of gold per annum Achieve AISC[®] guidance of between US\$1,325/oz and US\$1,350/oz Diversify the renewable energy sources and enhance water management strategies to improve power security, optimise resource utilisation, reduce costs and promote environmental stewardship Use technology to improve mine production, efficiency, safety and security 	<p>Progress in 2024</p> <ul style="list-style-type: none"> Barberton Mines' underground operations experienced a 10.7% increase in production attributable to the implementation of continuous shift operations at Fairview and Sheba Mines Approximately US\$2.2 million (2023: US\$1.9 million) in cost savings has been achieved through Evander Mines' solar plant, which was commissioned in May 2022 Approximately US\$0.3 million (2023: US\$0.1 million) in cost savings has been achieved through various energy efficiency projects Construction, mechanical assembly and installation of solar trackers at Fairview Mine's solar plant were completed in June 2024, with initial power generation achieved in August 2024 Evander Mines' water treatment plant, commissioned in March 2023, realised cost savings of approximately US\$0.5 million Cost of production before depreciation and amortisation increased by 11.2% to US\$221.2 million (2023: restated US\$198.9 million) <p>For further metrics, refer to the manufactured capital KPIs on page 72</p>	
<p>Related risks</p> <ul style="list-style-type: none"> Constrained electricity Operational execution Social instability Safety breaches Skills Ageing infrastructure 	<p>Long-term objective</p> <ul style="list-style-type: none"> Maintain a culture of disciplined cost and cash flow management as well as strategic capital allocation, ensuring that all capital allocation decisions undergo rigorous analysis and adhere to predefined risk-adjusted return parameters 	<p>Related risks</p> <ul style="list-style-type: none"> Geological variability Capital allocation and execution Cost inflation Macroeconomic volatility Tailings dam failure

OUR MATERIAL MATTERS continued

Time horizon ● Short-term focus (one year) ● Medium-term focus (two to three years) ● Long-term focus (three years or more)

Link to ESG ● Environmental impact ● Social impact

MANUFACTURED CAPITAL

ENERGY MANAGEMENT



The availability and cost of electricity are critical input factors in achieving our production targets and maintaining profitability. They drive our ongoing efforts to enhance the efficient utilisation of electricity across our operations

Why this is important

- Proactively managing the migration to renewable energy sources enhances the sustainability of the Group's future gold production and contributes to anticipated cost reductions while addressing electricity supply issues

Strategic initiatives

- Diversify the renewable energy sources and enhance water management strategies to improve power security, optimise resource utilisation, reduce costs and promote environmental stewardship
- Achieve production guidance of 180,000oz to 190,000oz of gold per annum
- Achieve AISC[®] guidance of between US\$1,325/oz and US\$1,350/oz
- Reduce the Group's carbon footprint and advance its decarbonisation strategy

Progress in 2024

- The Group's electricity costs increased by 66.3% to US\$31.1 million (2023: restated US\$18.7 million)
- Construction and mechanical assembly including the installation of solar trackers at Barberton Mines' Fairview solar plant were completed by the end of June 2024. First power generation was achieved in August 2024
- Financial close of the 75MW Sturdee Energy Bela-Bela solar project is anticipated during September 2024, with first power expected in the 2026 calendar year
- Evander Mines' solar plant realised cost savings of approximately US\$2.2 million (2023: US\$1.9 million)
- The Group achieved a 6.1%[Ⓞ] (2023: 6.1%) renewable energy mix
- Several energy efficiency projects are currently in progress. Refer to the climate change report for more information
- The feasibility study is in progress for a 20MW solar plant at the MTR project
- Conducted a comprehensive strategic review to determine the optimal wind and solar renewable energy mix. Initial findings indicate the potential for the integration of high levels of renewable energy into our operations

For further metrics, refer to the natural capital KPIs on page 73

Related risks

- Constrained electricity
- Operational execution
- Skills
- Capital allocation and execution
- Cost inflation

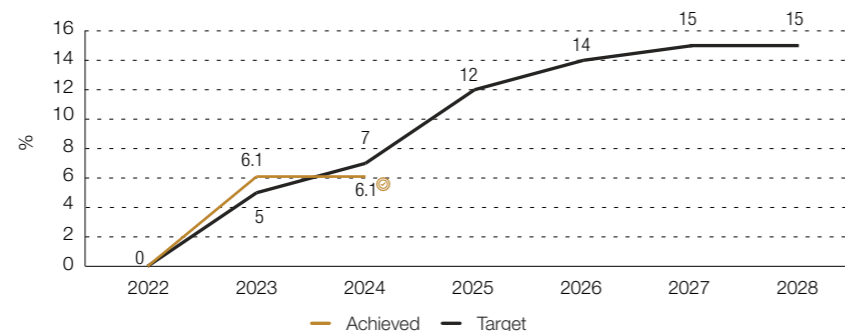
Long-term objective

- Transition to renewable energy sources to enhance sustainability, reduce costs and address electricity supply disruptions at our operations
- Through proactive management, we aim to optimise the utilisation of renewable energy across our operations, ensuring long-term environmental stewardship and financial resilience

Renewable energy strategy

We set a target to generate 15% of our energy requirements from renewable sources by 2027

Renewable energy as a percentage of total energy consumption



INFRASTRUCTURAL CONSTRAINTS



The nature of underground mining operations results in higher temperatures, longer travel times and logistical challenges. This necessitates increased capital expenditure and maintenance costs to sustain operational efficiencies and reliability of infrastructure

Why this is important

- Continuous infrastructure investment is essential to ensure the safety and profitability of our mines, thereby safeguarding our overall performance and long-term sustainability

Strategic initiatives

- Efficiently execute capital projects, operational restructuring and maintenance programmes as well as other initiatives to increase and sustain gold production run rates, thereby ensuring long-term growth and sustainability
- Achieve production guidance of 180,000oz to 190,000oz of gold per annum
- Achieve AISC[®] guidance of between US\$1,325/oz and US\$1,350/oz
- Strive for zero fatalities and an average annual improvement of 3.86% in the TRIFR

Progress in 2024

- Barberton Mines**
- Installed a more reliable primary crusher and removed the obsolete Watson crusher, resulting in improved availability
 - Parts and equipment for Fairview Mine's 3 Shaft winder upgrade were purchased, with the upgrade completed in August 2024
 - Redesign of Fairview Mine's water reticulation system completed, with installation scheduled for completion by the end of the 2025 financial year
 - Engineering department restructured
 - Prince Consort (PC) Shaft rehabilitation is expected to be completed in the first quarter of the 2025 financial year

Evander Mines

- Ventilation shaft equipping is expected to be completed in the first quarter of the 2025 financial year with commissioning of the hoisting shaft thereafter
- The main conveyor system will be managed as a dual ore handling system until the ventilation shaft hoisting system achieves steady-state production. Thereafter, the conveyor system is planned to be decommissioned in stages, this will also include vamping of the decline in the vicinity of the decommissioned conveyor system
- Phase 2 of the refrigeration project was completed in August 2024 with commissioning to follow once the ventilation shaft has been fully commissioned

Related risks

- Operational execution
- Safety breaches
- Skills
- Ageing infrastructure
- Capital allocation and execution
- Cost inflation
- Macroeconomic volatility

Long-term objective

- Implement continuous infrastructure maintenance programmes to ensure the safety of our employees as well as the profitability and long-term sustainability of our mines

OUR MATERIAL MATTERS continued

Time horizon ● Short-term focus (one year) ● Medium-term focus (two to three years) ● Long-term focus (three years or more)
 Link to ESG ● Environmental impact ● Social impact

MANUFACTURED CAPITAL

WATER MANAGEMENT

Water management is pivotal for operational efficiency and environmental sustainability. Our focus on effective wastewater treatment and efficient water utilisation aims to reduce costs, drive sustainability and optimise performance

Why this is important

- Our water recycling projects support future gold production and AISC reductions
- Our water treatment plant initiatives reduce reliance on municipal water, resulting in environmental benefits and cost savings

Strategic initiatives

- Diversify the renewable energy sources and enhance water management strategies to improve power security, optimise resource utilisation, reduce costs and promote environmental stewardship
- Achieve AISC[®] guidance of between US\$1,325/oz and US\$1,350/oz

Progress in 2024

- Evander Mines' water treatment plant realised cost savings of approximately US\$0.5 million and reduced municipal water consumption by 45.6% to 747ML
- Initiated a feasibility study to expand Evander Mines' water treatment plant from 3ML to 6ML
- Completed a desktop study for a water treatment plant at the MTR project. A feasibility study will commence once the project is operational
- Partnered with the National Cleaner Production Centre of South Africa (NCPC-SA) on the Industrial Water Efficiency (IWE) Project to reduce water use, wastewater generation and costs. The NCPC-SA completed a due diligence process prior to starting the IWE Project

For further metrics, refer to the natural capital KPIs on page 73

Related risks

- Constrained electricity
- Operational execution
- Skills
- Capital allocation and execution
- Cost inflation

Long-term objective

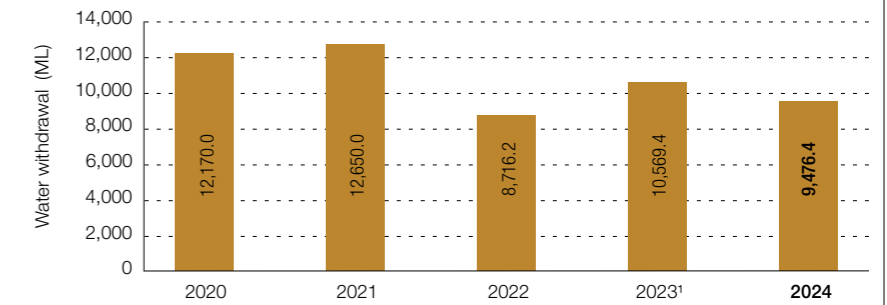
- Enhance water management practices, focusing on effective wastewater treatment and efficient water utilisation, in order to drive operational efficiency, environmental sustainability and cost optimisation

Water reuse

TSFs are remined through hydro-mining using processed water from return water dams or underground dewatering. By reusing water, we minimise water abstraction demonstrating our dedication to water conservation

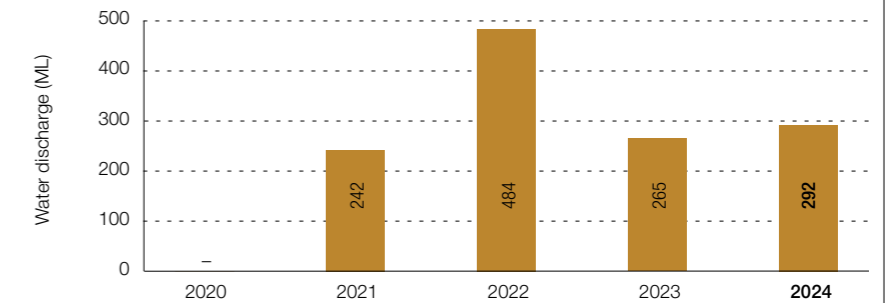
Water withdrawal

Our operations utilise water primarily for metallurgical processing, remining, domestic use and dust control. We source water for these essential functions from groundwater, rainwater and municipal water. Our proactive water management strategies, including the recent implementation of automated water meters, have resulted in a 10.3% decrease in our water withdrawal



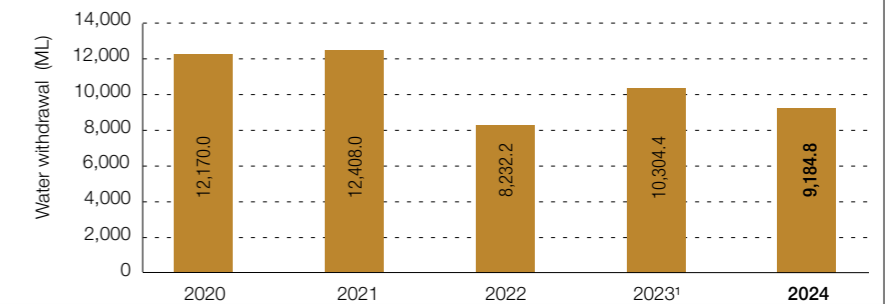
Water discharge

Our mining operations responsibly discharge surface water through controlled releases while adhering to regulatory requirements and our water use licences. Our water discharge has remained steady for 2024



Water consumption

Our water conservation initiatives continue to produce positive results. The steady-state production of recycled water at Evander Mines' water treatment plant has reduced the Group's water consumption. Additionally, water stewardship practices including measuring, monitoring and reporting, have optimised the Group's water resources, resulting in a 10.9% reduction



¹ Prior reporting period figures have been restated to include water usage from third-party private sources and the Barberton Blueberries project.



Evander Mines' 3ML per day water treatment plant

OUR MATERIAL MATTERS continued



INTELLECTUAL CAPITAL

 INNOVATION AND OPPORTUNITY		
<p>Our entrepreneurial and performance-driven culture fosters innovation. Diversifying our portfolio and investing in sustainable solutions enhance long-term profitability and contribute to a sustainable future</p>		
<p>Why this is important</p> <ul style="list-style-type: none"> Embracing an entrepreneurial and performance-driven culture, complemented by leveraging technology as a tool for employee engagement, education and self-development, enhances decision-making and fosters improved employee retention, communication and safety within the working environment 		
<p>Strategic initiatives</p> <ul style="list-style-type: none"> Maintain an entrepreneurial and performance-driven culture Use technology to improve mine production, efficiency, safety and security Evaluate organic and acquisitive growth opportunities and exploration projects to increase our annual production profile to 250,000oz Investigate potential exploration and mining opportunities outside South Africa that meet the Group's stringent investment criteria Curtail illegal mining and property theft through cooperation between all stakeholders and law enforcement agencies 	<p>Progress in 2024</p> <ul style="list-style-type: none"> Integrated, technology-driven security strategy in place to prevent and combat illegal mining, crime and other security-related incidents Upgraded Group ERP (enterprise resource planning) systems which integrate finance and supply chain management and went live in July 2024 Signed a memorandum of understanding with the Council for Scientific and Industrial Research as part of Barberton Mines' waste management programme. The collaboration aims to explore and investigate innovative techniques for enhancing energy, waste and water efficiency Pan African won the 2023 Chartered Governance Institute of Southern Africa's Integrated Reporting Award in the Small Cap category 	
<p>Related risks</p> <ul style="list-style-type: none"> Constrained electricity Operational execution Social instability Safety breaches Skills Ageing infrastructure Geological variability Capital allocation and execution 	<p>Long-term objectives</p> <ul style="list-style-type: none"> Cultivate and sustain an entrepreneurial and performance-driven culture that fosters innovation and embraces sustainable solutions, thereby enhancing long-term profitability and contributing to a sustainable future By investing in innovative technologies, we aim to enhance employee engagement, communication and safety 	

Time horizon ● Short-term focus (one year) ● Medium-term focus (two to three years) ● Long-term focus (three years or more)

Link to ESG ● Environmental impact ● Social impact

HUMAN CAPITAL





 SAFETY, SECURITY, HEALTH AND WELLNESS																													
<p>We prioritise employee health, safety and wellness to cultivate employee trust and confidence</p>																													
<p>Why this is important</p> <ul style="list-style-type: none"> Promoting and providing a safe working and operating environment is key to the well-being of our employees and the sustainability of our operations Read more about safety, security, health and wellness in the social overview on page 136 																													
<p>Strategic initiatives</p> <ul style="list-style-type: none"> Strive for zero fatalities and an average annual improvement of 3.86% in the TRIFR Maintain an entrepreneurial and performance-driven culture Use technology to improve mine production, efficiency, safety and security Curtail illegal mining and property theft through cooperation between all stakeholders and law enforcement agencies 	<p>Progress in 2024</p> <ul style="list-style-type: none"> Barberton Mines achieved 4 million fatality-free shifts during the 2024 financial year Implemented in-stope lighting to enhance underground visibility and prevent fall of ground incidents Educating employees on lifestyle diseases and enhancing the health and wellness programme Revitalised safety awareness campaigns across all operations Continued focus on preventing unsafe activities, addressing non-compliant equipment and ensuring safe work environments Underground training centre constructed at Fairview Mine on 20 Level as a practical training hub, enabling employees to attain Level A and B competency certifications New chief safety officer and several additional safety officers appointed with the expansion of mining operations to 24 Level at Evander Mines Safety, health, environment and quality (SHEQ) management team appointed for the MTR project to assist in implementing the health and safety management system for this project 																												
<p>Related risks</p> <ul style="list-style-type: none"> Operational execution Social instability Safety breaches Skills Ageing infrastructure Tailings dam failure 	<p>Long-term objective</p> <ul style="list-style-type: none"> Maintain a culture of safety, security, health and wellness that prioritises the well-being of our employees and contractors, aiming to achieve zero harm in our operations 																												
<p>Safety performance</p> <p>Our safety performance improved compared to the 2023 financial year. Regrettably, one fatality was recorded</p>																													
<table border="1"> <caption>TRIFR (Total Recordable Injury Frequency Rate) per million man hours</caption> <thead> <tr> <th>Year</th> <th>TRIFR</th> </tr> </thead> <tbody> <tr> <td>2020</td> <td>9.12</td> </tr> <tr> <td>2021</td> <td>7.36</td> </tr> <tr> <td>2022</td> <td>8.95</td> </tr> <tr> <td>2023</td> <td>7.96</td> </tr> <tr> <td>2024</td> <td>6.52</td> </tr> </tbody> </table>			Year	TRIFR	2020	9.12	2021	7.36	2022	8.95	2023	7.96	2024	6.52															
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<p>Our safety commitment is evident in our Sustainability Bond Linked Finance (SBLF) framework. We strive for an average annual improvement of 3.86% in safety performance</p>																													
<table border="1"> <caption>Target and Achieved TRIFR per million man hours</caption> <thead> <tr> <th>Year</th> <th>Target</th> <th>Achieved</th> </tr> </thead> <tbody> <tr> <td>2022</td> <td>8.95</td> <td>8.95</td> </tr> <tr> <td>2023</td> <td>8.50</td> <td>7.96</td> </tr> <tr> <td>2024</td> <td>8.08</td> <td>6.52</td> </tr> <tr> <td>2025</td> <td>7.75</td> <td>7.44</td> </tr> <tr> <td>2026</td> <td>7.44</td> <td>7.22</td> </tr> <tr> <td>2027</td> <td>7.22</td> <td>7.00</td> </tr> <tr> <td>2028</td> <td>7.00</td> <td>7.00</td> </tr> <tr> <td>2029</td> <td>6.79</td> <td>6.79</td> </tr> </tbody> </table>			Year	Target	Achieved	2022	8.95	8.95	2023	8.50	7.96	2024	8.08	6.52	2025	7.75	7.44	2026	7.44	7.22	2027	7.22	7.00	2028	7.00	7.00	2029	6.79	6.79
Year	Target	Achieved																											
2022	8.95	8.95																											
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2029	6.79	6.79																											

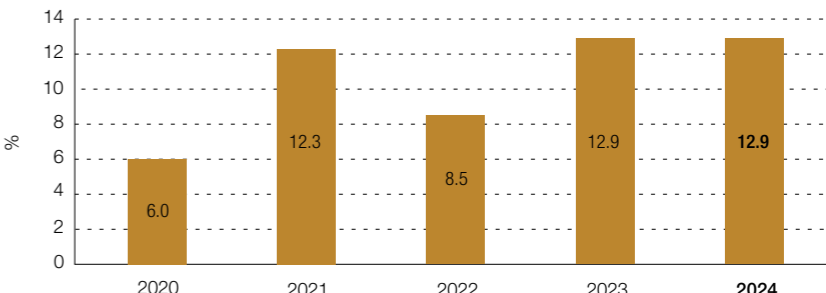
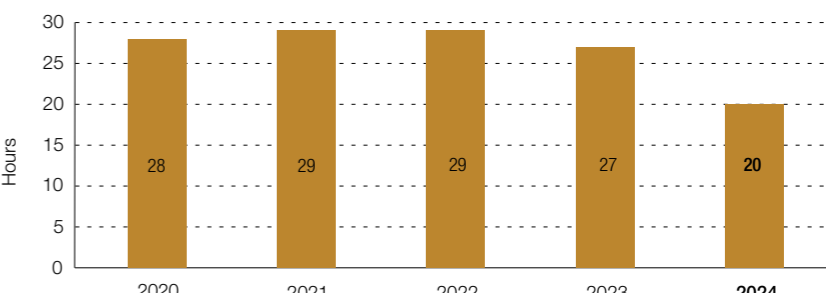
OUR MATERIAL MATTERS continued

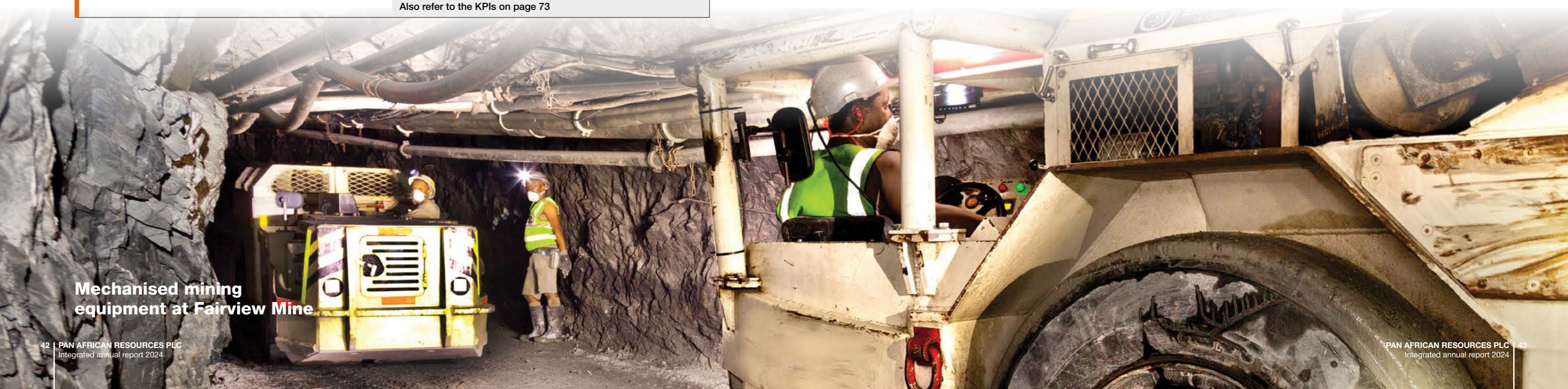
Time horizon ● Short-term focus (one year) ● Medium-term focus (two to three years) ● Long-term focus (three years or more)

Link to ESG ● Environmental impact ● Social impact

 HUMAN CAPITAL

 SKILLS ATTRACTION AND RETENTION		  
<p>We prioritise attracting, developing and training talent through transparent and constructive relationships with our employees and unions</p>		
<p>Why this is important</p> <ul style="list-style-type: none"> Ongoing, effective talent development and succession planning are essential to ensure we have the necessary skills to meet our strategic objectives and operational needs 		
<p>Strategic initiatives</p> <ul style="list-style-type: none"> Develop employee skills and introduce retention programmes for scarce skills Maintain an entrepreneurial and performance-driven culture 	<p>Progress in 2024</p> <ul style="list-style-type: none"> Skills and development training expenditure increased to US\$1.8 million (2023: US\$2.2 million) Performance management system implemented at Evander Mines and Barberton Mines to achieve sustainable performance improvement, including formalisation of individual development plans for employees Barberton Mines has: <ul style="list-style-type: none"> provided an engineering learnership programme to 22 (2023: seven) students provided a blasting learnership programme to 15 (2023: 13) employees provided workplace exposure to 13 (2023: one) university graduates provided adult education to six (2023: 27) employees Evander Mines' skills development strategy has: <ul style="list-style-type: none"> provided an engineering learnership programme to four (2023: six) employees and six (2023: six) community members continued the formal mentorship programme involving five participants across several fields of study offered workplace exposure to 19 (2023: 15) university graduates in both technical and support functions through its internship and graduate programmes continued to assist 17 (2023: 17) employees in furthering their studies provided adult education and training to 10 (2023: nil) employees, including five mine employees and five contractor employees 	
<p>Also refer to the KPIs on page 73</p>		

<p>Related risks</p> <ul style="list-style-type: none"> Operational execution Safety breaches 	<ul style="list-style-type: none"> Skills Capital allocation and execution 	<p>Long-term objective</p> <ul style="list-style-type: none"> Develop leadership and technical skills by cultivating an internal pipeline of successors for critical roles, ensuring readiness for key positions, fostering continuity and resilience across our operations 												
<p>Employee turnover</p> <p>This includes voluntary resignations and dismissals and informs strategic decisions aimed at improving both collective retention rates and individual employee retention and effectiveness. In 2024, we had a turnover rate of 12.9% (2023: 12.9%) for the Group</p>		 <table border="1"> <caption>Employee Turnover (%)</caption> <thead> <tr> <th>Year</th> <th>Turnover Rate (%)</th> </tr> </thead> <tbody> <tr> <td>2020</td> <td>6.0</td> </tr> <tr> <td>2021</td> <td>12.3</td> </tr> <tr> <td>2022</td> <td>8.5</td> </tr> <tr> <td>2023</td> <td>12.9</td> </tr> <tr> <td>2024</td> <td>12.9</td> </tr> </tbody> </table>	Year	Turnover Rate (%)	2020	6.0	2021	12.3	2022	8.5	2023	12.9	2024	12.9
Year	Turnover Rate (%)													
2020	6.0													
2021	12.3													
2022	8.5													
2023	12.9													
2024	12.9													
<p>Training and development</p> <p>We strive to prepare employees to execute our business strategy and cultivate an empowering environment for leaders. Our continuous investments in skills development and training include technical assessments, structured development plans for leadership and career advancement and mentorship within the local talent pool. We provide diverse learning opportunities, grants, portable skills, craft training, adult education and other skills transfer programmes aligned with Mining Charter III criteria. Performance reviews for full-time employees assess training and professional development opportunities</p>		 <table border="1"> <caption>Training and Development (Hours)</caption> <thead> <tr> <th>Year</th> <th>Hours</th> </tr> </thead> <tbody> <tr> <td>2020</td> <td>28</td> </tr> <tr> <td>2021</td> <td>29</td> </tr> <tr> <td>2022</td> <td>29</td> </tr> <tr> <td>2023</td> <td>27</td> </tr> <tr> <td>2024</td> <td>20</td> </tr> </tbody> </table>	Year	Hours	2020	28	2021	29	2022	29	2023	27	2024	20
Year	Hours													
2020	28													
2021	29													
2022	29													
2023	27													
2024	20													



Mechanised mining equipment at Fairview Mine

OUR MATERIAL MATTERS continued

Time horizon ● Short-term focus (one year) ● Medium-term focus (two to three years) ● Long-term focus (three years or more)

Link to ESG ● Environmental impact ● Social impact

 SOCIAL AND RELATIONSHIP CAPITAL

 SOCIAL LICENCE TO OPERATE

● ● ●

We manage community expectations and mitigate social unrest through local sourcing, development projects, infrastructure delivery, employment opportunities and our 'beyond compliance' approach to exceed regulatory requirements for the benefit of our stakeholders

Why this is important

- A significant portion of our employees are from local communities. Through the implementation of SLP initiatives and 'beyond compliance' projects, we actively contribute to the sustainability of these areas, thereby fostering a more stable operating environment
- By investing in improved infrastructure and creating job opportunities, we aim to establish a sustainable economy outside of mining, mitigating the risk of ghost towns once mining activities cease
- Read more about our social licence to operate in the social overview on [page 136](#)

Strategic initiatives

Progress in 2024

- | | |
|---|--|
| <ul style="list-style-type: none"> • Maintain compliance with SLP requirements while seeking opportunities to go beyond ESG regulatory requirements for the benefit of our stakeholders • Curtail illegal mining and property theft through cooperation between all stakeholders and law enforcement agencies | <ul style="list-style-type: none"> • Handed over computer and science laboratories to the Department of Basic Education at Thomas Nhlabathi High School and Thistle Grove Combined School in November 2023 • Barberton Mines initiated a high school scholarship programme in January 2022, granting full scholarships to 25 learners which is ongoing • 22 (2023: 25) permanent and 149 (2023: 276) seasonal jobs created by the Barberton Blueberries project • The Barberton Blueberries project partnered with a local HDP bee farmer for cross-pollination services as part of its supplier development programme • Barberton Mines and Evander Mines continued their enterprise supplier development programmes • Barberton Mines continued its partnership with Elangeni Generations Outreach, a renowned film-making institution, which provides technical support for the performing arts • Implemented phase 1 of a formal health and wellness programme at Barberton Mines • The running club at Barberton Mines, introduced in 2023 as a health and wellness initiative, remains ongoing • Our sponsored pro-elite running team achieved two top-20 placements in the prestigious Comrades Marathon, with 17 athletes participating |
|---|--|

For further metrics, refer to the social and relationship capital KPIs on [page 73](#)

Related risks

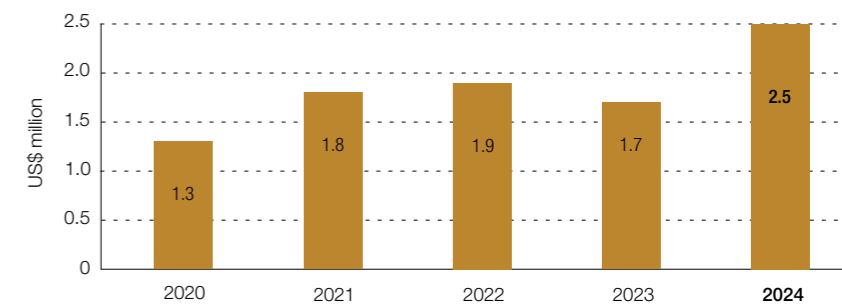
- Operational execution
- Social instability

Long-term objectives

- Uphold and strengthen our social licence to operate by proactively managing community expectations through ongoing engagement and education, mitigating the risk of social unrest through job creation and fostering sustainable development in the areas where we operate
- We are committed to ensuring ongoing compliance with all relevant legislative and regulatory requirements

Community investment¹

We are committed to delivering meaningful direct and indirect social benefits for local communities through targeted investments and the localisation of employment and procurement practices



¹ Includes investment in bursaries, CSI and LED projects.




Blueberry farming is both socially and environmentally sustainable

OUR MATERIAL MATTERS continued


Time horizon ● Short-term focus (one year) ● Medium-term focus (two to three years) ● Long-term focus (three years or more)

Link to ESG ● Environmental impact ● Social impact

 NATURAL CAPITAL



TAILINGS MANAGEMENT



E

We are committed to responsible tailings management, including the rehabilitation and recycling of waste products, to minimise the impact on the environment, mitigate risks, ensure regulatory compliance and uphold stakeholder trust

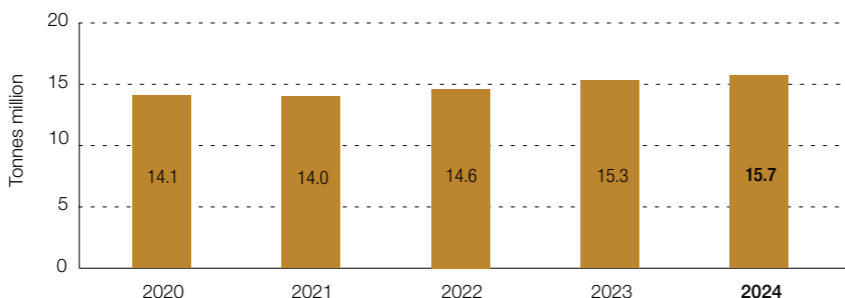
Why this is important

- Responsible tailings management is important for environmental protection, risk mitigation, regulatory compliance and stakeholder trust
- Read more about tailings management in the environmental overview on [page 133](#)


Strategic initiatives	Progress in 2024
<ul style="list-style-type: none"> Operate TSFs in line with the GISTM as far as reasonably practicable Progress the implementation of TSF audit recommendations and advance compliance with the GISTM, as far as reasonably practicable 	<ul style="list-style-type: none"> Audit action list developed as part of the implementation plan following the independent tailings review board (ITRB) audit and report released in June 2023 Assessed the Group's TSFs for compliance with the 'as low as reasonably practicable' (ALARP) principle in the GISTM and currently reviewing the report released in June 2024 Phase 2 of Elikhulu's TSF extension commissioned in January 2024 Construction of phases 3 and 4 of the Elikhulu extension commenced in December 2023, with completion anticipated in the second quarter of the 2025 financial year Design proposals for the MTR project's TSF received for evaluation during the first quarter of the 2025 financial year
Related risks	Long-term objective
<ul style="list-style-type: none"> Operational execution Skills Tailings dam failure 	<ul style="list-style-type: none"> Commit to ongoing progress in responsible tailings management practices, to minimise the impact on the environment and to ensure safety compliance for our mining operations, employees and surrounding communities

We remain committed to working with stakeholders to ensure the maintenance and implementation of statutory TSF management standards


Total tonnes milled and processed



Year	Tonnes million
2020	14.1
2021	14.0
2022	14.6
2023	15.3
2024	15.7



CLIMATE CHANGE, DECARBONISATION AND BIODIVERSITY



E

We uphold environmental preservation and actively participate in programmes aimed at promoting biodiversity and supporting decarbonisation efforts

This commitment contributes to stakeholder value by minimising environmental impacts, mitigating regulatory risks and fostering positive community relationships

Why this is important

- To protect ecosystems, mitigate climate risks and ensure long-term sustainability, while also enhancing stakeholder value through environmental stewardship and positive community relationships
- Read more about climate change, decarbonisation and biodiversity in the environmental overview on [page 133](#)

Strategic initiatives	Progress in 2024
<ul style="list-style-type: none"> Diversify the renewable energy sources and enhance water management strategies to improve power security, optimise resource utilisation, reduce costs and promote environmental stewardship Continue to enhance, improve and refine sustainability performance and reporting Rehabilitate 41% of the MTR project's surface area by 2030, while concurrently conducting remining operations Achieve a renewable energy mix of 15% by 2027 Reduce the Group's carbon footprint and advance its decarbonisation strategy 	<ul style="list-style-type: none"> Generated 24.6GWh[Ⓢ] (2023: 23.8GWh) of renewable energy and purchased electricity amounting to 376.6GWh[Ⓢ] (2023: 366.0GWh), achieving a 6.1%[Ⓢ] (2023: 6.1%) renewable energy mix Carbon emissions intensity decreased to 1.88tCO₂/oz Au sold[Ⓢ] (2023: 1.91tCO₂/oz Au sold) Published the Group's second climate change report Conducted an overall climate change risk assessment and scenario analysis Conducting a TNFD maturity assessment and developing a roadmap Barberton Mines continues its partnership with the Barberton Nature Reserve and the Mpumalanga Tourism and Parks Agency as well as its sponsorship of orphaned rhinos at the Care for Wild Rhino Sanctuary No reportable environmental incidents have been reported at Barberton Mines and Evander Mines
Related risks	Long-term objective
<ul style="list-style-type: none"> Constrained electricity Operational execution Cost inflation 	<ul style="list-style-type: none"> Advance environmental preservation and sustainability by protecting vital natural resources and ensuring energy security. Through the adoption of a renewable energy mix, we aim to significantly reduce GHG emissions, decarbonise gold production and effectively manage GHG emissions intensity

For further metrics, refer to the natural capital KPIs on page 73

OUR PRIMARY RISKS AND OPPORTUNITIES

Pan African’s risk management process endeavours to mitigate risk, improving our ability to deliver on our strategic objectives while protecting stakeholder value and promoting long-term sustainability.

RISK MANAGEMENT PROCESS

Risk management is integrated into Pan African’s culture and business activities. Our risk management process is fundamental to managing the uncertainties we face. It is based on a structured and systematic process that takes into account risks that arise from strategic and operational matters as well as external events outside of our control.

RISKS AND OPPORTUNITIES ARE MANAGED ON FOUR TIERS

Board

The board oversees the Group’s risk management process and is guided by its committees, own experience and knowledge of the business, internal risk assessments and reviews of risk reports. The tone, risk management culture and risk appetite are set and monitored by the board.

Each year, the board reviews the Group’s risk appetite in relation to the strategy. The board monitors the effectiveness of the risk management process and the implementation of risk-mitigating strategies.

Board committees

The audit and risk committee supports the board and is complemented by the SHEQ committee, the social and ethics committee and Remco which oversee activities and provide feedback to the board.

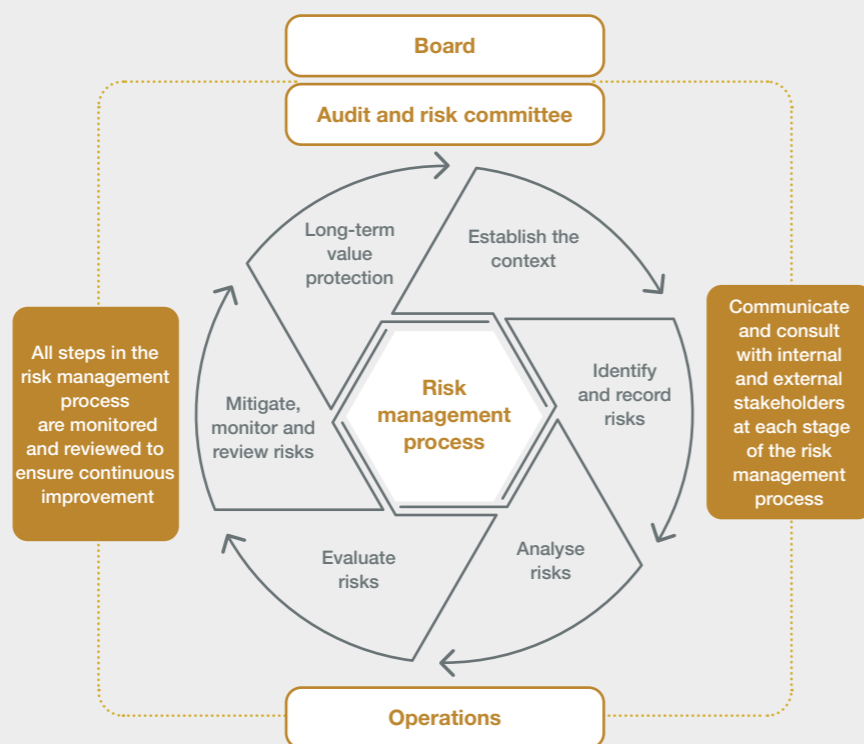
The Group’s risks are reviewed quarterly by the audit and risk committee.

Executive management

Operational management implements and monitors day-to-day compliance with the Group’s risk management process. Risk consciousness and a culture of safety are embedded in day-to-day operations.

Employees

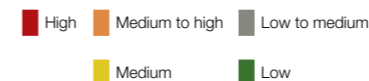
We continually reinforce the message that managing risk is the responsibility of everyone at Pan African.



INTEGRATED THINKING

The Group has a robust cross-functional risk management process. Management identifies future opportunities during a strategic planning process and assesses these opportunities in the context of the associated strategic risks.

Residual risk

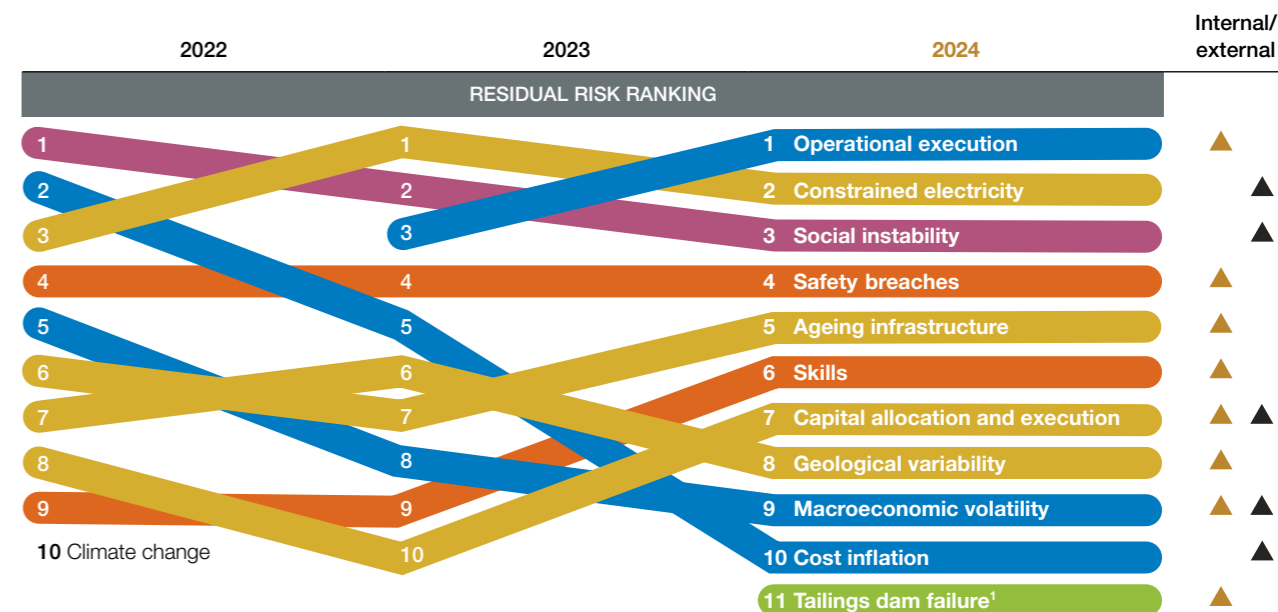


Capitals



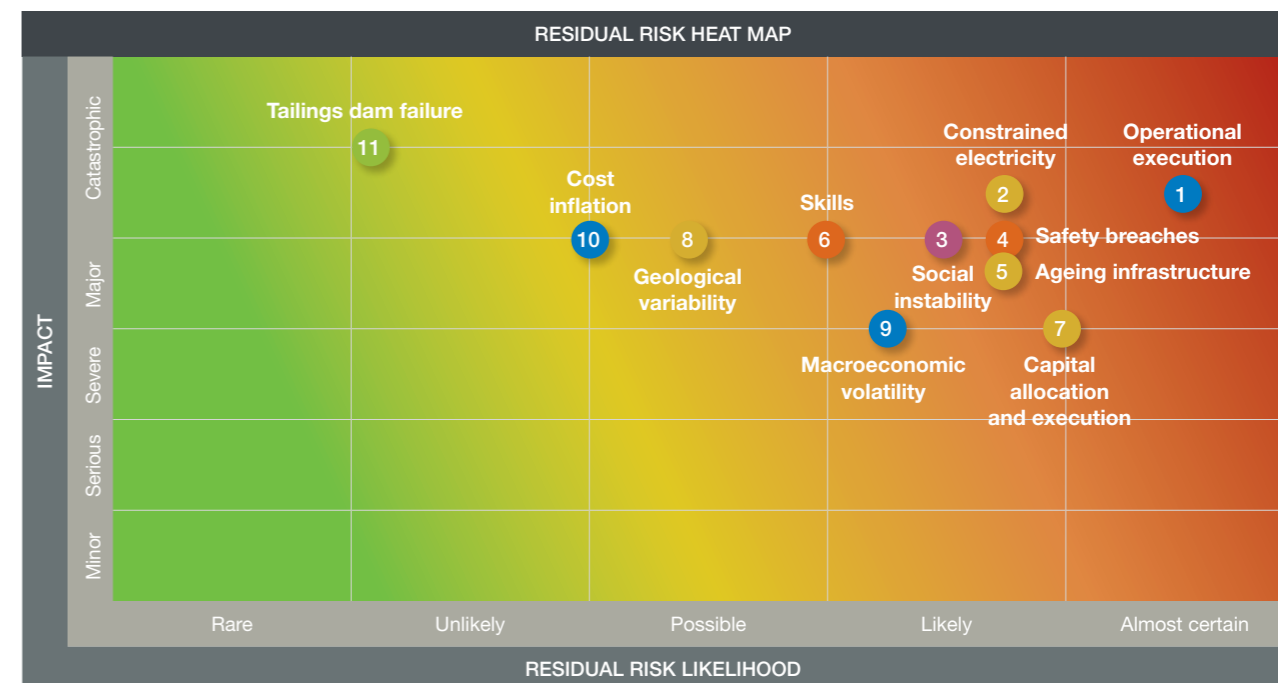
OUR PRINCIPAL RISKS

We identified the top risks that pose a potential threat to the execution of our business strategy and assessed these risks based on the likelihood of their occurrence, velocity and potential impact. Through mitigating actions and controls, we endeavour to reduce inherent risks to an acceptable level of residual risk. Our principal risks have also been benchmarked relative to risks identified by our mining peers to ascertain whether these risks are industry-specific.



¹ Tailings dam failure risk was disclosed as part of ageing infrastructure in the 2023 and 2022 financial years.

Pan African’s management follows a collective risk assessment approach. The assessment of the identified risks and the effectiveness of the risk-mitigating controls is, to a large extent, subjective.



OUR PRIMARY RISKS AND OPPORTUNITIES continued



01 OPERATIONAL EXECUTION				
Not achieving guided production and cost targets	Cause <ul style="list-style-type: none"> Above-inflationary input cost increases Deeper orebodies and longer travel times reduce mining efficiencies Logistics bottlenecks and infrastructure constraints Depletion of high-grade reserves High demand on aged infrastructure 		<ul style="list-style-type: none"> Unplanned events such as safety-related incidents, community protests or regulatory production stoppages Power curtailment Eskom infrastructure failures and unplanned power outages 	
	Potential impact <ul style="list-style-type: none"> These adversely affect: <ul style="list-style-type: none"> operational and financial results shareholder returns investor confidence long-term business sustainability the ability to fund growth projects Production stoppages Increased unit production costs Possible mine closure Not meeting shareholder expectations 	Mitigating actions <ul style="list-style-type: none"> Implemented cost savings and production improvement initiatives Repaired and upgraded the decline infrastructure at Fairview Mine to alleviate bottlenecks in the constrained 3 Shaft decline Commenced stoping activities at the Sheba Mine Western Cross development project to create flexibility and the opportunity to displace lower-grade surface sources Progressed the infrastructure upgrade strategy to improve efficiencies and support continuous shift operations <p>Refer to Barberton Mines' operational review on page 98 for more information</p>	Opportunities <ul style="list-style-type: none"> Reduce AISC[®] and increase production Achieve the Group's strategic objectives Meet investor expectations and increase shareholder value Consistently achieve and sustain production targets 	
Outlook <ul style="list-style-type: none"> Continued focus on increasing productivity and mining flexibility while reducing AISC[®] per unit by implementing optimisation and cost-reducing initiatives and maintaining strict operating and capital cost control The mine planning department at Barberton Mines has implemented a production management and reporting system integrated with the planning and scheduling software enabling efficient decision-making and adjustments to the mine design as required In addition to the computer-assisted drawing and three-dimensional (3D) systems implemented in the 2023 financial year, the geological department is now integrating an underground mapping suite which utilises georeferenced high-resolution photographs of the mining face. These systems reduce the turnaround time for geological and grade model updates 				
Material matters linked <ul style="list-style-type: none"> Execution efficiency Growth aspirations Cost consciousness Energy management Infrastructural constraints Water management Innovation and opportunity 	<ul style="list-style-type: none"> Safety, security, health and wellness Skills attraction and retention Social licence to operate Tailings management Climate change, decarbonisation and biodiversity 	Governance responsibility <ul style="list-style-type: none"> Board Executive committee (Exco) 	Capitals impacted	Short- to medium-term trend

Residual risk High Medium to high Low to medium Medium Low	Capitals Financial capital Manufactured capital Intellectual capital Human capital Social and relationship capital Natural capital	Risk trend Increase Decrease Unchanged
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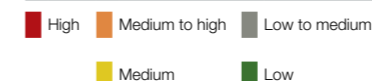
02 CONSTRAINED ELECTRICITY				
Adverse production impact, safety concerns and increased operating costs	Cause <ul style="list-style-type: none"> Constrained electricity supply, power surges and power curtailment Unstable electricity supply and increasing electricity rates 			
	Potential impact <ul style="list-style-type: none"> Threat to the health and safety of employees and contractors Damage to electrical equipment and infrastructure Production and operational interruptions Increases in the cost of production Stakeholder pressure to transition to renewable energy 	Mitigating actions <ul style="list-style-type: none"> Migration to renewable energy Strengthen our relationship with Eskom (South African state-owned utility) Flexible scheduling of operations Implemented initiatives to improve energy efficiency <p>Refer to energy management on page 36 for more information</p>	Opportunities <ul style="list-style-type: none"> Invest in renewable energy Reduce reliance on Eskom Improve energy efficiency Initiatives to reduce the cost of electricity Initiatives to reduce carbon emissions 	
Outlook <ul style="list-style-type: none"> Constrained electricity supply by Eskom is monitored closely despite absence of power curtailment since March 2024 Increased investment in renewable energy infrastructure is expected to alleviate electricity supply constraints 				
Material matters linked <ul style="list-style-type: none"> Execution efficiency Growth aspirations Cost consciousness Energy management 	<ul style="list-style-type: none"> Water management Innovation and opportunity Climate change, decarbonisation and biodiversity 	Governance responsibility <ul style="list-style-type: none"> Board SHEQ committee Social and ethics committee Exco 	Capitals impacted	Short- to medium-term trend
Outlook <ul style="list-style-type: none"> Geopolitical risk is expected to increase interest rates, inflation, commodity price volatility and unemployment Poor socio-economic conditions are expected to worsen Constrained electricity supply is expected to impact business and investor confidence 				
Material matters linked <ul style="list-style-type: none"> Execution efficiency Cost consciousness Innovation and opportunity 	<ul style="list-style-type: none"> Safety, security, health and wellness Social licence to operate 	Governance responsibility <ul style="list-style-type: none"> Board SHEQ committee Social and ethics committee Exco 	Capitals impacted	Short-term trend

OUR PRIMARY RISKS AND OPPORTUNITIES continued

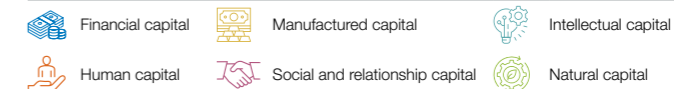
04 SAFETY BREACHES

<p>Increase in safety incidents and accidents</p>	<p>Cause</p> <ul style="list-style-type: none"> Inherent safety risks in mining Fall of ground incidents Negligent employee actions Explosion or fire incidents Breakdowns, failures or incorrect use of mining infrastructure or equipment Shortage of adequate and appropriate skills 	
<p>Potential impact</p> <ul style="list-style-type: none"> Loss of life and injuries Increase in safety incidents and accidents Human suffering Production and operational interruptions Reputational damage Difficulty attracting capital to fund growth Increased insurance premiums 	<p>Mitigating actions</p> <ul style="list-style-type: none"> Targeted safety campaigns and incentives: <ul style="list-style-type: none"> Fatality prevention Road safety and road accident prevention Encouraging employees to avoid taking shortcuts in safety protocols and procedures Prevention of fall of ground incidents, alcohol and substance abuse and fatigue Ongoing safety training, with an underground training centre opened at Barberton Mines this year Implemented incentives to encourage safe behaviour and recognise safety achievements Independent compliance reviews by regulators and safety experts Compliance with operational safety standards Safety audits 	<p>Opportunities</p> <ul style="list-style-type: none"> Provide a safe working environment for our employees and contractors Incentivise safe behaviour and reward safety achievements
<p>Outlook</p> <ul style="list-style-type: none"> Continue to enhance safety through the combined efforts of our people in pursuit of our ultimate goal of zero harm 		
<p>Material matters linked</p> <ul style="list-style-type: none"> Execution efficiency Cost consciousness Infrastructural constraints 	<p>Governance responsibility</p> <ul style="list-style-type: none"> Board SHEQ committee Exco 	<p>Capitals impacted</p>  <p>Short- to medium-term trend</p> 

Residual risk





Capitals





Risk trend



05 AGEING INFRASTRUCTURE



<p>Infrastructure dependency and constraints due to the ageing nature of infrastructure</p>	<p>Cause</p> <ul style="list-style-type: none"> Breakdowns or failures in mining infrastructure which may result in fire, explosions or flooding 			
<p>Potential impact</p> <ul style="list-style-type: none"> Loss of life Increase in safety incidents and accidents Production and operational interruptions Costly and time-consuming repairs Reputational damage Increased insurance premiums and/or limited appetite from a reducing number of insurers prepared to underwrite the Group's risk exposures 	<p>Mitigating actions</p> <ul style="list-style-type: none"> Limited insurance for all underground operations, with specific deemed high-risk exclusions Planned and proactive maintenance programmes Ongoing capital expenditure and prioritisation of maintenance Infrastructure undergoes independent audits annually or as necessary, after which a repair programme is implemented Independently audited procedures to prevent fires and explosions 	<p>Opportunities</p> <ul style="list-style-type: none"> Safer working environment and improved safety performance Improved productivity Reduce costs Increase flexibility Reduce unplanned stoppages 		
<p>Outlook</p> <ul style="list-style-type: none"> Prioritise capital expenditure and enhance the use of technology 				
<p>Material matters linked</p> <ul style="list-style-type: none"> Execution efficiency Growth aspirations Cost consciousness Infrastructural constraints 	<ul style="list-style-type: none"> Innovation and opportunity Safety, security, health and wellness 	<p>Governance responsibility</p> <ul style="list-style-type: none"> Board SHEQ committee Audit and risk committee Exco 	<p>Capitals impacted</p> 	<p>Short- to medium-term trend</p> 

06 SKILLS



<p>Shortage of adequate and appropriate skills or the inability to retain critical skills</p>	<p>Cause</p> <ul style="list-style-type: none"> Failure to attract skilled employees and the loss of key employees A shortage of employees with specialised skills Ageing staff complement Global mining and engineering talent pool shrinkage makes attracting and retaining skills in South Africa challenging Skills migration to more favourable jurisdictions 			
<p>Potential impact</p> <ul style="list-style-type: none"> Impedes our ability to meet production targets which may adversely affect: <ul style="list-style-type: none"> operational and financial results shareholder returns investor confidence Increase in safety incidents and accidents 	<p>Mitigating actions</p> <ul style="list-style-type: none"> Career progression, succession planning and talent management and development Focusing on retention of employees in critical operational roles Competitive and incentive-focused remuneration packages to attract and retain sought-after skills 	<p>Opportunities</p> <ul style="list-style-type: none"> Promote, attract, retain and develop our employees Establish an internal talent management framework to improve staff retention 		
<p>Outlook</p> <ul style="list-style-type: none"> The macroeconomic and political environments contribute to many professionals emigrating from South Africa, prompting a strong focus on succession planning and identifying, developing and recruiting for critical roles 				
<p>Material matters linked</p> <ul style="list-style-type: none"> Execution efficiency Growth aspirations Cost consciousness Energy management Infrastructural constraints Water management 	<ul style="list-style-type: none"> Innovation and opportunity Safety, security, health and wellness Skills attraction and retention Tailings management 	<p>Governance responsibility</p> <ul style="list-style-type: none"> Board Remco Exco 	<p>Capitals impacted</p> 	<p>Short- to medium-term trend</p> 

OUR PRIMARY RISKS AND OPPORTUNITIES continued

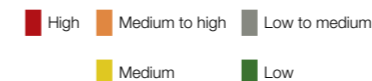
07 CAPITAL ALLOCATION AND EXECUTION

Suboptimal allocation of capital resources		Cause <ul style="list-style-type: none"> Poor capital allocation decisions Delays in executing capital projects timeously and cost overruns 		
Potential impact <ul style="list-style-type: none"> Suboptimal return on capital and value destruction adversely impact stakeholder value creation and investor confidence Adverse impact on operational and financial performance as well as strategic growth 		Mitigating actions <ul style="list-style-type: none"> Rigorous investment and capital allocation analysis Ensuring that investment decisions have appropriate oversight Predefined risk-adjusted return parameters which take into account execution risk Monitor ongoing projects to effectively manage execution risks 	Opportunities <ul style="list-style-type: none"> Ensure the continued sustainability of our mines Maximise the value of our assets and shareholder returns 	
Outlook <ul style="list-style-type: none"> Macroeconomic pressures and capital scarcity raise the importance of ensuring optimal capital allocations 				
Material matters linked <ul style="list-style-type: none"> Execution efficiency Growth aspirations Cost consciousness Energy management 		Governance responsibility <ul style="list-style-type: none"> Board Audit and risk committee Exco 	Capitals impacted 	Short- to medium-term trend 

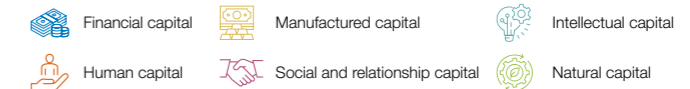
08 GEOLOGICAL VARIABILITY

Inherent geological variability in Mineral Resources and Mineral Reserves		Cause <ul style="list-style-type: none"> Inherent risk in the estimation of Mineral Resources and Mineral Reserves Geological complexity of orebodies in the hydrothermal lode gold deposits of the Barberton Greenstone Belt 		
Potential impact <ul style="list-style-type: none"> Not achieving guided production in the short to medium term may adversely affect: <ul style="list-style-type: none"> operational and financial results shareholder returns investor confidence 		Mitigating actions <ul style="list-style-type: none"> Mine planning and forecast production supported by modifying factors achieved over the preceding three years Experience in orebody delineation provides confidence in our predictive ability An independent exploration Mineral Resources and Mineral Reserves audit conducted in the past two years The mine planning department at Barberton Mines has implemented state-of-the-art planning and scheduling systems Barberton Mines' survey and geology department has been equipped with cutting-edge computer-assisted drawing and 3D systems improving their geological modelling capabilities 	Opportunity <ul style="list-style-type: none"> Maintain a pipeline of Mineral Resources and Mineral Reserves to ensure sustainable future production 	
Outlook <ul style="list-style-type: none"> Geological complexity inherently holds opportunities in the project pipeline for exploration and delineation of additional ore deposits 				
Material matters linked <ul style="list-style-type: none"> Execution efficiency Growth aspirations 		Governance responsibility <ul style="list-style-type: none"> Board Audit and risk committee Exco 	Capitals impacted 	Medium-term trend 

Residual risk





Capitals





Risk trend



09 MACROECONOMIC VOLATILITY

Specifically, the gold price and currency fluctuations		Cause <ul style="list-style-type: none"> Volatility in commodity prices and exchange rates Commodity prices and exchange rates are affected by macroeconomic factors which are almost entirely outside of our control 		Refer to our operating environment on pages 66 to 69 for more information	
Potential impact <ul style="list-style-type: none"> A decline in the US\$ gold price or an appreciation in the US\$/ZAR exchange rate will adversely affect revenue, cash flow generation, operating margins and shareholder returns 		Mitigating actions <ul style="list-style-type: none"> US\$ gold price and/or US\$/ZAR exchange rate hedging, as governed by the Group's financial risk policy Monitoring gold market trends Cost management and production efficiency improvement initiatives to reduce unit costs Disciplined capital expenditure Ensuring sufficient and appropriate funding facilities 	Opportunities <ul style="list-style-type: none"> Protect margins and cash flows Ensure adequate liquidity 		
Outlook <ul style="list-style-type: none"> The US\$/ZAR exchange rate is anticipated to remain volatile due to global geopolitics, macroeconomic developments and specific South African challenges The current outlook for the gold price is bullish, with records expected in the short and medium term 					
Material matters linked <ul style="list-style-type: none"> Execution efficiency Growth aspirations 		<ul style="list-style-type: none"> Cost consciousness Infrastructural constraints 	Governance responsibility <ul style="list-style-type: none"> Board Audit and risk committee Exco 	Capitals impacted 	Short-term trend 

10 COST INFLATION

Increasing mining costs and capital expenditure due to inflation		Cause <ul style="list-style-type: none"> Above-inflationary price increases Supply chain disruptions 		<ul style="list-style-type: none"> Geopolitical risks and uncertainty Commodity price volatility 	
Potential impact <ul style="list-style-type: none"> Increased interest rates may have a negative impact on the cost of capital funding Increased AISC[®] Reduced profitability, cash flows and shareholder returns Not meeting shareholder expectations 		Mitigating actions <ul style="list-style-type: none"> Monthly operational and cost reviews Optimisation improvement and cost-reducing initiatives Migration to renewable energy Provide the market with production and cost guidance Expansion of the Group's lower-cost tailings retreatment operations 	Opportunity <ul style="list-style-type: none"> Reduce AISC[®] 		
Outlook <ul style="list-style-type: none"> Aim to reduce AISC[®] of US\$1,350/oz to US\$1,400/oz in 2025 assuming an exchange rate of US\$/ZAR:18.50 					
Material matters linked <ul style="list-style-type: none"> Execution efficiency Growth aspirations Cost consciousness Energy management 		<ul style="list-style-type: none"> Infrastructural constraints Water management Climate change, decarbonisation and biodiversity 	Governance responsibility <ul style="list-style-type: none"> Board Audit and risk committee Exco 	Capitals impacted 	Short-term trend 

OUR PRIMARY RISKS AND OPPORTUNITIES continued

Residual risk
 High Medium to high Low to medium
 Medium Low

Capitals
 Financial capital Manufactured capital Intellectual capital
 Human capital Social and relationship capital Natural capital

Risk trend
 Increase
 Decrease
 Unchanged

11 TAILINGS DAM FAILURE

<p>The breach or collapse of a tailings dam structure</p>	<p>Cause</p> <ul style="list-style-type: none"> Structural failure caused by poor design, inadequate construction, overtopping for an extended period or deterioration over time Incorrect operation Excessive deposition rates exceeding designs (excessive rates of rise) Catastrophic rainfall events exceeding the design parameters such as the 1-in-100-year design threshold
<p>Potential impact</p> <ul style="list-style-type: none"> Loss of life Production and operational interruptions Damage to property, surrounding communities and the environment Costly repairs and rehabilitation Reputational damage Difficulty attracting capital investment Increased insurance premiums and/or limited appetite from a reducing number of insurers prepared to underwrite the Group's risk exposure 	<p>Mitigating actions</p> <ul style="list-style-type: none"> Specialist third-party contractors appointed to design, build and operate TSFs in cooperation with the Group's executive management The Group's TSF sites are overseen by an appointed competent person (Engineer of Record) Implementing controls to ensure ongoing progression to compliance with the GISTM as far as reasonably practicable Continuous technical reviews and studies to ensure ongoing compliance with tailings dam safety standards In line with the GISTM recommendations, the following appointments have been made: <ul style="list-style-type: none"> an executive accountable for tailings management a tailings facility engineer an ITRB <p>Opportunities</p> <ul style="list-style-type: none"> Ensure regulatory compliance Ensure long-term sustainability of our operations and surrounding environment Improve safety performance and reduce the environmental impact Enhance our reputation as operators of safe TSFs through demonstrated efforts to address compliance and review gaps <p>Refer to page 51 in the sustainable development report for more information regarding our experience in building, maintaining and operating tailings dams</p>
<p>Outlook</p> <ul style="list-style-type: none"> Continue to implement action plans and remedial activities identified through internal and external reviews to address high-risk safety and environmental concerns Our goal is to ensure safety compliance for our mining operations, employees and neighbouring communities 	
<p>Material matters linked</p> <ul style="list-style-type: none"> Execution efficiency Growth aspirations Cost consciousness 	<p>Governance responsibility</p> <ul style="list-style-type: none"> Safety, security, health and wellness Social licence to operate Tailings management <p>Governance responsibility</p> <ul style="list-style-type: none"> Board SHEQ committee Audit and risk committee Exco <p>Capitals impacted</p> <p>Short-term trend</p>

INTEGRATED THINKING

We value the quality of our relationships with all of our stakeholders. We also recognise that this directly impacts our ability to fulfil our purpose.

OUR KEY STAKEHOLDER RELATIONSHIPS

We recognise the importance of fostering positive relationships with our stakeholders. These individuals, groups and organisations play a crucial role in shaping our business. We are committed to engaging with our stakeholders in an open and transparent manner, taking their views and concerns into account as we make business decisions and strive to create value for all our stakeholders.

Our business environment is complex and dynamic, with a wide range of stakeholders who have diverse and often competing interests. Our guiding principles encompass ethical, transparent and lawful stakeholder engagement, emphasising ongoing and constructive interaction rather than isolated initiatives. We prioritise maintaining integrity and openness in our interactions with stakeholders, ensuring that our engagement processes are not only compliant with legal requirements but also characterised by ethical conduct. By fostering continuous dialogue and collaboration with our stakeholders, we aim to build trust, enhance understanding and achieve mutually beneficial outcomes that align with our values and objectives.



Our licence to operate depends on the quality of our relationships with our various stakeholders.

Our stakeholders represent one of our four strategic pillars (refer to **page 17**). Authentic engagement at all levels of the Group is essential for shaping our strategy, managing risks, identifying opportunities and safeguarding our reputation.

Refer to **pages 58 to 65** for an analysis of our key stakeholder relationships. Refer to **page 136** for more information related to our suppliers. For each of these key relationships, we reflect on the strength of the relationship and discuss their significance, key concerns and the actions we have taken to address these concerns. We show how they link to our residual risks, material matters and strategic initiatives.

OUR KEY STAKEHOLDER RELATIONSHIPS continued

Capitals

Financial capital	Social and relationship capital
Human capital	Natural capital

The strength of our key stakeholder relationships is determined by the quality of interactions our relationship managers have with them over the reporting period

● Positive ● Stable ● Challenging

Performance

▲ Positive increase ▲ Negative increase ► Unchanged
▼ Positive decrease ▼ Negative decrease

PROVIDERS OF CAPITAL

CUSTOMERS

Investors, shareholders, fund managers, analysts and financial institutions

Their significance and why we engage

- Consistent and clear communication on the Group's strategic direction, operational performance, growth prospects and financial information maintains trust and aligns expectations

Related residual risks

- Constrained electricity
- Operational execution
- Social instability
- Safety breaches
- Skills
- Ageing infrastructure
- Geological variability
- Capital allocation and execution
- Cost inflation
- Macroeconomic volatility
- Tailings dam failure

Material matters linked

- Execution efficiency
- Growth aspirations
- Cost consciousness
- Energy management
- Infrastructural constraints
- Water management
- Innovation and opportunity
- Safety, security, health and wellness
- Skills attraction and retention
- Social licence to operate
- Tailings management
- Climate change, decarbonisation and biodiversity

Strategic initiatives

- Further strengthen the capital structure and funding flexibility
- Ensure adequate liquidity for operational requirements and debt redemptions
- Ensure appropriate and innovative medium-term funding for organic growth, exploration and acquisition opportunities
- Prioritise sustainable returns to shareholders
- Efficiently execute capital projects, operational restructuring and maintenance programmes as well as other initiatives to increase and sustain gold production run rates, thereby ensuring long-term growth and sustainability
- Achieve production guidance of 180,000oz to 190,000oz of gold per annum
- Achieve AISC[®] guidance of between US\$1,325/oz and US\$1,350/oz

Key stakeholder concerns during the year

- Consistent financial and operational performance which enables sustainable shareholder returns
- Increasing debt levels

Actions to address stakeholder concerns

- Implemented optimisation initiatives to improve and sustain operational performance, including the adoption of a continuous operating cycle at Barberton Mines' Fairview and Sheba Mines during the previous financial year. Refer to the operational performance review for more information on the Group's operations and optimisation initiatives
- The increased debt levels are attributed to the construction of the MTR project aligning closely with our strategic objective of expanding production capacity and improving profitability

- Growth opportunities

- Investigated acquisition opportunities meeting investment criteria, earning a return exceeding our cost of capital, adjusted for project-specific and sovereign risks, while minimising shareholder dilution
- Acquired a strategic equity interest in TCMG refer to **page 228** for more information

- Distributions made in contravention of the Companies Act 2006

- Pan African's share premium account was cancelled, effective 18 July 2024, after a Court confirmation was obtained
- A special resolution was passed by shareholders at a general meeting held on 10 June 2024. Refer to **page 188** for more information

- Power curtailment

- Implemented a renewable energy strategy to stabilise the electricity supply to our operations and reduce costs

- Share liquidity and valuation

- Management is exploring alternative liquid markets in alignment with industry peers

Value created, preserved or eroded

	2024	2023	%Δ	
Dividend paid to shareholders	US\$21.2 million	US\$23.2 million	(8.6)	▼
Net senior debt [Ⓔ]	US\$102.8 million	US\$18.9 million	>100	▲
Finance cost paid	US\$11.6 million	US\$6.3 million ¹	84.1	▲
Headline earnings per share [Ⓔ]	US 4.15 cents	US 3.14 cents ¹	32.2	▲
Return on shareholders' funds [Ⓔ]	24.0%	20.7% ¹	15.9	▲
AISC [Ⓔ]	US\$1,354/oz	US\$1,309/oz ¹	3.4	▲

Outcomes

	2024	2023	%Δ	
Revenue	US\$373.8 million	US\$319.9 million ¹	16.8	▲
Cash generated from operating activities	US\$90.8 million	US\$100.1 million	(9.3)	▼
Net debt	US\$106.4 million	US\$22.0 million	>100	▲
Gold produced	186,039oz	175,209oz	6.2	▲

Proposed a final dividend of ZAR489.0 million or US\$26.8 million at the prevailing exchange rate

- The strategic acquisition of an equity interest in TCMG was approved
- The Group is strategically positioning itself to increase production capacity to 250,000oz in the short to medium term to increase shareholder value and attract larger fund managers

- Technical issues identified were historical and did not affect the Company's financial position or net asset value
- The Company has and continues to implement measures to ensure sufficient distributable income and compliance with the net assets test in the future

- Refer to the material matters section where energy management is discussed on **page 36**

Market capitalisation	US\$744.7 million ²	US\$497.0 million ³	49.8	▲
Average traded price per share traded				
JSE	ZA 450 cents	ZA 365 cents	23.3	▲
AIM	GB 19.1 pence	GB 16.9 pence	13.0	▲
Price earnings ratio				
JSE	7.8	5.4	44.4	▲
AIM	7.7	5.3	45.3	▲

¹ Restated due to prior period adjustments, refer to **note 40**.

² Source: JSE's Trading and Market Services. Calculated at 30 June 2024 using the quoted price and the closing US\$/ZAR exchange rate at that date.

³ Source: JSE's Trading and Market Services. Calculated at 31 December 2023 using the quoted price and the closing US\$/ZAR exchange rate at that date.

OUR KEY STAKEHOLDER RELATIONSHIPS continued

Capitals

- Financial capital
- Social and relationship capital
- Human capital
- Natural capital

The strength of our key stakeholder relationships is determined by the quality of interactions our relationship managers have with them over the reporting period

- Positive
- Stable
- Challenging

Performance

- ▲ Positive increase
- ▲ Negative increase
- ▶ Unchanged
- ▼ Positive decrease
- ▼ Negative decrease

EMPLOYEES AND UNIONS

● Employees and unions

Their significance and why we engage

- Strong and constructive relationships with employees are fundamental to our business' sustainability
- To achieve our strategic objectives, we focus on building a strong productive culture and upskilling our employees

Related residual risks

- Constrained electricity
- Operational execution
- Safety breaches
- Skills
- Ageing infrastructure

Material matters linked

- Execution efficiency
- Energy management
- Infrastructural constraints
- Water management
- Innovation and opportunity
- Safety, security, health and wellness
- Skills attraction and retention
- Social licence to operate

Strategic initiatives

- Strive for zero fatalities and an average annual improvement of 3.86% in the TRIFR
- Maintain an entrepreneurial and performance-driven culture
- Use technology to improve mine production, efficiency, safety and security
- Curtail illegal mining and property theft through cooperation between all stakeholders and law enforcement agencies

Key stakeholder concerns during the year

- Employee safety

Actions to address stakeholder concerns

- The safety strategy aims to achieve zero harm by implementing targeted safety campaigns and programmes that promote safe operational practices with a special emphasis on new employees and continuous reinforcement of safe practices
 - Introduced several programmes to address safety performance shortcomings at underground operations, including pre-emptive safety stoppages to reinforce safety protocols, strengthening the on-site safety teams and conducting third-party safety audits at both Barberton Mines and Evander Mines to identify areas for improvement
 - Focused security operations, initiatives and awareness programmes aimed at employees and communities
- Refer to **page 52** for the mitigating actions taken to address the Group's safety risks

- Wage negotiations

- Wage negotiations are closely monitored by Exco and Remco
- Closely monitored the employee relations environment amid national and provincial election campaigns
- Various approaches were followed to secure a multi-year wage agreement peacefully and avoid operational disruptions

- Maturation of Barberton Mines' employee share ownership plan (ESOP)

- Early settlement of the scheme (31 March 2024) was negotiated with employees and unions

- Diversity and transformation

- The Group aims to foster a culture of action and accountability, teamwork and compassion through its human capital strategy and core values

Value created, preserved or eroded

	2024	2023	%Δ	
Employee remuneration	US\$72.0 million	US\$60.6 million ¹	18.8	▲
Skills and development training	US\$1.8 million	US\$2.2 million	(18.2)	▼
Employees and contractors	7,638	6,857	11.4	▲
Women permanently employed	471	406	16.0	▲

Outcomes

	2024	2023	%Δ	
Fatalities	1	1	-	▶
Safety initiatives	US\$1.4 million	US\$1.4 million	-	▶
TRIFR (per million man hours)	6.52 [Ⓞ]	7.96	(18.1)	▼
Lost-time injury frequency rate (LTIFR) (per million man hours)	1.82	1.86	(2.2)	▼
RIFR (per million man hours)	0.78	0.81	(3.7)	▼

- A five-year wage agreement was secured with the National Union of Mineworkers (NUM) at Barberton Mines
- Continuously improving working conditions to enhance employee communication and engagement remains a key focus

- More than 2,200 employees qualified to receive final maturity payments, with payments dependent on the number of completed years of service

- Through its ESOP, Barberton Mines paid a dividend of US\$0.1 million (2023: US\$0.3 million) to employees and a final settlement of US\$1.8 million
- Women make up 17.4% (2023: 16.4%) of the permanent employees in the Group
- The percentage of women in mining has increased to 17.1%[Ⓞ] (2023: 16.1%)

¹ Restated due to prior period adjustments, refer to **note 40**.



Installation of underground rock support at Evander Mines' 8 Shaft pillar mining

OUR KEY STAKEHOLDER RELATIONSHIPS continued

Capitals

- Financial capital
- Social and relationship capital
- Human capital
- Natural capital

The strength of our key stakeholder relationships is determined by the quality of interactions our relationship managers have with them over the reporting period

- Positive
- Stable
- Challenging

Performance

- ▲ Positive increase
- ▲ Negative increase
- ▶ Unchanged
- ▼ Positive decrease
- ▼ Negative decrease

COMMUNITIES

● Communities

Their significance and why we engage

- We invest in and support initiatives that benefit our host communities and promote their sustainable development
- Managing the impact of mining is integral to maintaining our social licence to operate

Related residual risk

- Social instability

Material matters linked

- Social licence to operate
- Tailings management
- Climate change, decarbonisation and biodiversity

Strategic initiatives

- Curtail illegal mining and property theft through cooperation between all stakeholders and law enforcement agencies
- Maintain compliance with SLP requirements while seeking opportunities to go beyond ESG regulatory requirements for the benefit of our stakeholders
- Rehabilitate 41% of the MTR project's surface area by 2030, while concurrently conducting remining operations

Key stakeholder concern during the year

- Socio-economic support and opportunities through job creation and infrastructure development

Actions to address stakeholder concern

- Effective stakeholder engagement forums maintained in Barberton and Evander, comprising representatives from host communities and other pertinent community-based structures
- Regular public participation meetings held with Mogale community stakeholders
- Prioritising education, healthcare and job creation as part of socio-economic development initiatives and focusing on meeting legal compliance requirements as part of 'beyond compliance' initiatives
- Improved communication with communities through social media

Value created, preserved or eroded

	2024	2023	%Δ	
Transformation trust collections for communities	US\$1.3 million	US\$1.1 million	18.2	▲
HDP procurement expenditure	US\$118.2 million	US\$66.8 million	76.9	▲
Instances of community unrest at Evander Mines				
Community service delivery-related protests at Barberton Mines				

Outcomes

	2024	2023	%Δ	
CSI, LED programmes and bursary expenditure	US\$2.5 million	US\$1.7 million	47.1	▲
Barberton Blueberries permanent jobs	22	25	(12.0)	▼
Seasonal jobs	149	272	(45.2)	▼

- Proactive engagement between operations and host communities has notably reduced community unrest incidents and strengthened relationships

Refer to the social overview on **page 136** for more information

GOVERNMENTS AND REGULATORY BODIES

● The governments of South Africa, the UK and Sudan, the JSE, A2X, AIM, OTCQX and other regulatory authorities

Their significance and why we engage

- Our industry is subject to policies and regulatory requirements set by governments that can have a significant impact on our operations
- Capital providers supply guidelines and frameworks on corporate governance and ESG matters

Related residual risks

- Constrained electricity
- Social instability
- Safety breaches

Material matters linked

- Energy management
- Water management
- Safety, security, health and wellness
- Social licence to operate
- Tailings management
- Climate change, decarbonisation and biodiversity

Strategic initiatives

- Maintain compliance with SLP requirements while seeking opportunities to go beyond ESG regulatory requirements for the benefit of our stakeholders
- Curtail illegal mining and property theft through cooperation between all stakeholders and law enforcement agencies
- Operate TSFs in line with the GISTM as far as reasonably practicable
- Continue to enhance, improve and refine sustainability performance and reporting

Key stakeholder concern during the year

- Compliance with regulatory requirements

Actions to address stakeholder concern

- Engagement with the Department of Mineral Resources and Energy (DMRE) for approval of Evander Mines' SLP submitted in January 2023 and resubmitted in March 2024
- Engagement with the DMRE on the MTR project's SLPs
- Barberton Mines' SLP for the five-year period 2024 to 2029 was submitted to the DMRE in July 2024. Management continues to engage with the DMRE to obtain approval

Value created, preserved or eroded

	2024	2023	%Δ	
South African government taxes paid (excluding VAT but including employee taxes)	US\$30.2 million	US\$21.9 million	37.9	▲
VAT received from government	US\$60.0 million	US\$35.7 million	68.1	▲
Electricity cost	US\$31.1 million	US\$18.7 million ¹	66.3	▲
Electricity consumption	1,444.22TJ	1,403.02TJ	2.9	▲

Evander Mines' five-year SLP for July 2023 to June 2028 was resubmitted to the DMRE in March 2024 for approval

Outcomes

- Strengthened the Group's compliance management function
- Ongoing engagement with regulatory authorities to address outstanding matters and ensure compliance
- Implementation plan submitted to the DMRE to close the approved MTR project SLP for the 2009 to 2013 reporting period. Awaiting DMRE feedback on revised SLPs submitted for the 2014 to 2018 and 2019 to 2023 reporting periods
- Awaiting DMRE approval for the MTR project's SLP for the 2024 to 2028 reporting period

¹ Restated due to prior period adjustments, refer to **note 40**.

OUR KEY STAKEHOLDER RELATIONSHIPS continued

Capitals

- Financial capital
- Social and relationship capital
- Human capital
- Natural capital

The strength of our key stakeholder relationships is determined by the quality of interactions our relationship managers have with them over the reporting period

- Positive
- Stable
- Challenging

Performance

- ▲ Positive increase
- ▲ Negative increase
- ▶ Unchanged
- ▼ Positive decrease
- ▼ Negative decrease

THE ENVIRONMENT

● Represented by regulators and civil society groups whose primary areas of interest include environmental-related issues

Their significance and why we engage

- To demonstrate that the Group is proactively managing areas of environmental concern and minimising its environmental impact to the extent possible

Related residual risks

- Constrained electricity
- Tailings dam failure

Material matters linked

- Energy management
- Water management
- Social licence to operate
- Tailings management
- Climate change, decarbonisation and biodiversity

Strategic initiatives

- Diversify the renewable energy sources and enhance water management strategies to improve power security, optimise resource utilisation, reduce costs and promote environmental stewardship
- Continue to enhance, improve and refine sustainability performance and reporting
- Rehabilitate 41% of the MTR project's surface area by 2030, while concurrently conducting remaining operations
- Achieve a renewable energy mix of 15% by 2027
- Progress the implementation of TSF audit recommendations and advance compliance with the GISTM, as far as reasonably practicable

Key stakeholder concerns during the year

- Sustainability performance and reporting
- Tailings management

Actions to address stakeholder concerns

- A TNFD maturity assessment is underway and a roadmap is being developed to better understand the Group's position with respect to TNFD recommendations and to inform the Group's implementation of its recommendations
- Pan African has increased the number of assured ESG KPIs from 11 to 16
- We prioritise the safety, operations and regulatory compliance of our TSFs as far as reasonably practicable, conducting regular investigations to assess their safety, stability and other pertinent issues
- The Group commissioned independent technical studies of its historical tailings dams. These assessments found that the facilities are not at risk of collapse. However, recommendations were made to remediate facilities damaged by erosion due to excessive rainfall and illegal community settlements

For further details on our progress, refer to the material matters section on **page 47**

Value created, preserved or eroded

	2024	2023	%Δ	
Carbon emissions intensity per ounce sold	1.88tCO ₂ e/oz Au [⊕]	1.91tCO ₂ e/oz Au	(1.6)	▼
Water consumption	9,184.8ML	10,304.4M ¹	(10.9)	▼
Energy consumption	1,503.775TJ [⊕]	1,447.17TJ	3.9	▲

We are in the process of rehabilitating 122.3ha of the MTR project's surface area, including the restoration of the wetland north of Lancaster Gold Mine. On 25 July 2024, a wild fire occurred in the wetlands. This full extent of the fire's impact is not yet known and the wetlands regrowth will be closely monitored and assessed after the upcoming rainy season. In response, mitigation measures are being put in place to reduce the risk of future fires.

Outcomes

- For our biodiversity and rehabilitation progress, refer to the chief executive officer's review on **page 81**
- Technical study recommendations are in the process of being implemented
- Community engagement and awareness campaigns on illegal settlements near historical TSFs are underway and are being conducted in partnership with local non-governmental organisations. We are also actively curtailing illegal mining activities in close proximity to the TSFs

¹ Prior period water consumption figures have been restated to include water usage from third-party private sources and the Barberton Blueberries project.

The regional Elikhulu TSF at Evander Mines which will contain all the future underground and Elikhulu processed residues

OUR OPERATING ENVIRONMENT

Our operating environment and the external macroeconomic forces that influence it have the potential to materially impact our performance and ability to create or protect value, despite these factors being almost entirely outside of our control.



The gold price

The price of gold reached multiple all-time highs in May 2024. Several factors influence the gold price:

- The gold price typically increases in times of perceived stock market risk when investors view it as a safe-haven investment and during periods of high inflation
- Recent gold price increases have been driven by geopolitical and economic risks such as the US-China trade war, Brexit, COVID-19 and tensions in Ukraine and Palestine
- Central bank buying and rising incomes in emerging markets such as China and India are driving consumer demand for gold.

In South Africa, the gold price in rand is also affected by the **US\$/ZAR exchange rate**. The rand is volatile, reflecting sentiment towards emerging markets and commodities. It often experiences significant fluctuations in value, due to macroeconomic and geopolitical factors which impact investors' risk appetite, but then also tends to quickly revert to its weakening long-term trend relative to the US\$.

According to the Bureau for Economic Research, the rand's depreciation is primarily due to South Africa's high inflation rate relative to its global peers. This results in an implied depreciation over time to keep South Africa's exports competitive. The country's current account deficit, due to imports exceeding exports, results in money flowing out of the country, reducing the demand for the rand, which in turn further weakens demand. A major driver of the increasing current account deficit has been the declining output of South Africa's mining sector, historically the country's largest exporter.

GOLD PRICE

The US\$ gold price affects our profitability and value creation

How this affects the macroeconomic environment

Gold is widely regarded as a safe-haven investment during periods of geopolitical tension, economic uncertainty, market volatility and high inflation.

The current outlook for the gold price is bullish, with Goldman Sachs recently having raised its forecast to US\$2,700/oz by the end of the 2024 calendar year and Citibank predicting that gold will trade at US\$3,000/oz within the next six to 18 months.

How it affects us

Pan African's profitability and value-creation ability are directly influenced by revenue from gold sales which benefit from the rising gold price.

During the 2024 financial year, our mines received an average gold price of US\$2,015/oz, 11.3% higher than the average received in 2023 of US\$1,811/oz¹.

¹ Restated due to prior period adjustments, refer to **note 40**.

Capitals

Financial capital

Social and relationship capital

Natural capital



INTEGRATED THINKING

We respond to current trends in an agile manner to ensure value creation or protection in the short and medium term.

We detect early indications of long-term risks and strategic opportunities.

US\$/ZAR EXCHANGE RATE

The exchange rate influences our revenue and our costs

How this affects the macroeconomic environment

The rand strengthened during the last quarter of our financial year after experiencing marked volatility around the 2024 general election, however, the formation of the GNU has been viewed positively.

The closing US\$/ZAR exchange rate was US\$/ZAR:18.19 (2023: US\$/ZAR:18.83).

How it affects us

During the 2024 financial year, the average US\$/ZAR exchange rate was US\$/ZAR:18.71 (2023: US\$/ZAR:17.77).

The average rand gold price received increased by 17.2% from ZAR1,034,586/kg to ZAR1,212,252/kg.

The Group is directly impacted by fluctuating commodity cost prices, including fuel and other materials, affecting operating costs and profitability.

SOUTH AFRICAN ECONOMY

2024 South African general election and what lies ahead

How this affects the macroeconomic environment

General elections were held in South Africa on 29 May 2024 to elect a new National Assembly and the provincial legislature in each of the nine provinces. This was the seventh fully democratic general election held since 1994.

Support for the ruling ANC significantly declined. While it remained the largest party, it lost its parliamentary majority for the first time since 1994.

On 14 June 2024, the ANC, the Democratic Alliance (DA), the Inkatha Freedom Party and the Patriotic Alliance agreed to form a GNU, with Cyril Ramaphosa re-elected as President.

President Ramaphosa unveiled a new 32-member cabinet on 30 June, with the ANC holding 20 positions, the DA holding six and the remainder allocated to other coalition members. Additionally, 42 deputy ministers were named from coalition parties.

Markets responded positively to the election process, the GNU structure and the reappointment of the President.

How it affects us

According to Investec, investor confidence depends on a pro-economic growth cabinet capable of addressing South Africa's ongoing freight and logistics crisis, including inadequate rail capacity and persistent port blockages, as well as resolving the ongoing water crises and high levels of crime and corruption.

A weaker US\$/ZAR exchange rate may increase the rand gold price per ounce, increasing revenue but also increasing the import cost of equipment and consumables. Further higher interest rates will elevate the cost of capital, negatively affecting profitability and potentially deterring investments in capital projects.

South Africa's electricity crisis, especially the challenges faced by Eskom, poses significant production obstacles, leading to production delays and increased costs. These challenges require careful management and strategic planning to mitigate their impact on the Group's performance.

Our response

To mitigate volatility in the US\$/ZAR exchange rate and commodity prices, we use zero-cost collars and foreign exchange contracts.

To address rising interest rates, the Group implemented an interest rate hedge strategy using variable or fixed interest rate swaps. This allows the Group to lock in fixed interest rates, protecting against potential increases in the Johannesburg Interbank Average Rate thus reducing the adverse impact of rising interest rates on its financial performance and profitability.

We have made significant progress in our renewable energy strategy aiming for long-term sustainability through stable energy supply and cost savings through large-scale renewable energy projects.

OUR OPERATING ENVIRONMENT continued

Capitals

Financial capital

Social and relationship capital

Natural capital

CRIME, CORRUPTION AND SOCIAL COHESIVENESS

Adverse economic conditions have fuelled criminal elements in the mining and other sectors

How this affects the macroeconomic environment

In the 2023 Corruption Perceptions Index, which assesses perceived levels of public sector corruption in 180 countries, South Africa experienced a decline in its ranking. With a score of 41 (down from 43 in 2023), the country now ranks in 83rd position falling from 72nd in 2023.

The decline over the past five years dampens hopes for an end to corruption and the establishment of a just governmental system.

How it affects us

There is an increased risk of unethical practices that could disrupt operations, delay permits or approvals and impact the Group's ability to conduct business.

Pan African is the largest employer in the Barberton region and a significant employer in the Evander area of South Africa.

Mining companies are spending in excess of ZAR2.5 billion a year on security measures to safeguard their assets and employees according to the Minerals Council South Africa.

The Group spent US\$7.2 million (2023: restated US\$5.6 million) during the year on security costs.

Our response

Pan African has an established code of ethical conduct and commercial malpractice policy, setting clear standards of behaviour for employees, contractors and stakeholders.

To ensure transparency and accountability, the Group provides an anonymous whistle-blowing hotline, accessible to both employees and external parties, including third-party service providers.

The Group has made strategic investments in communities to foster positive relationships with host communities, focusing on creating employment opportunities, developing local suppliers and making socio-economic contributions, thereby increasing engagement and reducing community unrest.

ECONOMIC AND POLITICAL UNCERTAINTY

Global economic outlook

How this affects the macroeconomic environment

According to the International Monetary Fund, global growth estimated at 3.2% in 2023 is projected to continue at the same pace in the 2024 and 2025 calendar years. This growth rate is low by historical standards due to near-term factors such as high borrowing costs and the withdrawal of fiscal support as well as longer-term effects from the COVID-19 pandemic, Russia's invasion of Ukraine, weak productivity growth and increasing geoeconomic fragmentation.

Global headline inflation is expected to decrease from an annual average of 6.8% in 2023 to 5.9% in 2024 and 4.5% in 2025. Advanced economies are anticipated to return to their inflation targets sooner than emerging markets and developing economies. However, new price spikes from geopolitical tensions, such as the war in Ukraine and the conflict in Palestine, could raise interest rate expectations and reduce asset prices.

Geoeconomic fragmentation could intensify slowing the flow of goods, capital and people thereby implying a supply-side slowdown.

Advances in artificial intelligence and stronger-than-expected structural reforms could increase productivity.

How it affects us

Trade disruptions exacerbate market volatility, potentially adversely impacting demand and sentiment for gold, which directly affects its price. The Group's operations rely on various inputs such as equipment, machinery, fuel and chemicals. Any supply chain disruptions can adversely affect the availability and cost of these essential inputs, ultimately impacting profitability.

Increased geopolitical uncertainty and economic challenges often lead to a more cautious approach from investors, insurers and financial institutions, potentially reducing investment appetite and curtailing the Group's expansion and exploration initiatives. Geopolitical tensions can also lead to changes in the regulatory and political environments, with governments possibly implementing stricter regulations, changing tax policies or imposing new trade barriers, all of which directly influence the Group's operations and profitability.

Our response

The Group's financial risk management policy includes gold price and US\$/ZAR exchange rate hedging strategies to mitigate transactional risk, stabilise cash flows during periods of elevated debt levels and ensure debt covenant compliance. Hedge volumes and instruments used in these strategies adhere to the Group's financial risk management policy and are subject to board oversight.

Gold market trends are constantly monitored to provide critical market insights and support agile financial risk management and decision-making.

The Group focuses on optimisation initiatives to improve productivity, reduce costs and streamline processes. Adequate critical spare parts are kept on hand to mitigate any anticipated supply chain disruptions, and orders are placed in advance to counter unexpected delays in lead times.

The Group maintains strong and established relationships with its network of financial institutions and insurers.

ACTIVISM, SPECIAL INTEREST GROUPS AND REGULATORY UNCERTAINTY

Adverse effect on investor confidence and capital allocation decisions

How this affects the macroeconomic environment

Gold plays a unique role in the global economy, safeguarding the financial security of nations, investors and communities, while driving advancements in medical, environmental and communication technologies. The public's trust is crucial to sustaining the positive roles that gold plays in society.

Responsible gold mining fosters sustainable socio-economic development in the countries where gold is extracted. It creates well-paying jobs and generates valuable tax revenues for host governments, contributing to economic stability. Moreover, responsible mining practices deliver enduring benefits to local communities.

The gold mining industry is actively pursuing a credible pathway towards decarbonisation, aligned with the objectives of the Paris Agreement. By striving to achieve net zero emissions by 2050, the industry is committed to mitigating its environmental impact and embracing sustainable practices for a greener future.

How it affects us

Pan African's commitment to responsible mining practices, socio-economic development, environmental stewardship and regulatory compliance underpins its efforts to protect its reputation, attract investors, maintain its social licence to operate and make positive contributions to the communities and environments in which it operates.

Our response

The Group's commitment to sustainability is evident as Pan African was one of the first mining companies to issue a sustainability-linked bond in the South African market. This bond explicitly commits the Group to making incremental improvements in environmental and social areas that are relevant, core and material to its overall business. During the 2024 financial year, the Group secured a green loan facility for the construction of Barberton Mines' solar plant.

Aligned with its sustainability goals, Pan African's renewable energy strategy plays an important role in stabilising the supply and cost of electricity to its operations. This strategic initiative not only leads to cost savings but also contributes to a significant reduction in carbon emissions. The Group's solar renewable energy projects are key components in advancing its renewable energy objectives and achieving sustainability targets.

In 2023, the Group published its maiden report following the guidelines set by the TCFD. The climate change report along with the sustainable development report are available for download on our website. The Group is currently conducting a TNFD maturity assessment and developing a roadmap to guide its implementation of these recommendations.

We measure and respond to our KPIs, which cover all of the six capitals that we employ in our value creation and preservation, not only financial.

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OUR KEY PERFORMANCE INDICATORS

Performance

▲ Positive increase ▼ Positive decrease ▲ Negative increase ▼ Negative decrease ► Unchanged

Unit	2024	2023	%Δ	2022	2021	2020	
FINANCIAL CAPITAL							
Revenue ⁵	US\$ million	373.8	319.9 ¹	16.8 ▲	376.4	368.9	274.1
Net cash from operating activities	US\$ million	90.8	100.1	(9.3) ▼	110.0	75.8	53.8
Net debt ⁵	US\$ million	106.4	22.0	>100 ▲	13.0	39.0	76.4
Dividend paid	US\$ million	21.2	23.2	(8.6) ▼	25.0	20.6	3.4
Profit for the period ⁵	US\$ million	78.8	60.5 ¹	30.2 ▲	75.0	74.7	44.3
Adjusted EBITDA ^{2,5}	US\$ million	141.2	115.1 ¹	22.7 ▲	138.3	144.1	86.5
Attributable earnings – owners of the Company ⁵	US\$ million	79.4	60.9 ¹	30.4 ▲	75.1	74.7	44.3
Headline earnings ⁵	US\$ million	79.5	60.2 ¹	32.1 ▲	75.6	74.7	44.2
Earnings per share ⁵	US cents	4.14	3.18 ¹	30.2 ▲	3.90	3.87	2.30
Headline earnings per share ⁵	US cents	4.15	3.14 ¹	32.1 ▲	3.93	3.87	2.29
Net asset value per share ⁵	US cents	19.00	15.23 ¹	24.7 ▲	15.37	14.71	9.52
Return on shareholders' funds ⁵	%	24.0	20.7 ¹	15.9 ▲	25.9	32.0	24.1
Net debt-to-equity ratio ⁵	ratio	0.29	0.07	>100 ▲	0.04	0.1	0.4
Net debt-to-net adjusted EBITDA ratio ⁵	ratio	0.8	0.2	>100 ▲	0.1	0.3	0.7
Interest cover ratio ⁵	ratio	12.2	28.2 ¹	(56.7) ▼	34.1	23.0	10.1
Debt service cover ratio ⁵	ratio	3.8	7.5	(49.3) ▼	7.3	3.0	3.4
Current ratio ⁵	ratio	0.71	0.76 ¹	(6.6) ▼	0.95	0.80	0.68
MANUFACTURED CAPITAL							
Mineral Resources	Moz Au	41.2	40.5	1.7 ▲	38.7	39.2	37.6
Mineral Reserves	Moz Au	12.6	12.8	(1.6) ▼	11.3	10.8	10.9
Investment in infrastructure	US\$ million	166.2	112.7	47.5 ▲	82.7	44.4	34.6
Gold mining tonnes milled	t	442,794	394,091	12.4 ▲	381,148	376,118	285,016
Gold tailings processed	t	15,131,414	14,757,699	2.5 ▲	14,901,683	14,315,881	14,339,922
Gold production	oz	186,039	175,209	6.2 ▲	205,688	201,777	179,457
Average gold price received ⁵	US\$/oz	2,015	1,811 ¹	11.3 ▲	1,824	1,826	1,574
Average gold price received ⁵	ZAR/kg	1,212,252	1,034,586 ¹	17.2 ▲	892,431	903,849	793,121
Total sustaining capital ⁵ expenditure	US\$ million	13.8	20.2	31.7 ▲	23.1	16.7	16.4
Total capital expenditure	US\$ million	172.4	113.0	52.6 ▲	82.8	49.1	41.1
Cash costs ⁵	US\$/oz	1,199	1,136 ¹	5.5 ▲	1,099	1,035	911
Cash costs ⁵	ZAR/kg	721,161	649,018 ¹	11.1 ▲	537,879	512,394	459,151
AISC ^{3,5}	US\$/oz	1,354	1,309 ¹	3.4 ▲	1,284	1,261	1,147
AISC ^{3,5}	ZAR/kg	814,243	748,015 ¹	8.9 ▲	628,292	624,519	577,887
All-in-costs (AIC) ^{3,5}	US\$/oz	1,782	1,768 ¹	0.8 ▲	1,503	1,401	1,289
AIC ^{3,5}	ZAR/kg	1,071,926	1,009,898 ¹	6.1 ▲	735,670	693,478	649,480

Unit	2024	2023	%Δ	2022	2021	2020	
HUMAN CAPITAL							
Employees	number	2,887	2,469	16.9 ▲	2,198	2,104	2,126
HDP employees	%	92.0 ³	90.7	1.4 ▲	89.29		
Employee remuneration	US\$ million	72.0	60.6 ¹	18.8 ▲	65.1	62.1	52.5
Skills development and training	US\$ million	1.8	2.2	(18.2) ▼	0.8	1.1	1.7
TRIFR	per million man hours	6.52 ³	7.96	(18.1) ▼	8.95	7.36	9.12
RIFR	per million man hours	0.78	0.81	(3.7) ▼	0.35	0.63	0.8
LTIFR	per million man hours	1.82	1.86	(2.2) ▼	1.04	1.41	1.70
Fatalities	number	1	1	– ►	–	1	–
SOCIAL AND RELATIONSHIP CAPITAL							
CSI and LED initiatives and bursaries	US\$ million	2.5	1.7	47.1 ▲	1.9	1.8	1.3
South African government taxes paid excluding VAT	US\$ million	30.2	21.9	37.9 ▲	24.2	33.1	16.1
NATURAL CAPITAL							
Energy consumption	TJ	1,503.77 ³	1,447.17	3.9 ▲	1,405.44	1,468.68	1,395.25
Water consumption	ML	9,184.8	10,304 ⁴	(10.9) ▼	8,232	12,408	12,170
Scope 1 emissions	ktCO ₂ e	5.0 ³	3.7	35.1 ▲	4.1	4.7	3.7
Scope 2 emissions	ktCO ₂ e	348.0 ³	332.5	4.7 ▲	341.0	374.9	345.6
Carbon emissions intensity per ounce sold	tCO ₂ e/oz Au	1.88 ³	1.91 ¹	(1.6) ▼	1.68	1.88	2.01
Environmental rehabilitation obligation	US\$ million	19.7	16.7 ¹	18.0 ▲	8.6	13.6	9.2

¹ Restated due to prior period adjustments, refer to note 40.

² Adjusted EBITDA⁵ comprises earnings before interest, tax, depreciation and amortisation and impairment.

³ AISC⁵ per kilogramme and AIC⁵ 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 APM summary report for the reconciliation of cost of production as calculated in accordance with IFRS Accounting Standards to AISC⁵ and AIC⁵.

⁴ Prior period water consumption figures have been restated to include water usage from third-party private sources and the Barberton Blueberries project.

⁵ The financial results for the 2022 reporting period and prior periods have not been restated as it is impracticable to determine the period specific effects of the error.

CHIEF EXECUTIVE OFFICER'S REVIEW

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.



COBUS LOOTS | Chief executive officer

INTRODUCTION

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 to shareholders and dividends, 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 the larger gold mines 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 power curtailment, 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 excellent returns through both substantial capital growth and an increasing annual dividend. Pan African has consistently over the past few years featured in the Top 10 of the JSE's Top 100

performing companies. More recently in 2024, it has been the best-performing gold stock on the JSE, with the share price increasing by over 80% since the beginning of the calendar year and 100% year-on-year. The AIM recorded a similar performance.

Value-adding projects completed by the Group's incumbent management team and board during our tenure include:

- **Securing, funding, construction and operation of transformative surface assets**
 - BTRP
 - Evander 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 large Mineral Resources from Mogale Gold and MSC for US\$1.12/oz and then applied our extensive surface tailings expertise to bring the project to account. We have also accumulated considerable underground mining expertise, which we are applying to benefit from value from our 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.

CHIEF EXECUTIVE OFFICER'S REVIEW continued

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: restated 27.7%) earned on the average 2024 financial year gold price of US\$2,015/oz (2023: restated 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 debt 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.

Refer to the financial director's review on **pages 86 to 93** for more details on this year's financial results.

KEY FEATURES

Production

- Group gold production increased by 6.2% to 186,039oz (2023: 175,209oz), in line with guidance
- Operational enhancements and optimisation initiatives resulted in significant enhancements at Barberton Mines' underground and Elikhulu's surface operations:
 - 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

- AISC® 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 of 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 84.0% (2023: restated 81.5%) 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 MTR project's low-cost production offsetting inflationary pressures.

Near-term growth projects

Surface remaining 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 BTRP's life-of-mine has been extended from two to seven years (subsequent to the reporting period) following a successful internal project to reassess feedstock sources, further enhancing the Group's high-margin, long-life surface remaining 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\$78.9 million (2023: restated US\$60.5 million)
- Headline earnings® increased by 32.1% to US\$78.8 million (2023: restated US\$60.2 million)
- Earnings per share increased by 30.2% to US 4.14 cents per share (2023: restated US 3.18 cents per share) and headline earnings per share increased by 32.2% 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® 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 illustrative exchange rate of US\$/ZAR:18.19) proposed for approval at the upcoming annual general meeting (AGM).

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 BTRP metallurgical plant at Barberton Mines

CHIEF EXECUTIVE OFFICER'S REVIEW continued

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:

	30 June 2024 oz	30 June 2023 oz
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 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 2024 financial year
 - 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 conducted 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 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 828,392Mt of tailings material (2023: 921,753Mt) 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 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 long 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 is 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 project'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.

In March 2024, we updated the MTR project's 2022 definitive feasibility study financial model with the latest operating cost and production estimates, the forecast US\$/ZAR exchange rate and the gold price, resulting in a material decline in the upfront capital's payback period – post commencement of production.

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 is committed to the Principles for Responsible Investment with the intention that all its tailings facilities adhere to the 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 its 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[®] 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 of US\$1,170/oz (2023: restated US\$1,132/oz) was achieved at our lower-cost operations, which account for more than 84.0% (2023: 81.5%) 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 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

CHIEF EXECUTIVE OFFICER'S REVIEW continued

- 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 NUM at Barberton Mines. The current five-year wage agreement with the United Association of Southern Africa (UASA), 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.

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	6.22	86.0	2.77	5.8	5.87	33.8	1.09
BTRP and stockpiles	20.7	1.11	23.0	0.74	3.6	1.63	5.9	0.19
Elikhulu	155.4	0.27	41.5	1.34	130.6	0.27	34.7	1.12
Evander Mines underground	123.1	8.54	1,051.8	33.82	31.1	8.17	254.1	8.17
MTR project	259.8	0.30	78.5	2.52	227.7	0.29	64.6	2.08
Total – 2024	572.8	2.24	1,280.9	41.18	398.8	0.91	393.2	12.64
Total – 2023	581.0	2.17	1,259.8	40.50	408.3	0.90	398.35	12.81

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 (tailings only) (extended to seven years subsequent to the reporting period), 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 have a current estimated life-of-mine of six and eight years, respectively, 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 Reserve increases 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.

For a summary of Pan African's Mineral Resources and Mineral Reserves, refer to **pages 106 to 119**. The full report is available on our website at: <https://www.panafricanresources.com/operations-at-a-glance-2/mineral-resource-mineral-reserve-2/>

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:

	Sustaining [⊕] US\$ million ¹	Expansion [⊕] US\$ million ¹
Operation		
Barberton Mines	12.9	11.5
Elikhulu	2.0	4.5
Evander Mines	–	39.9
MTR project – final plant construction costs	–	51.9
Total	14.9	107.8

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

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. 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 and an estimated saving of 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\$2.4 million¹ at current tariffs
- the power purchase agreement with Sturdee Energy was renewed in the current year for 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 6.1%[⊕], compared to the 7% sustainability-linked bond benchmark. This is lower than the benchmark due to a short delay in the commissioning of Fairview's solar plant and an increase in our 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.

¹ Converted at an exchange rate of US\$/ZAR:18.00.

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.

Our ongoing rehabilitation of land during 2024 extended to an additional 85ha of land previously disturbed by mining at Barberton Mines (2023: 23ha). The rehabilitation liabilities related to Barberton Mines and Evander Mines of US\$9.5 million (2023: US\$8.3 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: restated 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, which was subsequently destroyed following a wildfire. Refer to **page 65** for more information
- Roads and berms transecting the wetland were cleared, the surface area was profiled and the wetland area was reseeded and revegetated

CHIEF EXECUTIVE OFFICER'S REVIEW continued

- 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 employees 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 US\$9.2 million on local suppliers.

Pan African has raised 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\$1.7 million) in CSI and LED 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 22 permanent staff and provides 149 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** SLP 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 ITRB 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 TRIFR reduced to 6.52[Ⓢ] (2023: 7.96) per million man hours
- the LTIFR improved to 1.82 (2023: 1.86) per million man hours
- the RIFR improved to 0.78 (2023: 0.81) per million man hours.

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.

DIVIDENDS

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

OUTLOOK AND PROSPECTS

Pan African views the broad macroeconomic environment as positive, given its status as one of the lowest-cost, long-life producers of high-quality gold ounces in Southern Africa.

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.

Cobus Loots
Chief executive officer

11 September 2024

**Aerial view of the
1L8 Mineral Resource
of the Mogale Cluster**

FIVE-YEAR FINANCIAL OVERVIEW

US\$ million	2024	2023	%Δ	2022	2021	2020
Statement of profit or loss						
Revenue ²	373.8	319.9 ¹	16.8	376.4	368.9	274.1
Cost of production before depreciation and amortisation ²	(221.2)	(198.9) ¹	11.2	(226.4)	(208.8)	(158.5)
Gross profit ²	131.4	100.6 ¹	30.6	123.5	128.0	94.1
Adjusted EBITDA ^{Ⓔ2}	141.2	115.1 ¹	22.7	138.3	144.1	86.5
Impairment (cost)/reversal	-	-	-	(0.5)	-	0.1
Profit for the period ²	78.8	60.5 ¹	30.2	75.0	74.7	44.3
Headline earnings ^{Ⓔ2}	79.5	60.2 ¹	32.1	75.6	74.7	44.2
Dividend paid	(21.2)	(23.2)	(8.6)	(25.0)	(20.6)	(3.4)
Statement of financial position						
Non-current assets	625.7	445.8 ¹	40.4	401.1	398.5	315.0
Current assets ²	60.4	58.9 ¹	2.5	56.0	84.6	53.6
Total equity ²	364.1	291.9 ¹	24.7	294.6	283.6	183.6
Non-current liabilities	237.1	135.4 ¹	75.1	103.5	93.5	106.3
Current liabilities	84.9	77.4 ¹	9.7	59.0	106.0	78.7
Statement of cash flows						
Net cash from operating activities	90.8	100.1	(9.3)	110.0	82.2	53.8
Investment in property, plant and equipment	166.2	112.7	47.5	82.7	44.4	34.6
Net (decrease)/increase in cash and cash equivalents	(9.6)	12.3	>100	(3.7)	(6.4)	26.5
Financial indicators						
Average exchange rate (ZAR per US\$)	18.71	17.77	5.3	15.22	15.40	15.67
Closing exchange rate (ZAR per US\$)	18.19	18.83	(3.4)	16.28	14.28	17.33

Share statistics	Unit	2024	2023	%Δ	2022	2021	2020
Shares in issue	million	2,222.9	2,222.9	-	2,222.9	2,234.7	2,234.7
Weighted average number of shares in issue	million	1,916.5	1,916.5	-	1,926.1	1,928.3	1,928.3
Earnings per share ^{Ⓔ2}	US cents	4.14	3.18 ¹	30.2	3.90	3.87	2.30
Headline earnings per share ^{Ⓔ2}	US cents	4.15	3.14 ¹	32.2	3.93	3.87	2.29
Net asset value per share ^{Ⓔ2}	US cents	19.00	15.23 ¹	24.8	15.37	14.71	9.52
Dividend paid per share	US cents	0.96	1.04	(8.1)	1.27	0.84	0.15

¹ Restated due to prior period adjustments, refer to note 40.

² The financial results for the 2022 reporting period and prior periods have not been restated as it is impracticable to determine the period specific effects of the error.

Performance

▲ Positive increase ▼ Positive decrease ▲ Negative increase ▼ Negative decrease ► Unchanged

	2024		2023		2022		2021		2020	
	JSE ZAR million	AIM GBP million	JSE ZAR million	AIM GBP million	JSE ZAR million	AIM GBP million	JSE ZAR million	AIM GBP million	JSE ZAR million	AIM GBP million
Shares traded										
Value of shares traded	3,233.1	282.4	2,854.2	140.4	4,018.9	194.6	5,294.3	164.5	1,742.7	50.6

	Unit	2024		2023		2022		2021		2020	
		JSE	AIM	JSE	AIM	JSE	AIM	JSE	AIM	JSE	AIM
Shares traded											
Volume of shares traded	million	717.7	1,577.2	782.3	834.0	1,056.3	1,015.7	1,192.6	773.4	680.5	397.7
Volume traded as percentage of number in issue	%	32.3	82.3	35.2	43.5	47.5	46.9	53.4	34.6	30.5	17.8
Number of transactions	number	99,309	65,250	102,319	68,708	99,368	97,950	173,253	70,163	71,233	35,211
Price:earnings [Ⓔ]	ratio	7.8	7.7	5.4	5.3	6.6	7.0	5.7	6.0	10.3	9.7
Dividend yield at the last traded share price [Ⓔ]	%	3.6	3.7	5.9	6.0	4.6	4.3	5.3	5.3	3.8	3.7

	2024		2023		2022		2021		2020	
	JSE ZA cents	AIM GB pence	JSE ZA cents	AIM GB pence	JSE ZA cents	AIM GB pence	JSE ZA cents	AIM GB pence	JSE ZA cents	AIM GB pence
Shares traded										
Last sale in year	605.0	26.1	303.0	12.5	394.0	20.8	341.0	17.2	370.0	17.6
High	640.0	27.6	485.0	21.2	476.0	24.0	642.0	27.1	398.0	18.0
Low	293.0	12.1	283.0	12.0	295.0	15.1	311.0	15.4	150.0	9.0
Average traded price per share	450.0	19.1	365.0	16.9	374.6	19.2	440.0	21.3	245.1	8.8

FINANCIAL DIRECTOR'S REVIEW

Pan African has delivered an excellent financial performance for the year, driven by its robust operations and the elevated gold price. The Group continues to reinvest in its assets and growth projects, prioritising capital expenditure on the development of the MTR project and Evander Mines' 24 and 25 Level project.

Pan African has demonstrated its resilience over the past 10 years, successfully overcoming operational challenges experienced during 2017 and in 2018 when underground operations at Evander Mines were curtailed. In 2019, the Group recovered strongly with revenue increasing by more than 49%, while profit for the period from continuing operations increased by more than 100% from US\$16 million to US\$38 million and cash generated from operations increased from US\$13 million to more than US\$38 million, following the commissioning of Elikhulu in September 2018. Since the repositioning of the Group in 2019, its share price has increased by more than 178% over the five-year period.

The Group's ability to adapt to changing operating circumstances was further demonstrated during the COVID-19 pandemic, which commenced in the 2020 financial year. This flexibility inherent in our operations contributes to the quality of our mines and their ability to withstand short-term disruptions. The Group also addressed power supply challenges during this period, with the construction of a 9.9MW solar plant at Evander Mines, to ensure a reliable and stable power supply while contributing to operational cost savings. Since its commissioning in May 2022, this plant has saved more than US\$4 million in electricity costs and generated 48,393MWh of renewable energy. The Group's carbon emissions intensity has also decreased to 1.88tCO₂/oz Au[®] sold compared to 1.91tCO₂/oz Au sold in 2023. In August 2024, the Group commissioned a second solar plant at Barberton Mines, enforcing our commitment to operational efficiency and sustainability.

In 2022, the Group made significant progress in both its operational and growth projects, delivering a solid financial performance and record gold production of 205,688oz, from its portfolio of underground and surface mining operations. Over the past decade, the Group's total assets have increased by more than 77% to US\$686.1 million, demonstrating the acumen to effectively deploy capital in a disciplined and value-accretive manner.

The Group has distributed US\$166 million in dividends over the past 10 years, evidencing our ongoing commitment to consistently delivering returns to shareholders while continuing to reinvest in the business. Looking ahead, we remain focused on maintaining our strong financial performance, executing strategic initiatives and pursuing sustainable growth projects to create lasting value for our shareholders and other stakeholders.

OVERVIEW

The Group's results include a restatement. During the current reporting period, the Group reassessed the timing of its revenue recognition on gold sales. Historically, the Group recognised revenue on delivery of gold to Rand Refinery. The Group's view was that control had transferred to the 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 yet 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 the 2023 and 2022 financial results.

Furthermore, 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. This error has been corrected by restating the 2023 financial results.

The Group's 2023 retained earnings was restated lower by US\$2.8 million, the reserves balance was restated higher by US\$0.2 million. The 2023 profit for the period was restated lower by US\$0.2 million.

For 2023 there was a US 0.1 cent decrease in both basic earnings per share and headline earnings per share.

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 gold sales demonstrate that steps taken during the year to address operational issues are yielding positive results. Refer to the operational performance review on page 96 for further details.

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 prior reporting period.

AISC[®] has increased marginally to US\$1,358/oz (2023: restated US\$1,309/oz), resulting in an AISC[®] margin of 32.8% (2023: restated 27.7%) earned on the average gold price of US\$2,015/oz (2023: restated US\$1,811/oz) received during the 2024 reporting period.

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 decreased to US\$90.8 million (2023: US\$100.1 million) as a result of increased income tax and finance costs paid. Liquidity remains healthy, with access to immediately available cash and undrawn debt facilities of US\$95.0 million (2023: US\$84.7 million), at financial year-end.

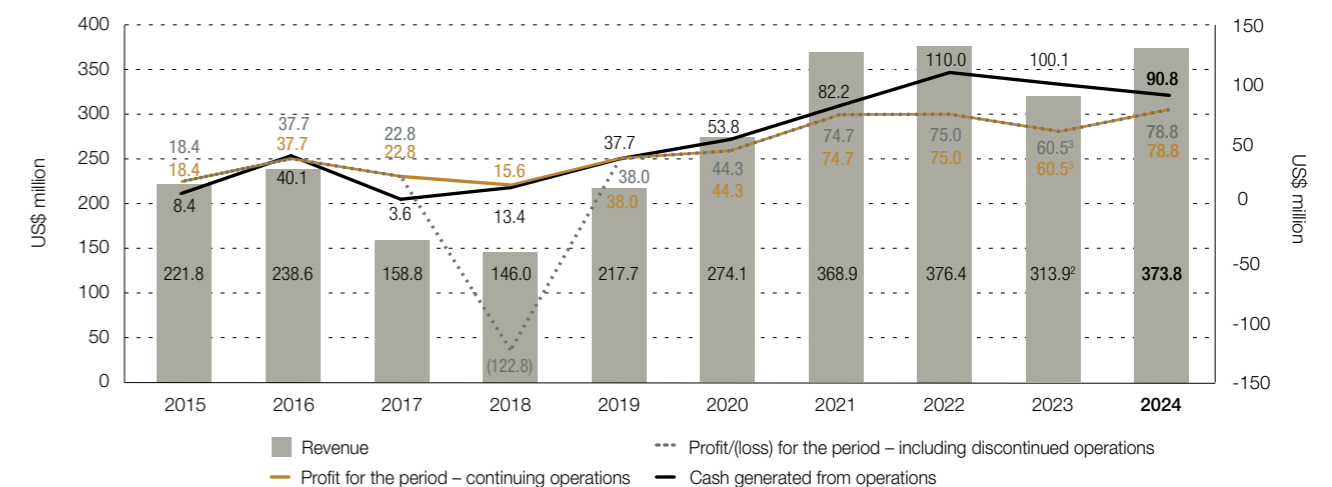
Performance

▲ Positive increase ▼ Positive decrease ▲ Negative increase ▼ Negative decrease ► Unchanged

Highlights for the year	2024	2023	%Δ	
Revenue	US\$373.8 million	US\$319.9 million ¹	16.8	▲
Profit for the period	US\$78.8 million	US\$60.5 million ¹	30.2	▲
Headline earnings [®]	US\$79.5 million	US\$60.2 million ¹	32.1	▲
Basic earnings per share	US 4.14 cents	US 3.18 cents ¹	30.2	▲
Net cash from operating activities	US\$90.8 million	US\$100.1 million	(9.3)	▼
Net debt [®]	US\$106.4 million	US\$22.0 million	>100	▲
Adjusted EBITDA [®]	US\$141.2 million	US\$115.1 million ¹	22.7	▲
Dividend proposed per share	US 1.20946 cents	US 0.95592 cents	26.5	▲

¹ Restated due to prior period adjustments, refer to note 40.

Reflection on the past 10 years²



² The financial results for the 2022 reporting period and prior periods have not been restated as it is impracticable to determine the period specific effects of the error.

³ Restated due to prior period adjustments, refer to note 40.



DEON LOUW | Financial director

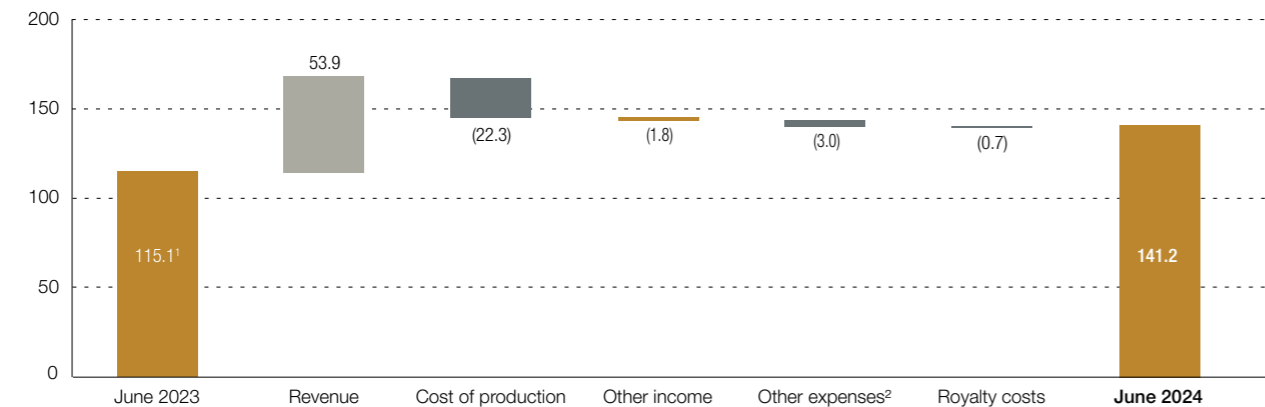
FINANCIAL DIRECTOR'S REVIEW continued

Performance

▲ Positive increase ▼ Positive decrease ▲ Negative increase ▼ Negative decrease ► Unchanged

PROFITABILITY

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.

Adjusted EBITDA[®] for the year ended 30 June 2024 (US\$ million)

¹ Restated due to prior period adjustments, refer to note 40.

² The movement excludes non-mining depreciation and amortisation.

FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2024

US\$ million	2024	Restated 2023	%Δ	
Revenue	373.8	319.9	16.8	▲
Cost of production	(221.2)	(198.9)	11.2	▲
Mining and processing costs	(89.6)	(66.9)	33.9	▲
Salaries and wages	(55.2)	(51.2)	7.8	▲
Electricity costs	(31.1)	(18.7)	66.3	▲
Engineering and technical costs	(25.6)	(44.5)	(42.5)	▲
Other	(19.7)	(17.6)	11.9	▲
Depreciation and amortisation	(21.2)	(20.4)	3.9	▲
Gross profit	131.4	100.6	30.6	▲
Other income	4.1	5.9	(30.5)	▼
Other expenses	(14.5)	(11.4)	27.2	▲
Royalty costs	(1.7)	(0.9)	88.9	▲
Net income before finance income and finance costs	119.3	94.2	26.6	▲
Finance income	1.9	1.1	72.7	▲
Finance costs	(11.8)	(10.2)	15.7	▲
Profit before tax	109.4	85.1	28.6	▲
Income tax expense	(30.6)	(24.6)	24.4	▲
Profit for the period	78.8	60.5	30.2	▲
Adjusted EBITDA	141.2	115.1	22.7	▲
Headline earnings	79.5	60.2	32.1	▲

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

Production costs are incurred in rand, the functional currency of the Group's main operating entities, with translations to US\$ impacted by the 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** increased largely due 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%. The increase in salaries and wages exceeded the annual adjustment because of a 7.6% increase in Barberton Mines' employee headcount 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 reduced 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, increased repairs and maintenance on shaft winders, compressors and conveyor belts and a decrease in costs capitalised to Evander Mines' 24 Level project compared to the prior reporting period. The increase was also driven by higher engineering costs after the implementation of continuous operations at Barberton Mines, kiln repairs and upgrades to Elikhulu's carbon-in-leach plant.

The depreciation and amortisation charge increased by 3.9%, primarily due to the 6.2% increase in gold production. This charge is calculated based on actual RoM production relative to RoM mining tonnes contained in the operations' Mineral Reserve lives. 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.

The gross profit margin[®] increased to 35.2% (2023: restated 31.4%) for the reasons explained above.

Other income decreased by US\$1.8 million largely due to:

- a US\$0.9 million decline in the estimation of the Group's rehabilitation obligation
- a US\$0.7 million decline in insurance compensation
- a US\$0.3 million gain arising from realised derivatives
- a US\$0.4 million increase in the fair value of the environmental rehabilitation fund. The fair value movement recognised in the current reporting period was US\$2.3 million compared to US\$1.9 million recognised in the previous financial year.

Other expenses increased by US\$3.1 million mainly due to a US\$4.4 million increase in costs incurred on the Group's employee incentive scheme to US\$5.3 million (2023: US\$0.9 million) offset by a decrease in corporate office salary costs, which decreased by US\$2.7 million to US\$0.8 million (2023: US\$3.5 million), following the capitalisation of the costs to the MTR project.

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.

The income tax expense for the current reporting period gave rise to an effective tax rate of 28.0%, which is slightly lower than the prior reporting period's restated rate of 28.9%. The 24.4% 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).

FINANCIAL DIRECTOR'S REVIEW continued

Performance

▲ Positive increase ▼ Positive decrease ▲ Negative increase ▼ Negative decrease ► Unchanged

FINANCIAL POSITION AS AT 30 JUNE 2024

US\$ million	2024	Restated 2023	%Δ	
ASSETS				
Property, plant and equipment	567.6	395.2	43.6	▲
Goodwill	16.7	16.1	3.7	▲
Long-term inventory	12.3	12.1	1.7	▲
Investment	3.4	–	>100	▲
Environmental rehabilitation obligation fund	24.8	21.6	14.8	▲
Other	0.9	0.8	12.5	▲
Non-current assets	625.7	445.8	40.4	▲
Inventory	16.4	13.9	18.0	▲
Trade and other receivables	15.2	8.5	78.8	▲
Cash and cash equivalents	26.3	34.8	(24.4)	▼
Other	2.5	1.7	47.1	▲
Current assets	60.4	58.9	2.5	▲
Total assets	686.1	504.7	35.9	▲
EQUITY AND LIABILITIES				
Share capital and premium	273.1	273.1	–	►
Retained earnings	364.6	303.1	20.3	▲
Reserves	(272.5)	(283.8)	(4.0)	▼
Non-controlling interests	(1.1)	(0.5)	>100	▲
Total equity	364.1	291.9	24.7	▲
Environmental rehabilitation obligation	19.7	16.7	18.0	▲
Borrowings	123.1	42.5	>100	▲
Contract liability	–	7.1	(>100)	▼
Share-based payment obligations	6.5	1.9	>100	▲
Deferred tax	85.4	64.3	32.8	▲
Other	2.4	2.9	(17.2)	▼
Non-current liabilities	237.1	135.4	75.1	▲
Trade and other payables	66.4	52.1	27.4	▲
Borrowings	4.7	10.9	(56.9)	▼
Contract liability	7.3	10.6	(31.1)	▼
Share-based payment obligations	4.5	2.4	87.5	▲
Other	2.0	1.4	42.9	▲
Current liabilities	84.9	77.4	9.7	▲
Total liabilities	322.0	212.8	51.3	▲
Total equity and liabilities	686.1	504.7	35.9	▲
CASH FLOW FOR THE YEAR ENDED 30 JUNE 2024				
US\$ million	2024	2023	%Δ	
Cash from operating activities	90.8	100.1	(9.3)	▼
Cash used in investing activities	(169.4)	(112.7)	50.3	▲
Cash from financing activities	69.0	24.9	>100	▲
Net (decrease)/increase in cash and cash equivalents	(9.6)	12.3	(>100)	▼
Cash and cash equivalents at the beginning of the year	34.8	27.0	28.9	▲
Effect of foreign exchange rate changes	1.1	(4.5)	>100	▲
Cash and cash equivalents at the end of the year	26.3	34.8	(24.4)	▼

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\$20.4 million).

The increase in **investment** is attributable to the acquisition of a strategic equity interest in TCMG.

The **return on capital employed[®]** increased by 28.5% (2023: restated 28.0%) due to a 26.6% increase in earnings before interest and taxes and a corresponding 24.5% increase in capital employed. The increase in return on capital employed demonstrates the Group's efficiency in deploying capital to generate profits.

The **Group's net assets** increased to US\$364.1 million (2023: restated 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)), due 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.

The **environmental rehabilitation obligation** increased by US\$3.0 million, mainly as a result of a US\$2.2 million (2023: restated US\$1.8 million) increase associated with the unwinding of the obligation as well as a US\$0.6 million (2023: restated US\$2.1 million (gain)) foreign currency translation reserve loss movement.

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\$4.7 million during the 2025 financial year.

The **contract liability** relates to an 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 primarily 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.

Trade and other payables increased by US\$14.3 million to US\$66.4 million (2023: US\$52.1 million), primarily as a result of a US\$11.1 million increase in accruals associated with the MTR project's construction.

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\$9.3 million mainly as a result of income tax paid which increased by US\$6.5 million to US\$13.0 million (2023: US\$6.5 million) and finance costs paid which increased by US\$5.3 million to US\$11.6 million (2023: US\$6.3 million) offset by a US\$1.7 million decrease in net dividends paid to US\$18.3 million (2023: US\$20.0 million).

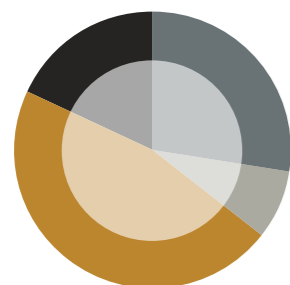
Cash used in investing activities includes capital expenditure on property, plant and equipment of US\$166.2 million (2023: US\$112.7 million).

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).

FINANCIAL DIRECTOR'S REVIEW continued

Pan African has sufficient liquidity at the end of the financial year with access to cash and undrawn debt facilities of US\$95.0 million (2023: US\$84.7 million).

Available cash and undrawn debt facilities (US\$ million)



Cash and cash equivalents	26.3
Available general banking facilities	7.7
Available RCF	44.0
Available term loan facility	17.0

GOLD PRICE HEDGING

The Group's senior debt facilities require that the gold price is hedged on a two-year rolling basis, with the intent of locking in cash flow (available for debt service) of ZAR300 million, to reduce the Group's exposure to volatile movements in the gold price.

The Group currently has the following gold price hedges in place:

- 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/oz¹), for which the Group received an upfront premium of US\$21.6 million¹ (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/oz¹)
- Zero-cost collars: The following gold price hedges were entered into for the 2025 financial year:

	July 2024 to February 2025	March 2025 to June 2025
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 ²	ZAR1,839,663/kg US\$3,146/oz ²
Floor price	ZAR1,250,000/kg US\$2,137/oz	ZAR1,250,000/kg US\$2,137/oz

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

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

CAPITAL ALLOCATION DISCIPLINE

The board is conscious of stakeholder aspirations for sustainable value creation. As a result, all capital allocation decisions are subject to rigorous analysis and predefined risk-adjusted return parameters to ensure this objective is fulfilled. Of paramount importance in all such capital allocation decisions is the Group's ability to successfully execute investment opportunities and realise the requisite risk-adjusted return over the investment horizon. The compelling returns currently being earned on the historical capital invested in the BTRP, Evander Mines' 8 Shaft pillar and Elikhulu bear testimony to our success in this regard.

Our primary investment criterion is to earn a minimum return in excess of the Group's cost of capital, after adjusting for project-specific and sovereign risks. Furthermore, to ensure our returns are robust through the commodity price cycle, we endeavour to invest only in projects that fall into the lower half of the cost curve and where the execution risk is within our capability.

CAPITAL STRUCTURE AND FINANCING ARRANGEMENTS

The Group entered into a term loan and revolving credit facility (RCF) agreement, which provides for a term loan facility amounting to ZAR1.3 billion (US\$70.3 million), designated to fund the MTR project and refinance the existing RCF of ZAR1 billion (US\$54.1 million) with a new maturity date of 30 June 2026. The RCF has a three-year term and provides the Group with access to flexible and cost-effective working capital. The term loan facility has a six-year term, with quarterly repayments.

Performance

▲ Positive increase ▼ Positive decrease ▲ Negative increase ▼ Negative decrease ► Unchanged

Pan African raised a green loan facility of US\$19.2 million during June 2024, to fund its renewable energy projects and further strengthen its liquidity position.

The sustainability-linked bond, RCF, green loan and term loan facility are tied to specific sustainability-linked KPIs, 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. For further details on these KPIs and our sustainability-linked finance framework, refer to **page 95**.

DIVIDENDS

In balancing our aspiration to return cash to shareholders with the Group's strategy of organic and acquisitive growth, Pan African believes a target payout ratio of 40% to 50% of net cash 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 also considers the Company's financial position, future prospects, satisfactory solvency and liquidity assessments and other factors considered by the board to be deemed relevant at the time. The board, having applied its discretion, believes that a dividend in line with the dividend policy is justified for the 2025 financial year given the favourable gold price environment, robust 2025 cash flows and the encouraging prospects for the 2025 financial year.

Proposed dividend for the financial year

ZAR489.0 million for the 2024 financial year (approximately US\$26.8 million, at an exchange rate of US\$/ZAR:18.19), equal to ZA 22.00000 cents per share or approximately US 1.20946 cents per share (0.95611 pence per share). The dividend is subject to approval by shareholders at the AGM in November 2024 and will be declared on the financial results at 31 July 2024 to ensure compliance with section 831 of the Companies Act of 2006 and net asset value test. Refer to dividend note 15 for more information.

The proposed dividend equates to a dividend yield of 3.6% based on the closing share price at 30 June 2024.

The net proposed dividend constitutes a payout ratio of 53.2% of the Group's discretionary cash flows. The payout ratio is indicative of the board's assessment of the sustainability of operations and favourable prospects for the 2025 financial year.

Shareholder returns as at 30 June

	Unit	2024	2023	%Δ	
Levered free cash flow per share [Ⓞ]	US cents per share	1.36	1.13	20.0	▲
Dividend yield at the last traded price [Ⓞ]	%	3.6	5.9	40.0	▼
Levered free cash flow yield per share [Ⓞ]	%	4.08	7.02	41.9	▼
Return on shareholders' funds [Ⓞ]	%	24.0	20.7 ¹	15.9	▲
Return on capital employed [Ⓞ]	%	28.5	28.0 ¹	1.8	▲

¹ Restated due to prior period adjustments, refer to **note 40**.

Over the past financial year, the Group generated levered free cash flow[Ⓞ] of US\$26.0 million (2023: US\$21.7 million), which was adversely impacted by increased finance costs paid, income tax paid and capital expenditure. The levered free cash flow yield per share also decreased due to the increase in the share price by 106.7% to US 33.26 cents over the 2024 financial year.

LOOKING AHEAD

Our primary focus for the coming year is delivering high-margin ounces, in line with our production guidance, and successfully executing capital projects that will sustain and increase gold production in the future. This approach achieves a balance between financial stability, distributions to shareholders and pursuing growth opportunities.

For the upcoming 2025 financial year, our financial focus areas are:

- Monitor the Group's operational optimisation and restructuring initiatives, intended to increase production and reduce costs
- Execute capital projects designed to sustain and increase future gold production
- Ensure adequate liquidity to fund the Group's capital programmes
- Monitor debt levels and senior debt facility compliance as the construction of the MTR project progresses
- Maintain the focus on generating sustainable shareholder returns including cash dividends.

Deon Louw

Financial director

11 September 2024

OUR SUSTAINABILITY-LINKED FINANCE FRAMEWORK

Pan African was one of the first mining companies to issue a sustainability-linked bond in the South African market.

In December 2022, Pan African announced its medium-term note programme, with the potential to issue instruments with a value of up to ZAR5 billion.

These notes are classified as sustainability-linked bonds and sustainability-linked loans and are forward-looking performance-based instruments, incorporating financial and structural characteristics that may differ based on the Group's attainment of specific predefined ESG KPIs. The bond explicitly commits the Group to making future improvements in environmental and social areas that are relevant, core and material to its overall business.

These KPIs are objectively measurable and quantifiable, and an independent third party annually verifies them using a recognised and established methodology, ensuring their accuracy and reliability.

Target KPI	2022	2023	2024	2025	2026	2027	2028	2029	2030
Renewable energy as a percentage of total energy consumption (%)	– ^B	5	7	12	14	15	15	15	–
Land rehabilitated as a percentage of total area to be rehabilitated (%)	– ^B	–	8	16	24	32	36	39	41
TRIFR (per million man hours)	8.95 ^B	8.50	8.08	7.75	7.44	7.22	7.00	6.79	–

^B Baseline.



INTEGRATED THINKING

The sustainability-linked finance framework is the endorsement of our common belief in delivering on our purpose in a sustainable manner.

Pan African, along with its significant operating subsidiaries, serves as the guarantor for the programme, which is listed on the Interest Rate Market of the JSE. The programme is governed by specific financial covenants, which are as follows:

Ratio	Year ending on or before redemption date
Net debt-to-equity	≤ 1:1
Debt service cover	> 1.3:1
Net debt-to-EBITDA	≤ 2:1
Interest cover	> 4:1

The sustainability-linked finance framework specifically focuses on three essential sustainability themes, each accompanied by a relevant KPI and sustainability performance target (SPT). These themes are as follows:

1 Renewable energy – climate change

This KPI monitors renewable energy generation, GHG emissions and energy consumption. The associated SPTs are designed to drive progress towards increased use of renewable energy, reducing emissions and enhancing energy efficiency over a seven-year time horizon.

Target: Achieve a 15% renewable energy mix by 2027

2024 milestone: 6.1%[©] renewable energy mix was attained versus the SPT of 7.0%

2 Land in the process of rehabilitation – biodiversity

The KPI for this theme revolves around soil and land use, ensuring responsible land rehabilitation practices. The SPTs are aimed at restoring and preserving biodiversity. Notably, the MTR project is the sole area where land rehabilitation progress is being evaluated for this SPT.

Target: Achieve 41% land rehabilitation by 2030 on the MTR project

2024 milestone: Achieved the SPT of 9.4%[©] versus 8.0%

3 TRIFR – occupational health and safety

This KPI tracks the Group's performance in ensuring employee safety. The SPT aims to reduce the TRIFR metric within a seven-year time frame.

Target: Achieve year-on-year average improvement of 3.86% in safety performance for the reporting period 2023 to 2030 and a cumulative 24% reduction

2024 milestone: Achievement of the SPT of 6.52[©] per million man hours versus 8.08 per million man hours

Aerial view of Evander Mines' 9.9MW solar plant

OPERATIONAL PERFORMANCE REVIEW

The Group's operational performance in the current reporting period highlights the flexibility and resilience of its gold-producing assets. Production increased by 6.2% to 186,039oz (2023: 175,209oz), demonstrating that steps taken during the financial year to address underlying operational challenges have been effective. This enabled the Group to increase production, reflecting its commitment to operational excellence and its ability to continue delivering value to its stakeholders.

KEY OPERATIONAL FEATURES

- **Barberton Mines:** Production increased by 7.0% which is attributable to the implementation of continuous shift operations at Fairview and Sheba Mines as well as several key initiatives designed to sustain production rates and further optimise mining operations
- **Evander Mines:** Development of the 8 Shaft's 24 and 25 Levels is progressing well, with ramped-up mining operations at 24 Level already contributing to the replacement of ounces as mining from the 8 Shaft's pillar is depleted
- **AISC®:** The Group's AISC® per ounce has increased by 3.4% compared to the prior reporting period, reaching US\$1,354/oz (2023: restated US\$1,309/oz). In response, the Group is actively implementing various initiatives to continually improve gold production and reduce unit costs. Future low-cost production from the MTR project is expected to further reduce the Group's unit costs
- **MTR project:** The project is on schedule for commissioning in October 2024, ahead of schedule, and steady-state production is anticipated in December 2024. The capital cost remains on budget, with no expenditure overruns expected. The project's financial model, based on its definitive feasibility study, was updated to include the latest operating cost estimates,

the forecast US\$/ZAR exchange rate and the US\$ gold price. An internal prefeasibility study for the Soweto Cluster was also completed in March 2024. For the outcome of these studies, refer to the Stock Exchange News Service announcement of 9 May 2024

- **Renewable energy strategy:** The Group's renewable energy strategy plays a crucial role in stabilising the electricity supply to our operations, resulting in cost savings and a reduction in our carbon emissions. This strategic initiative aligns with our broader commitment to sustainable practices and environmental stewardship. Refer to **pages 15 and 81** for further details
- **Security:** The detrimental impact of illegal mining on gold production remains a significant challenge. The economic climate and rising unemployment rates have contributed to an increase in syndicated criminal activities and theft of infrastructure and consumables such as copper, steel and diesel. The implementation of a multifaceted and integrated security strategy, along with improved collaboration with law enforcement, has significantly enhanced our ability to combat the effects of illegal mining and other security risks. The Group's risk and security team remains committed to introducing new technologies, integrated security strategies and collaborative partnerships to safeguard our operations.

	2024	2023	%Δ	
Employees ¹	2,620	2,414	8.5	▲
Contractors ¹	4,746	4,111	15.5	▲
Fatalities	1	1	-	►
TRIFR (per million man hours)	6.52 ²	7.96	(18.1)	▼
LTIFR (per million man hours)	1.82	1.86	(2.2)	▼
RIFR (per million man hours)	0.78	0.81	(3.7)	▼

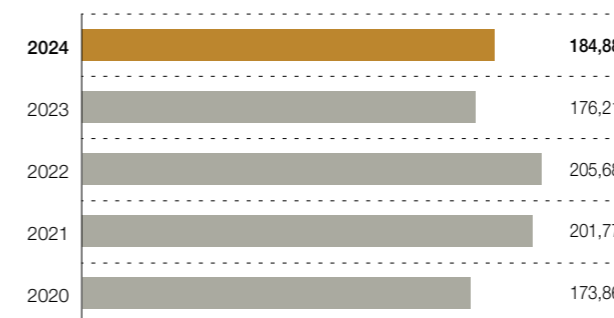
¹ Includes only Barberton Mines and Evander Mines employees and contractors.

Our employees and contractors are fundamental to the sustainability of our business and creating long-term value, and we are deeply saddened by the fatal accident that occurred at Elikhulu during the year. Our employees and contractors are key enablers in the execution of our strategy, which makes it imperative that they are part of an organisational culture that prioritises safety. We continue to encourage and reward safe practices through targeted safety campaigns and incentives in pursuit of our ultimate goal of achieving zero harm.

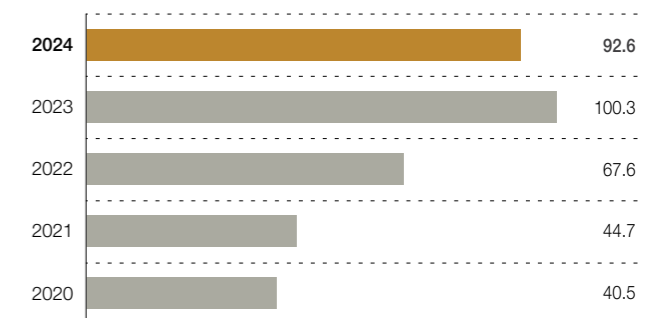
Performance

▲ Positive increase ▼ Positive decrease ▲ Negative increase ▼ Negative decrease ► Unchanged

Gold sold – total operations (oz)



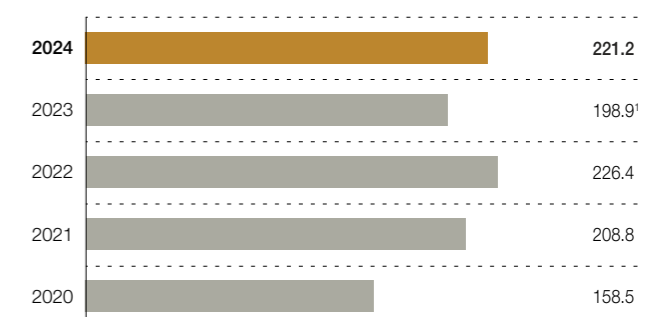
Capital expenditure² – total operations³ (US\$ million)



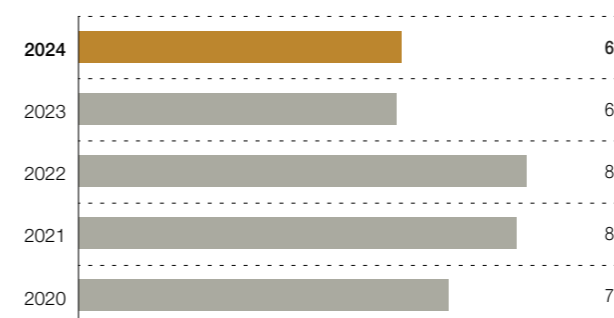
AISC® – total operations (US\$/oz)



Cost of production before depreciation and amortisation (US\$ million)



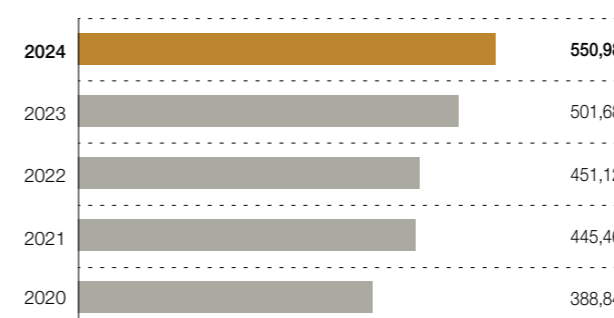
Overall recovered grade – mining operations (g/t)



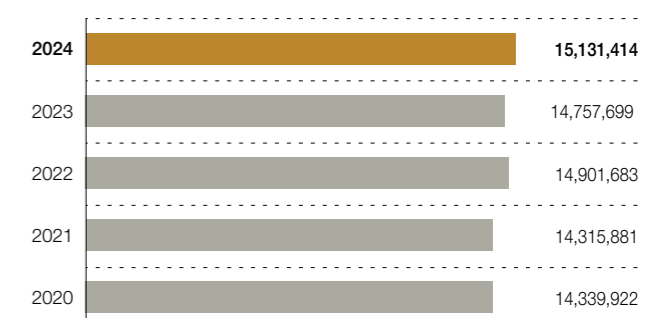
Overall recovered grade – tailings operations (g/t)



Tonnes milled and processed – mining operations (tonnes)



Tonnes milled and processed – tailings operations (tonnes)



¹ Restated due to prior period adjustments, refer to **note 40**.

² Converted to US\$ at the average exchange rate prevailing for the respective period.

³ Includes the Group's current gold mining operations (Barberton Mines and Evander Mines).

OPERATIONAL PERFORMANCE REVIEW continued

BARBERTON MINES

- Three underground gold mines: Fairview Mine, Sheba Mine and Consort Mine
- One tailings retreatment operation: BTRP

MOGOTSI MOKGOJWA*General manager***OVERVIEW OF OPERATIONS**

The Barberton Mines complex has been operating for over 130 years. With a remaining life-of-mine estimated at 20 years, this asset is positioned as a long-life operation in Pan African's portfolio.

These flagship underground mines are regarded as high-grade gold operations that can produce approximately 80,000oz of gold per year, with an excellent long-term safety record.

Sheba Mine is recognised as one of the oldest working gold mines in the world, having commenced its operations in 1885 according to the earliest available records. **Fairview Mine** is recognised as the birthplace of BIOX®, an environmentally friendly process of releasing gold associated with sulphide (refractory) minerals using micro-organisms that perform this process naturally and with excellent recoveries consistently in the region of 98.8%. The BIOX® plant was commissioned in 1988 and is still used as a training facility for BIOX® plants globally.

Barberton Mines also includes the BTRP surface retreatment operation which is located within Fairview Mine's mining right footprint. The BTRP was designed to treat 100,000t of tailings monthly and adds low-cost and low-risk ounces to our production profile.

Significant progress has been made to enhance mining flexibility through several strategic initiatives in recent years. These efforts include targeted development at Fairview Mine, resulting in the establishment of multiple high-grade mining platforms on the MRC and Rossiter orebodies. The transition to continuous operations has led to increased tonnages and grades mined from Fairview's and Sheba's operations, thereby improving mining efficiencies and reducing operating costs.

Several key initiatives have been implemented to sustain production rates and further optimise mining operations:

- Increased reserve delineation drilling to enhance orebody definition, refine resource models and increase confidence in the Mineral Reserves
 - Drilled 3,568m (2023: 5,986m) in the high-grade MRC mining platforms at Fairview Mine, with 14,113m (2024: 12,255m) planned for the 2025 financial year across Barberton Mines
 - Completed diamond core drilling of 1,565m (2023: 2,370m) into the Sheba high-grade ZK orebody
 - Conducted exploration drilling of 2,766m (2023: 1,390m) at Consort, as part of the strategy to locate resources for potential replacement of lower-grade surface sources
 - Explored the Southwall Adit mining block at Sheba Mine to enhance mining flexibility and reduce reliance on lower-grade surface sources.
- Infrastructure improvements and mining efficiencies
 - Introduced and trialled bagged emulsion explosives, with full roll-out across operations planned for the 2025 financial year, aiming to improve development face advance rates and ore fragmentation in stopes, while reducing the cost of explosives going forward and minimising the risk of theft
 - Initiated an advanced centralised blasting system at Fairview, Sheba and Consort Mines, to optimise blasting practices. Full implementation is anticipated to be finalised during the 2025 financial year
 - Installed a grout plant at Fairview to enable underground cement support pumping and reduce the need for bulk transport using the shaft's capacity.

- Increased lateral development
 - Completed geological drilling which resulted in increased lateral development within the ZK orebody to open more ground for the continuation of down-dip mining
 - Progressed development into the up-dip area of the Western Cross orebody, establishing drill platforms for down-dip drilling
 - Established the initial cross-cut, to access the Western Cross orebody, above the Southwall Adit level.

FAIRVIEW AND SHEBA MINES

Continuous operations have improved RoM volumes to an average of 10,666tpm (2023: 10,269tpm), 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).

Exploration remains focused on the down-dip extensions of existing orebodies, specifically the MRC and Rossiter orebodies. Diamond core drilling confirmed the down-dip extensions of the high-grade MRC, Rossiter and Hope Reef orebodies.

Consultants were engaged to produce a deformation and structural model for the MRC orebody, aiding in identifying orebody extensions and additional exploration targets.

Mining operations are active on the 258, 259 and 260 Platforms within the high-grade MRC orebody. The top access of the 261 Platform intersected reef during May 2024. Optimisation of the Rossiter Reef mining methodology has led to improved production, reducing dilution and improving ore grades, enabling Rossiter ore to supplement the higher-grade MRC orebody.

Progress is ongoing on projects aimed at further improving hoisting time and reducing logistical constraints in the 3 Decline. A review of the proposed chairlift installation project, scheduled for completion by the end of the 2025 financial year, identified an opportunity to rehabilitate connected mining ramp infrastructure from 38 to 70 Level adjacent to the 3 Decline. Infrastructure for the grout backfilling for 11 Level mining has also been completed, extending the system up to the 260 Platform in the MRC orebody.

CONSORT MINE

Geotechnical challenges encountered on 42 and 43 Levels in the PC Shaft restricted the mining contractor's access to the higher-grade areas on these and lower levels. While these issues are being resolved, a revised mine plan has been implemented to access lower-grade mining areas on 17 and 37 Levels. This revised mine plan is expected to enhance operational performance during the first half of the 2025 financial year.

¹ Converted at an exchange rate of US\$/ZAR:18.00.

**COST-SAVING AND PRODUCTION
IMPROVEMENT INITIATIVES****Commissioning an 8.75MW solar plant**

We have constructed an 8.75MW solar plant, located at the Fairview operation. This solar plant is expected to yield significant benefits, including annual cost savings and reducing carbon dioxide emissions by approximately 14,000t to 15,000t annually. With an economic life exceeding 25 years, the plant is expected to generate power well beyond the mine's current 20-year life-of-mine, based on existing Mineral Reserves estimates.

All the necessary permits, including water use licences, environmental approvals and registration with the National Energy Regulator of South Africa have been secured. Construction, mechanical assembly and installation of solar trackers were completed by June 2024 as scheduled. Test work to ensure compliance with operational standards and regulatory requirements is underway, with initial power generation achieved in August 2024.

The solar plant is expected to fulfil 15% of Barberton Mines' energy requirements, with annual electricity cost savings of approximately US\$2.4 million¹ at current Eskom tariffs. The project is being funded through a green loan facility finalised in June 2024, which also provides an appropriate option for funding requirements of future renewable energy projects.

**Optimised infrastructure plans for an improved
production profile**

Rehabilitation of existing mining ramp infrastructure from 38 to 70 Level adjacent to the 3 Decline at Fairview Mine will enable efficient transport of employees and material using trackless mechanised utility vehicles. This improvement increases RoM hoisting capacity in the 3 Decline, thereby also increasing capacity for mining activities in the deeper sections of Fairview Mine. A grout backfill plant has been installed at Fairview Mine, allowing the pumping of backfill from the surface down the decline system, replacing the historical method of transporting cement bags, thereby alleviating logistical constraints on the 3 Decline and improving hoisting time for high-grade ore from the MRC and Rossiter orebodies.

An integrated drilling and production plan has been formulated to align exploration and grade control drilling with the short-, medium- and long-term mine plans, mitigating risks and improving the conversion of Mineral Resources to Mineral Reserves. The implementation of electronic radio frequency waste and reef tagging systems at Fairview and Sheba Mines enables real-time ore tracking from underground to the processing plant.

OPERATIONAL PERFORMANCE REVIEW continued

Installation of the Mineware Syncromine production reporting and management system has been completed, enhancing production insights and facilitating expedient decision-making through detailed reporting on production data and labour-related information.

An underground training centre was constructed at Fairview Mine's 20 Level. The new training centre is a practical hub enabling employees to attain Level A and B competency certifications and provides a realistic underground environment where employees can gain hands-on experience and develop essential skills required for efficient and safe mining operations. By achieving these certifications, employees demonstrate their proficiency in fundamental mining skills, ensuring they meet the standards necessary for productive and safe work in the mine.

Exploration drilling for target identification remains a key focus at Barberton Mines, which faces operational challenges due to the geological variability and the complexity inherent in its greenstone orogenic orebodies. These orebodies, characterised by gold deposits hosted in shear zones within the greenstone belts, exhibit significant variations in metal content and mineralised extents along both strike and down-dip directions. To address these challenges, we have continued our rigorous exploration programmes throughout the financial year, focusing on identifying additional mining opportunities in the form of high-grade platforms within Fairview's MRC and Rossiter orebodies.

During the current reporting period, up to four large high-grade platforms (258, 259, 260 and 261 Platforms) were available for mining or on-reef development in the MRC orebody, along with two platforms within the Rossiter orebody. Development towards the down-dip 262 Platform in the MRC orebody is also progressing as planned.

BARBERTON TAILINGS RETREATMENT PLANT

The BTRP produced 18,888oz (2023: 19,875oz) for the 2024 financial year at an AISC[®] of US\$669/oz (2023: restated US\$717/oz). Processing 828,392Mt of tailings material (2023: 921,753Mt), it 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 source, including historical tailings material from the Fairview top area and other low-grade tailings material from the Fairview solar plant site, supplemented feed to the BTRP plant.

The BTRP has access to near-term surface sources that will sustain production for another two years, albeit at a reduced production profile, during which time the development of the Sheba Fault project and other initiatives will provide for the BTRP's longer-term supply needs.

SHEBA FAULT PROJECT

Studies are currently advancing to optimise the mining and transport of resources from the Sheba Fault project to the BTRP. Progress to date includes:

- optimisation of the current eight-year Royal Sheba life-of-mine plan, targeting estimated production of approximately 235,000oz of gold at an average mining grade of 3g/t. The orebody remains open at depth, indicating the potential for a further extension of the mineralisation
- the Western Cross orebody is open at depth and currently only mined above the Southwall Adit elevation at Sheba Mine. This 10m-wide orebody is a lower-grade (3g/t to 4g/t), free-milling deposit and is suitable for bulk mining. This will further supplement feed material to the BTRP. Drilling planned for the 2025 financial year will inform an update to the geological model, defining available Mineral Resource blocks and support revisions of the feasibility study.

FOCUS FOR 2025

Our objective is to continually enhance our industry-leading safety performance while consistently delivering high-margin ounces, consistent with our production guidance of approximately 100,000oz per annum from the Barberton Mines complex. Additionally, we are actively pursuing value-accretive growth opportunities within our orebodies.

Our track record demonstrates our ability to replenish Mineral Resources and Mineral Reserves through effective brownfield exploration. We are also exploring organic growth projects, such as the Sheba Fault project, to further bolster the sustainability and longevity of our operations.

For the upcoming 2025 financial year, our key focus areas are:

- Reducing underground unit costs
- Increasing production flexibility
- Enhancing infrastructure utilisation by advancing the Sheba Fault project
- Commencing rehabilitation of the connected mining ramp infrastructure, adjacent to Fairview Mine's 3 Decline, from 38 to 70 Level
- Extending the mines' Mineral Reserves through comprehensive definition and infill drilling programmes
- Identifying additional exploration targets using advanced modelling and geophysical techniques, followed by exploration drilling
- Rolling out bagged emulsion explosives across the operations
- Installing and implementing an advanced centralised blasting system
- Commissioning the Fairview Mine solar plant early in the first quarter of the 2025 financial year to reduce carbon emissions and operating costs, while ensuring a reliable electricity supply for Barberton Mines.

EVANDER MINES

Underground mining and
surface sources operations

ITUMELENG PHOSHOKO

General manager



OVERVIEW OF OPERATIONS

Evander Mines' underground operations are focused on mining the 24 Level, substituting production volumes from 8 Shaft's pillar, consistent with the mine plan.

Steady-state production from 24 Level is anticipated to reach approximately 35,000oz annually. Once development of 25 Level is completed in the 2026 financial year, Evander Mines' underground production, excluding projected production from Egoli, is expected to increase to an average of approximately 65,000oz annually over the remaining 11-year life of the 8 Shaft.

Plans are also in place for sweeping and vamping operations in 7 Shaft, with the gold from these operations included in the scheduled production plan over the next two years.

24 AND 25 LEVELS

Development of 8 Shaft's 24 and 25 Levels is progressing well, with ramped-up mining operations at 24 Level already contributing to the replacement of ounces as mining from the 8 Shaft's pillar is depleted. Significant capital expenditure has been invested in these levels to improve and optimise infrastructure, and to ensure sustainable production of an average of approximately 65,000oz annually over the mine's life.

Phase 2 of the refrigeration plant's construction was completed and successfully commissioned during the 2024 financial year. This 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.

To further optimise operations, conversions are underway to the existing ventilation shaft between 8 Shaft's 17 and 24 Levels to enable hoisting of rock capacity. The design capacity is 40,000t per month, and this will reduce the reliance on the ageing conveyor belt system and simplify the ore handling process. The ventilation shaft and associated conveyor systems for rock hoisting are scheduled for commissioning during the first quarter of the 2025 financial year.

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 planned mining method for 25 Level combines mechanised trackless on-reef and conventional breast mining.

EGOLI PROJECT

7 Shaft's Egoli project is a stand-alone underground operation which will utilise existing mining and metallurgical infrastructure, including 7 Shaft's hoisting systems and processing facilities at the Kinross metallurgical plant. Egoli will use a mining method similar to 8 Shaft's 25 Level, which combines mechanised trackless on-reef development and conventional breast mining.

Egoli will be accessed directly from 7 Shaft's 15 Level using existing declines down to 19 Level, where a new on-reef decline will be established to access the orebody down to 23 Level. All the required permits for the Egoli project, valid until 2038 under Evander Mines' mining right, 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.

FOCUS FOR 2025

Our primary objective for the upcoming year is to achieve optimal performance at our underground operations. We are committed to maximising the value extracted from our orebody through continuous optimisation, adherence to mine plans and diligent management of capital expenditure which is aligned with mining requirements and our organic growth objectives.

To accomplish these goals, we have identified several key focus areas for the year ahead:

- Commissioning the ventilation shaft for hoisting
- Prioritising the development of the raise lines on 24 Level to extract the ore to sustain the 24 Level steady-state production
- Initiating development towards the 25 Level orebody
- Commencing with Egoli's long-inclined borehole drilling delineation programme
- Continuation of brownfield exploration programmes to identify additional organic growth opportunities within Evander Mines' existing mining right.
- Through a focused and dedicated approach to fulfilling these objectives, we have confidence in our ability to drive performance and pursue sustainable growth in the year ahead.

OPERATIONAL PERFORMANCE REVIEW continued

ELIKHULU

FANIE DE WET

General manager



OVERVIEW OF OPERATIONS

Elikhulu, Pan African's flagship tailings retreatment operation, distinguishes itself as one of Southern Africa's lowest-cost gold mining operations. In 2024, it produced 54,812oz (2023: 50,573oz) at an AISC[®] of US\$1,034/oz (2023: restated US\$989/oz), despite challenges such as disruptions to the electricity supply and adverse weather conditions during the rainy season in November and December. Following the successful installation of a 6km pipeline and the commissioning of the Leslie/Bracken pump station in September 2022, gold production is expected to remain unchanged for the 2025 financial year. The operation has a remaining mine life of nine years.

The plant currently processes approximately 1.2Mt of historical tailings per month from the existing Leslie/Bracken TSF. By reprocessing these tailings, the operation deposits processed residues into a single, more modern TSF site, thereby reducing its ecological footprint. Phase 2 of the expanded Elikhulu TSF was completed on time and within budget, and this modern facility adheres to the latest global standards for tailings management, ensuring adequate capacity for future remaining operations including residues from Evander Mines' underground operations.

The Kinross phase 1 TSF extension is lined to mitigate the risk of underground seepage and pollution underscoring our commitment to addressing the environmental impact of historical tailings depositions.

Elikhulu's operation features a technologically advanced, automated plant with a low labour contingent, high throughput and relatively short pumping distances. Its innovations include a modern extraction process that eliminates the need for regrind mills and thickeners. The plant supplements recirculated process water with non-potable water pumped from nearby underground operations and potable water from our reverse osmosis water treatment plant.

The Group designs its tailings plants to incorporate a high oxygen mass transfer pre-oxidation step to improve gold extraction. The remaining activities are also automated to some degree, with the latest in hydro-mining technology employed. These factors contribute to a safe working environment while production costs remain low.

Elikhulu is a testament to Pan African's ability to conceptualise, plan and construct substantial growth projects ahead of schedule and within budget. The Group has successfully delivered three such projects of this nature to date with the fourth project, the MTR project, due for commissioning during the next financial year.

The design of Elikhulu's TSF entailed a significant expansion and construction effort from 2017 and thereafter phase 1 expansion during 2019. This expansion coincided with the construction of the plant and its associated infrastructure. As part of the phase 2 expansion, the existing Kinross TSF footprint will be reutilised once the reclamation process is completed. Phase 2 of the Elikhulu TSF was commissioned in January 2024, and construction is currently underway for phases 3 and 4, constituting the final stages of Elikhulu's TSF extension.

In May 2022, Pan African became the first South African mining company to commission a utility-scale, grid-tied solar plant at Evander Mines. The solar plant, with a capacity of 9.9MW, supplies clean energy to Elikhulu, meeting approximately 30% of its annual power needs. This solar plant significantly reduces Elikhulu's GHG footprint.

Climate change has disrupted traditional rainfall patterns, leading to more intense rainfall and electrical storms over shorter periods, compelling operations to adapt to managing increased water volumes.

The national grid's unreliable electricity supply has caused operational disruptions and process interruptions, resulting in production delays. Unplanned power outages and ageing infrastructure exacerbate these challenges, leading to production losses, which may result in missed production targets in the short term.

While excess rainwater is manageable, severe lightning and subsequent power outages adversely impact production by reducing pumping capacity and hindering water removal from mining areas, which may take hours to drain after power is restored and production can commence.

Despite these challenges, Elikhulu has increased its production levels compared to the previous financial year, demonstrating management's ability to deal with production challenges. The installation of Evander Mines' solar plant has, however, significantly alleviated electricity supply constraints, reducing the operation's reliance on the national grid.

FOCUS FOR 2025

Our goal for the coming year is to maintain our performance at the surface operations. Our focus areas for the year ahead include:

- completing the construction of phases 3 and 4 of Elikhulu's TSF extension
- the installation of a briquette cyanide make-up facility, which will ensure cyanide availability in the event of supplier logistical constraints
- continuing to invest in sustaining capital projects, focused on maintaining Elikhulu's infrastructure.

TAILINGS MANAGEMENT

JONATHAN IRONS

Group consulting metallurgist and executive accountable for tailings



OVERVIEW OF OPERATIONS

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 benchmark its TSF management in accordance with global standards. Below is an overview of the Group's efforts to comply with regulatory requirements, as far as reasonably practicable, and the implementation of measures to ensure safe and responsible TSF management.

We recognise the importance of adhering to the global standards and guidelines for TSF management. In August 2020, the GISTM was launched by the International Council on Mining and Metals, the United Nations Environment Programme and the Principles for Responsible Investment. The GISTM emphasises the safe management of TSFs, community engagement, governance and the requirement for independent reviews.

To ensure continuous progress towards compliance with the GISTM to the extent feasible, Pan African has conducted internal audits and studies in recent years to assess its TSF management against the GISTM standards. In the 2023 financial year, an ITRB, consisting of three qualified external members, was appointed. This board conducted a formal audit of Pan African's TSFs, and its assessment report was released in June 2023. Notably, certain TSFs operated by Pan African have been categorised as high-impact due to their proximity to local communities and water sources. Following the audit, an action list was developed as part of an implementation plan, which considers budgetary requirements and prioritises critical issues.

The majority of the Group's TSFs were constructed before the implementation of the GISTM. Pan African is committed to the Principles for Responsible Investment with the intention that all its tailings facilities adhere to the GISTM within the context of principle 4.7, also known as the ALARP (as low as reasonably practicable) principle. We have assessed the Group's TSFs and our adherence to the ALARP principle in the GISTM. The assessment was completed in June 2024, and the findings are currently under review.

Pan African prioritises effective tailings dam management across its operations. Each TSF site appoints a competent person from a recognised tailings management company to oversee monitoring and ensure compliance with legislation and the Group's internal codes of practice. Following the GISTM recommendations, Pan African made the following appointments:

- An executive accountable for tailings management in June 2022
- A tailings facility engineer in June 2022, responsible for the robust management of the TSFs
- The Engineer of Record for Barberton Mines, who also serves as the Engineer of Record for Evander Mines.

Considering that the majority of Pan African's TSFs were constructed before the introduction of the GISTM, the Group has actively engaged in ongoing assessments to identify and address any compliance deficiencies, to the extent reasonably practicable. Noteworthy progress has been made, including the following:

- Phase 2 of Elikhulu's TSF extension was commissioned in January 2024
- The construction of phases 3 and 4 of the extension commenced in December 2023; construction is expected to be completed in the second quarter of the 2025 financial year
- Design proposals for the MTR project's TSF will be evaluated during the first quarter of the 2025 financial year.

FOCUS FOR 2025

Our focus areas for the year ahead include:

- constructing and commissioning phases 3 and 4 of Elikhulu's TSF extension
- continued assessment and addressing critical issues, in line with our implementation plan, in response to the ITRB's audit findings
- developing an action list and implementation plan that prioritise critical issues, in response to the ALARP principle assessment
- design proposals for the MTR project's TSF will be evaluated during the first quarter of the 2025 financial year.

OPERATIONAL PRODUCTION

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	t	250,744	192,050	442,794	–	–	–	–	250,744	192,050	442,794
2024											
2023		235,028	159,063	394,091	–	–	–	–	235,028	159,063	394,091
Tonnes milled – surface	t	108,192	–	108,192	–	–	–	–	108,192	–	108,192
2024											
2023		107,594	–	107,594	–	–	–	–	107,594	–	107,594
Tonnes milled – total underground and surface	t	358,936	192,050	550,986	–	–	–	–	358,936	192,050	550,986
2024											
2023		342,622	159,063	501,685	–	–	–	–	342,622	159,063	501,685
Tonnes processed – tailings	t	–	–	–	828,392	–	14,198,865	15,027,257	828,392	14,198,865	15,027,257
2024											
2023		–	–	–	921,753	–	13,587,371	14,509,124	921,753	13,587,371	14,509,124
Tonnes processed – surface feedstock	t	–	–	–	–	104,157	–	104,157	–	104,157	104,157
2024											
2023		–	–	–	–	248,575	–	248,575	–	248,575	248,575
Tonnes processed – total tailings and surface feedstock	t	–	–	–	828,392	104,157	14,198,865	15,131,414	828,392	14,303,022	15,131,414
2024											
2023		–	–	–	921,753	248,575	13,587,371	14,757,699	921,753	13,835,946	14,757,699
Tonnes milled and processed – total	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
2024											
2023		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
Tonnes capacity	t/annum	432,000	240,000	672,000	1,200,000	Not reported	14,400,000	15,600,000	1,632,000	14,640,000	16,272,000
2024											
2023		432,000	138,000	570,000	1,200,000	–	14,400,000	15,600,000	1,632,000	14,538,000	16,170,000
Head grade – total	g/t	6.8	6.6	6.7	1.3	1.3	0.3	1.3	3.0	0.4	0.6
2024											
2023		6.5	6.7	6.5	1.4	1.2	0.4	1.4	2.8	0.4	0.6
Overall recovered grade	g/t	6.2	6.2	6.2	0.7	0.8	0.1	0.2	2.4	0.2	0.4
2024											
2023		5.9	6.4	6.1	0.7	0.9	0.1	0.2	2.1	0.2	0.4
Overall recovery – underground	%	92	94	93	–	–	–	–	92	94	93
2024											
2023		91	96	93	–	–	–	–	91	96	93
Overall recovery – tailings	%	–	–	–	53	60	35	39	53	60	39
2024											
2023		–	–	–	47	74	32	37	47	74	37
Gold produced – underground	oz	67,513	38,285	105,798	–	–	–	–	67,513	38,285	105,798
2024											
2023		60,477	33,256	93,733	–	–	–	–	60,477	33,256	93,733
Gold production – surface operations	oz	3,957	–	3,957	–	–	–	–	3,957	–	3,957
2024											
2023		4,109	–	4,109	–	–	–	–	4,109	–	4,109
Gold produced – tailings	oz	–	–	–	18,888	–	54,812	73,700	18,888	54,812	73,700
2024											
2023		–	–	–	19,875	–	50,573	70,448	19,875	50,573	70,448
Gold produced – surface feedstock	oz	–	–	–	–	2,584	–	2,584	–	2,584	2,584
2024											
2023		–	–	–	–	6,919	–	6,919	–	6,919	6,919
Gold produced – total	oz	71,470	38,285	109,755	18,888	2,584	54,812	76,284	90,358	95,681	186,039
2024											
2023		64,586	33,256	97,842	19,875	6,919	50,573	77,367	84,461	90,748	175,209 ¹
Capacity	oz/annum	110,000	40,000	150,000	25,000	Not reported	75,000	100,000	135,000	115,000	250,000
2024											
2023		110,000	40,000	150,000	25,000	–	75,000	100,000	135,000	115,000	250,000
Gold sold – total	oz	70,732	38,477	109,209	18,827	2,584	54,265	75,676	89,559	95,326	184,885
2024											
2023 ²		64,941	32,898	97,839	20,087	6,919	51,371	78,377	85,028	91,188	176,216

¹ Includes gold equivalent production of osmiridium concentrate.² Restated due to prior period adjustments, refer to note 40.

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
Average ZAR gold price received	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
2024											
2023 ²		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	US\$/oz	2,065	1,893	2,005	2,071	1,841	2,026	2,031	2,067	1,967	2,015
2024											
2023 ²		1,837	1,881	1,852	1,767	1,754	1,758	1,760	1,820	1,802	1,811
ZAR cash cost	ZAR/kg	896,195	745,000	842,925	388,448	1,307,957	563,605	545,443	789,455	656,999	721,161
2024											
2023 ²		815,858	610,129	746,682	403,671	937,904	520,041	527,104	718,481	584,247	649,018
ZAR AISC [⊕]	ZAR/kg	1,068,831	785,928	969,157	402,151	1,307,957	621,943	590,685	928,680	706,729	814,243
2024											
2023 ²		1,028,634	635,728	896,519	412,041	981,523	565,106	562,636	882,967	622,180	748,015
ZAR AIC [⊕]	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
2024											
2023 ²		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	US\$/oz	1,490	1,238	1,401	646	2,174	937	907	1,312	1,092	1,199
2024											
2023 ²		1,428	1,068	1,307	707	1,642	910	923	1,258	1,023	1,136
US\$ AISC [⊕]	US\$/oz	1,777	1,307	1,611	669	2,174	1,034	982	1,544	1,175	1,354
2024											
2023 ²		1,800	1,113	1,569	721	1,718	989	985	1,545	1,089	1,309
US\$ AIC [⊕]	US\$/oz	1,923	2,719	2,203	672	2,174	1,300	1,174	1,660	1,896	1,782
2024											
2023 ²		1,841	2,956	2,216	739	1,718	1,323	1,208	1,581	1,942	1,768
ZAR cash cost	ZAR/t	5,493	4,643	5,197	275	1,009	67	85	1,852	134	264
2024											
2023 ²		4,810	3,925	4,529	274	812	61	87	1,503	118	233
Capital expenditure	ZAR million	401.6	1,016.9	1,418.5	9.3	–	304.9	314.2	410.9	1,321.8	1,732.7
2024											
2023		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	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
2024											
2023 ²		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	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
2024											
2023 ²		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
AISC [⊕]	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
2024											
2023 ²		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
AIC [⊕]	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
2024											
2023 ²		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 [⊕]	ZAR million	765.6	520.3	1,285.9	409.2	(16.1)	1,041.6				

ABRIDGED MINERAL RESOURCES AND MINERAL RESERVES REPORT



COMPETENT PERSON

Hendrik is Pan African's competent person and signs off on the estimated Mineral Resources and Mineral Reserves report for the Group.

HENDRIK PRETORIUS

Executive: technical services and new business

Hendrik is a member of the South African Council for Natural Scientific Professions (SACNASP No. 400051/11) and a member in good standing of the Geological Society of South Africa (GSSA No. 965978). He has 21 years of experience in economic geology, mineral resource management and mining (surface mining and shallow to ultra-deep underground mining).

He holds a BSc (Hons) degree in Geology from the University of Johannesburg as well as a Graduate Diploma in Mining Engineering (GDE) from the University of the Witwatersrand.

Hendrik has reviewed and approved the information contained in this abridged Mineral Resources and Mineral Reserves report as it pertains to Mineral Resources and Mineral Reserves and has provided written confirmation to Pan African that the information is compliant with the SAMREC Code and, where applicable, the relevant requirements of section 12 of the JSE Listings Requirements and Table 1 of the SAMREC Code, and may be published in the form and context in which it appears.

This is an abridged version of Pan African's Mineral Resources and Mineral Reserves report 2024 which was prepared in accordance with the SAMREC Code and reflects the Group's position at 30 June 2024. To obtain a complete understanding, it should be read in conjunction with the entire reporting suite available on our website at: www.panafricanresources.com.

GROUP OVERVIEW

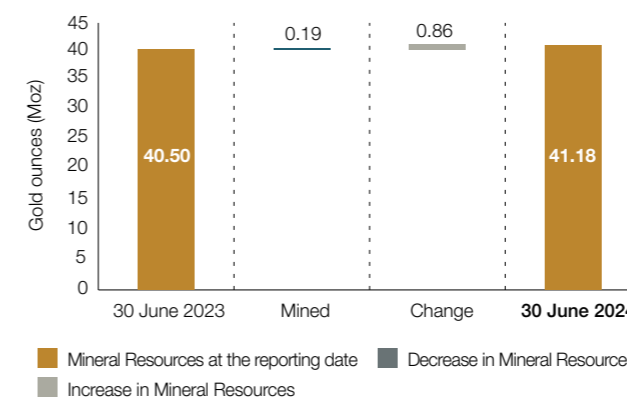
This report only includes attributable Mineral Resources and Mineral Reserves for Pan African and does not consider any exploration targets. The Mineral Resources component in this report includes Mineral Reserves, unless otherwise indicated. Estimated Mineral Reserves are reported inclusive of diluting and contaminating material delivered to the respective metallurgical plant for treatment and beneficiation.

GROUP MINERAL RESOURCES

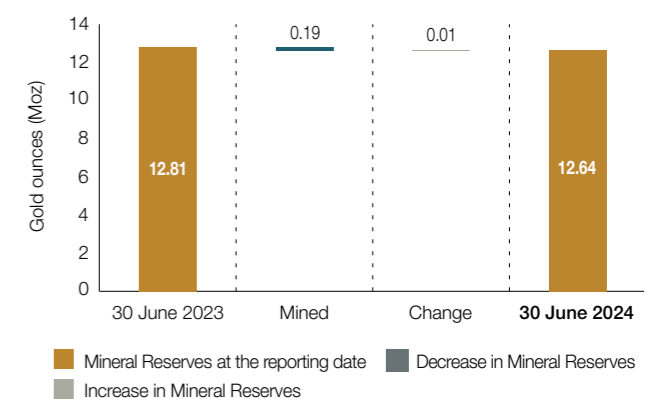
Category	Estimated Mineral Resources							
	At 30 June 2024				At 30 June 2023			
	Tonnes million	Contained gold		Moz	Tonnes million	Contained gold		Moz
Grade g/t		Tonnes gold	Grade g/t			Tonnes gold		
Indicated	57.1	1.68	96.2	3.09	61.0	1.77	107.7	3.46
Measured	409.1	1.72	704.9	22.66	413.0	1.67	688.6	22.14
Measured and Indicated	466.3	1.72	801.2	25.76	474.0	1.68	796.3	25.60
Inferred	106.6	4.50	479.7	15.42	107.0	4.33	463.5	14.90
Total	572.8	2.24	1,280.9	41.18	581.0	2.17	1,259.8	40.50

Estimated Mineral Resources increased by 1.7%, mainly as a result of the drilling campaign at the Sheba dormant TSF for the BTRP and changes in the cut-off grade applied at the Evander Mines areas. Additional Mineral Resource blocks were reported at Barberton Mines' Fairview operation. Changes in the cut-off grade are a result of the higher production cost used in the cut-off grade estimations relative to the previous declarations as well as an increase in the gold price assumed (June 2024: ZAR1,100,000/kg Au – June 2023: ZAR950,000/kg Au).

Estimated Mineral Resources reconciliation



Estimated Mineral Reserves reconciliation



Category	Estimated Mineral Reserves							
	At 30 June 2024				At 30 June 2023			
	Tonnes million	Contained gold		Moz	Tonnes million	Contained gold		Moz
Grade g/t		Tonnes gold	Grade g/t			Tonnes gold		
Proved	38.0	1.07	40.6	1.30	42.6	0.97	41.3	1.33
Probable	360.8	0.89	352.6	11.33	365.7	0.89	357.0	11.48
Total	398.8	0.91	393.2	12.64	408.3	0.90	398.3	12.81

Mineral Reserves decreased by 1.3% due to mining depletion evident at the BTRP, Fairview and Sheba operations at Barberton Mines as well as at Elikhulu. Increases in the Mineral Reserves were observed for Barberton Mines' surface marginal-grade stockpiles, Consort Mine and Evander Mines' 8 Shaft.

ABRIDGED MINERAL RESOURCES AND MINERAL RESERVES REPORT

continued

GEOLOGICAL/RESOURCE ESTIMATION METHODOLOGY

Geological modelling

The grade and the structure of the orebodies exploited by the Group are highly erratic, and most of the data for evaluating resource blocks is derived from development adjacent to the mining blocks and from the position of the present and historical mining areas along with diamond drill hole information. The data is continuously evaluated for representativeness and accuracy. During the year, no discrepancies in data accuracy were noted. The continuity of grade values within the ore shoots is derived primarily from short-range statistical projections, based on historical mining measurements of the orebody, the study of its tectonic structure and continuity modelling such as variography and trend analyses.

The tectonic structure and orebody geometry have been modelled using the Lynx orebody modelling system (StopeCAD) and Datamine Studio RM®. These systems allow for the 3D structure of the mineralised volume to be modelled, modified and viewed graphically. These 3D models can be adjusted as new data becomes available. These systems are used to visualise grade continuity and assist in mine planning.

Resource estimation

During grade control, both diamond-cored drill holes and underground channel/chip sampling results are utilised. A minimum sampling width of 230cm is used in the case of mechanical mining and 20cm for conventional scraper-type stoping. Where the reef width is narrower, hanging wall and footwall waste samples are included to mimic practical mining parameters. Exploration diamond drill holes and sampling are conducted over a sample width of 50cm within the mineralised or lithological contacts. Drilling is also conducted on the tailings material that is re-treated at the BTRP, Elikhulu and the MTR plant currently undergoing construction. In these cases, the samples from either auger drilling, dual drilling or sonic drilling are sampled at 150cm intervals.

All the samples are transported from the Group's Barberton assets and Evander assets to the SGS Barberton assay laboratory (SGS Barberton) located close to Barberton Mines. The West Rand asset's samples are transported to the SGS Performance assay laboratory (SGS Performance) located in Randfontein. SGS Barberton and SGS Performance are independent South African National Accreditation System-accredited assay laboratories (T0565 and T0265, respectively) and are certified to conduct the relevant gold analyses. During transportation and submission, the samples are accompanied by a representative from the Company (either a geologist or sampler) and a sample dispatch note. Sample preparation and assaying are conducted by SGS Barberton or SGS Performance. Preparation of the samples includes the drying of the sample at 110°C, followed by crushing to 85% passing 2.36mm. Between 0.5kg and 0.75kg of crushed material is subsampled and pulverised using Rocklabs LM2 and RM2000 pulverisers to 85% passing 75µm. A 25g (grade control) or 50g (exploration) aliquot is blended with a premix flux for fire assay purposes. Low-grade orebodies are analysed using atomic absorption spectrometry while high-grade orebodies employ a parted gravimetric finish.

An in-house quality assurance and quality control (QA/QC) system is implemented, where certified reference material (CRM) is employed to indicate the accuracy of the assaying procedure. For exploration, up to 10% of the samples are reassayed for precision tests and are accompanied by CRMs at a 10% frequency rate. A two-times standard deviation from the expected CRM assay values retrieved is employed as a failing criterion in the QA/QC system and triggers a reassaying procedure of the total batch analysed. All exploration samples retrieving grades in excess of 10g/t are immediately reassayed and will employ a gravimetric finish to validate the grades achieved.

Mineral Resource estimation (MRE) at Sheba and Consort Mines uses an inverse distance weighted grade and orebody width estimate within a limited search ellipse defined for each orebody specifically. At Fairview and the Sheba Fault project (located within the Sheba mining right), an ordinary kriging MRE is conducted for the various resource classification criteria. The MRE method employed for generating local grade estimates at Evander Mines is ordinary kriging. Tailings resources at the BTRP, Elikhulu and the MTR plant are estimated utilising ordinary kriging. The search ellipse employed during the kriging process is in line with the orebody dimension and modelled variogram ranges. In all cases, historical data is employed during the MRE due to the rich history of mining and exploration in the areas. All historical data is continuously evaluated relative to newly acquired data for representativeness. During the reporting period, no inconsistencies were noted in the historical or new data.

Extreme high-grade samples are evaluated per orebody and capped to an acceptable maximum grade for each orebody and operation specifically. These high grades are identified by sample statistics, histograms and probability plots. The capped high-grade samples are employed for the MRE of each orebody and aim to limit the possible overestimation of grade by reducing uncommonly high-grade values during the MRE.

Mineral Resources classification

During an ordinary kriging MRE, a Measured Resource block is defined as a block estimated within the modelled variogram range with a slope of regression not less than 70% into parent cells not larger than 30m by 30m. This effectively reports a Measured Resource within 50m of sufficient representative sampling. Blocks of Measured Resources estimated through an inverse distance weighted method are generally 20m on strike and 10m in the dip direction of actual mining.

Blocks of Indicated Resources are defined where sampling values and local geological information are available. Both the grades and orebody widths are either estimated using an inverse weighted estimate or ordinary kriging. The Indicated Resource extends up to the modelled variogram ranges of a sufficiently sampled area with a slope of regression not less than 50%. Grades and widths are mostly interpolated into the Indicated Resource blocks which are 60m by 60m in size.

Inferred Resource blocks are characterised by a regional grade and width obtained from arithmetic means, Sichel's t-estimates and macro ordinary kriging. Inferred Resource blocks are extrapolated to double the modelled variogram range or grade continuity for each orebody into parent cells of 120m by 120m in size.

Mineral Reserves conversion

Indicated Mineral Resources are converted to Probable Mineral Reserves due to the lower confidence mainly in grade continuity relative to that of Measured Mineral Resources. In most instances, Measured Mineral Resources are converted to Proved Mineral Reserves. Certain Measured Mineral Resources are not immediately accessible for mining and require development or equipping. Under these circumstances, Measured Mineral Resources have been converted to Probable Mineral Reserves. Mineral Reserves are reported inclusive of diluting and contaminating material delivered to the relevant metallurgical plant for treatment and beneficiation. Measured and Indicated Mineral Resources are only converted into a Mineral Reserve once a mine plan with positive economic parameters, inclusive of all modifying factors, is achieved. Inferred Mineral Resources are not converted to Mineral Reserves, nor are Inferred Mineral Resources utilised in feasibility studies.

ASSESSMENT AND REPORTING IN COMPLIANCE WITH THE SAMREC CODE

To meet the requirements of the SAMREC Code, the material reported as Mineral Resources should have reasonable and realistic prospects for eventual economic extraction.

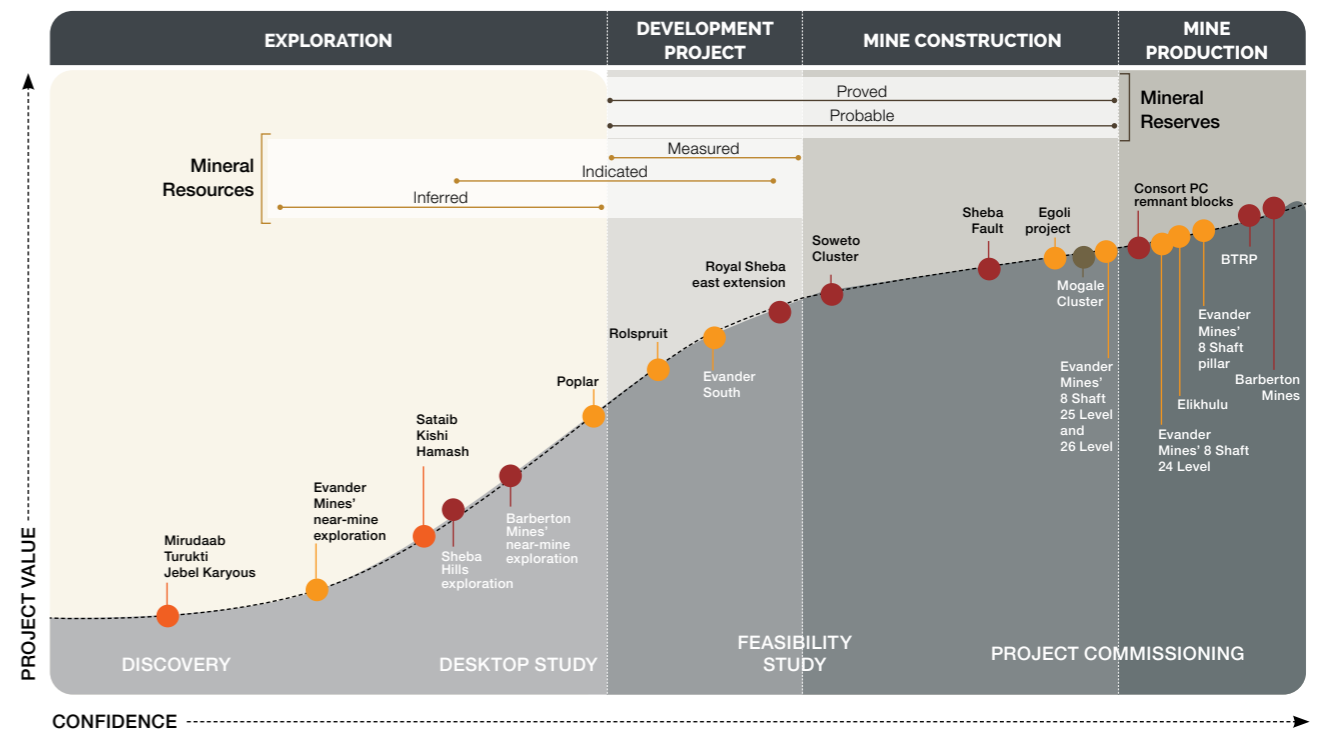
Pan African has determined an appropriate cut-off grade, which has been applied to the quantified mineralised orebody. In determining the Mineral Resources and Mineral Reserves cut-off grades, Pan African uses the following metal price deck. Mineral Reserves represent the portion of the Measured and Indicated Mineral Resources above an economic cut-off grade within the life-of-mine plan. These Mineral Reserves have been estimated after considering all modifying factors affecting extraction. A range of disciplines is involved at each operation in the life-of-mine planning process, including geology, surveying, planning, mining design and engineering, rock engineering, metallurgy, financial management, human resources management and environmental management.

Assumptions

	Unit	30 June 2024	30 June 2023
Mineral Resources gold price	US\$/oz	1,850	1,663
	ZAR/kg	1,100,000	950,000
Mineral Reserves gold price	US\$/oz	1,598	1,488
	ZAR/kg	950,000	850,000
Exchange rate	US\$/ZAR	18.50	17.77

ORGANIC GROWTH

Pan African has an exceptional pipeline of attractive growth opportunities, both in established projects and in brownfield resource definition prospects. Robust life-of-mine plans support the Group's strategic plan. Current exploration drilling as well as initiatives to access and develop orebodies were aggressively pursued at the Group's operations during the year. The strategy of converting Mineral Resources to Mineral Reserves was progressed by moving organic growth projects further up the mining value curve and closer towards the feasibility and production stages. These include Evander Mines' 8 Shaft, the 24 and 25 Level project, the Egoli project, Consort Mine's PC Shaft remnant blocks and the Sheba Fault project.



Near-mine growth projects

- Barberton Mines' growth projects
- Evander Mines' growth projects
- West Rand targets
- Sudan targets

ABRIDGED MINERAL RESOURCES AND MINERAL RESERVES REPORT

continued

2024 IN REVIEW

Some of the Group's achievements for the year ended 30 June 2024 are presented below.



Licence to operate

- Barberton Mines' mining rights are valid until May 2051. It should be noted that a section 102 amendment on the three Barberton Mines' mining rights has been lodged with the DMRE to include specific farm names in the mining right table that were erroneously omitted during the approval process. Additionally, Sheba Mine's water use licence is in the process of appeal after being declined by the Department of Water and Sanitation (DWS) due to the Sheba TSF return water dam not being lined although it was constructed well before the promulgation of the National Environment Management Act, 107 of 1998. There is ongoing correspondence with the DMRE and DWS with regard to the status of the applications, which remain valid until they are granted as per the Mineral and Petroleum Resources Development Act, 28 of 2022
- Evander Mines' mining right is valid until April 2038



Projects

- Commenced the construction of the MTR plant in the West Rand
- Ramp-up in production from Evander Mines' 8 Shaft 24 Level mining areas
- Progressed and completed Evander Mines' 8 Shaft phase 2 underground refrigeration plant construction, 24 Level development and the planning of the 25 Level to 26 Level mining phases
- Continued with the dewatering of the 3 Decline at the Egoli project to below 19 Level
- Developed additional target blocks at the Consort Mine Ivaura and MMR orebodies as well as at the Sheba MRC orebody
- Development progressed towards an additional high-grade platform (261 Platform) in the MRC orebody at Fairview Mine, with the top access being established during June 2024 and the bottom access expected to intersect the reef by the end of this calendar year
- Steady-state production at the Leslie/Bracken TSF by the Elikhulu operation
- Commenced and completed construction of Barberton Mines' 8.75MW solar plant



Mineral Resources

- The Group's estimated Mineral Resources increased by 1.7% year-on-year to 41.18Moz (572.8Mt at 2.24g/t)
- The successful exploration drilling programme at Consort Mine and the Sheba dormant TSF in order to identify further feed sources for the BTRP generated additional Mineral Resources and Mineral Reserves, post mining depletion of 186Koz
- Commenced a long-inclined borehole drilling campaign at Evander Mines' 8 Shaft, in order to increase confidence in the medium-term production plan
- Sustained positive gold market economics resulted in limited movement in the reported cut-off grades of the Group's operations and projects



Mineral Reserves

- The Group's estimated Mineral Reserves base decreased marginally by 1.3% year-on-year to 12.64Moz (398.8Mt at 0.91g/t), post the mining depletion of 186Koz
- Initiatives have been undertaken to improve reserve delineation drilling and increase production in the Barberton region
- Optimisation of mining methods and modifying factors
- Additional platforms in the high-grade MRC and Rossiter orebodies at Fairview Mine to increase mining flexibility
- Optimisation of the BTRP scheduling and rehabilitation to further sustain the plant's feed sources from tailings material as well as other third-party material located around Barberton Mines
- Construction of the MTR plant commenced in June 2023; it will be commissioned by October 2024



Financial metrics

- Capital allocation aligned with the Group's strategic plan
- Managed production cash cost to US\$1,199/oz (2023: restated US\$1,136¹/oz)
- Group net debt increased to US\$106.4 million (2023: US\$22.0 million)



Operational execution

- Achieved the revised production guidance of 186,000oz to 190,000oz for the year by producing 186,039oz
 - Barberton Mines: 71,470oz
 - BTRP: 18,888oz
 - Evander Mines: 40,869oz (including toll treatment)
 - Elikhulu: 54,812oz



Safety

- The Group's LTIFR improved from 1.86 to 1.82 per million man hours
- The Group's RIFR improved from 1.81 to 0.78 per million man hours
- One fatal accident was recorded during the year ended 30 June 2024 (2023: one)
- Evander Mines' LTIFR improved to 2.70 (2023: 3.64) and the RIFR to 0.42 (2023: 2.43) per million man hours
- Evander Mines' (including Elikhulu) LTIFR improved to 1.94 (2023: 3.09) and the RIFR to 0.45 (2023: 1.89) per million man hours
- Barberton Mines achieved 4 million fatality-free shifts during the 2024 financial year
- Barberton Mines' LTIFR regressed to 1.88 (2023: 1.26) and the RIFR to 1.03 (2023: 0.26) per million man hours
- Sheba Mine achieved 12 years' fatality-free shifts
- Consort Mine achieved 23 years' fatality-free shifts
- The Group will continue with ongoing safety initiatives to further improve safety rates and strive for zero harm



Environmental, social and corporate governance





- Evander Mines' water treatment plant is in steady-state production of 2.25ML/day
- Barberton Mines' 8.75MW solar plant was commissioned in August 2024
- Achieved the land in process of rehabilitation target of 9.4% versus the 8% target for the MTR project as per the RMB Sustainability Bond Performance Targets for 2024
- Constructed and commissioned the arsenic treatment plant at the Fairview BIOX[®] plant
- Achieved safety targets of 6.52 for the Group's TRIFR as per the RMB Sustainability Bond Performance Targets for 2024
- Successful handover of science and technology laboratory schools to the Department of Basic Education by Evander Mines
- Successful implementation of a formal health and wellness programme at Barberton Mines – phase 1
- PwC Inc. assurance certificate of 16 ESG disclosures in the sustainable development report 2024
- Scheduling the GISTM recommendations with the implementation of high-risk findings from the TSF audit report

Hydro reining
of the Kinross TSF

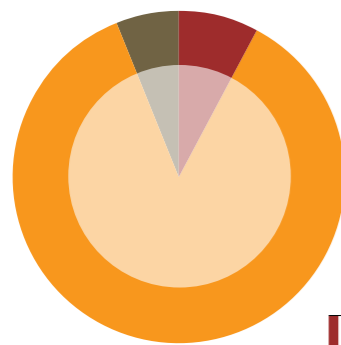
ABRIDGED MINERAL RESOURCES AND MINERAL RESERVES REPORT

continued

PAN AFRICAN'S OPERATIONAL FOOTPRINT

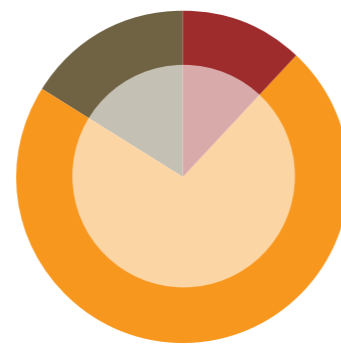
			
BARBERTON ASSETS	EVANDER ASSETS	WEST RAND ASSETS	SUDAN ASSETS
Barberton Mines consists of three underground mines, a tailings retreatment operation and one project	Evander Mines consists of one underground mine, a tailings retreatment operation and several projects	The MTR project consists of the Mogale Cluster TSFs and the Soweto Cluster TSFs	The Sudan assets consist of five exploration concessions totalling 1,088km ²
<ul style="list-style-type: none"> Fairview Mine Sheba Mine Consort Mine BTRP Sheba Fault project 	<ul style="list-style-type: none"> 8 Shaft Elikhulu Egoli project Rolspruit project Poplar project Evander South project 	<ul style="list-style-type: none"> Mogale Cluster Soweto Cluster 	<ul style="list-style-type: none"> Block 12A North Block 12A South Block 12D Block 12E Block 12K

Mineral Resources



Barberton assets	8%
Evander assets	86%
West Rand assets	6%

Mineral Reserves



Barberton assets	12%
Evander assets	72%
West Rand assets	16%

Performance

▲ Positive increase ▼ Positive decrease ▲ Negative increase ▼ Negative decrease ► Unchanged

GROUP MINERAL RESOURCES

Category	Estimated Mineral Resources									
	At 30 June 2024				At 30 June 2023					
	Tonnes million	Contained gold		Moz	Tonnes million	Contained gold		Moz	Moz %	
Grade g/t		Tonnes gold	Grade g/t			Tonnes gold				
Barberton assets	35.51	3.16	109.09	3.51	46.77	2.74	128.13	4.12	(14.8)	▼
Fairview Mine	4.49	9.82	44.07	1.42	4.91	9.88	48.53	1.56	(9.0)	▼
Sheba Mine	1.17	7.90	9.22	0.30	1.15	8.27	9.55	0.31	(3.2)	▼
Consort Mine	0.97	9.03	8.80	0.28	0.84	9.70	8.12	0.26	7.7	▲
BTRP	20.87	1.15	24.09	0.77	22.70	1.25	28.41	0.91	(15.4)	▼
Sheba Fault project	7.02	3.26	22.91	0.74	17.17	1.95	33.52	1.08	(31.5)	▼
Evander assets	278.55	3.92	1,093.32	35.15	274.46	3.84	1,053.17	33.86	3.8	▲
8 Shaft	30.59	8.82	269.86	8.68	24.05	10.28	247.27	7.95	9.2	▲
Elikhulu	155.44	0.27	41.54	1.33	163.40	0.27	44.19	1.42	(6.3)	▼
Egoli project	9.65	9.68	93.41	3.00	9.65	9.68	93.41	3.00	-	►
Rolspruit project	25.89	11.57	299.52	9.63	25.87	11.58	299.45	9.63	-	►
Poplar project	28.04	7.06	197.94	6.36	26.38	7.22	190.46	6.12	3.9	▲
Evander South project	28.93	6.60	191.04	6.14	25.10	7.11	178.39	5.74	7.0	▲
West Rand assets	259.76	0.30	78.46	2.52	259.76	0.30	78.46	2.52	-	►
Mogale Cluster	126.27	0.29	36.58	1.18	126.27	0.29	36.58	1.18	-	►
Soweto Cluster	133.49	0.31	41.89	1.35	133.49	0.31	41.89	1.35	-	►
Total¹	572.82	2.24	1,280.87	41.18	580.98	2.17	1,259.77	40.50	1.7	▲

¹ Totals may not reflect the sum of the lines due to rounding.

GROUP MINERAL RESERVES

Category	Estimated Mineral Reserves									
	At 30 June 2024				At 30 June 2023					
	Tonnes million	Contained gold		Moz	Tonnes million	Contained gold		Moz	Moz %	
Grade g/t		Tonnes gold	Grade g/t			Tonnes gold				
Barberton assets	9.41	4.23	39.77	1.27	9.42	5.04	47.47	1.53	(17.0)	▼
Fairview Mine	2.27	9.01	20.44	0.66	1.64	13.22	21.70	0.70	(5.7)	▼
Sheba Mine	0.82	4.54	3.70	0.12	0.80	4.77	3.80	0.12	-	►
Consort Mine	0.70	4.75	3.33	0.11	0.55	5.28	2.92	0.09	22.2	▲
BTRP	3.65	1.63	5.94	0.19	3.93	3.03	11.90	0.38	(50.0)	▼
Sheba Fault project	1.98	3.22	6.37	0.20	2.49	2.86	7.13	0.23	(13.0)	▼
Evander assets	161.72	1.76	288.84	9.29	171.24	1.67	286.28	9.20	1.0	▲
8 Shaft	4.29	7.08	30.40	0.98	3.51	6.82	23.96	0.77	27.3	▲
Elikhulu	130.63	0.27	34.72	1.12	140.93	0.27	38.60	1.24	(9.7)	▼
Egoli project	3.44	6.61	22.72	0.73	3.44	6.61	22.72	0.73	-	►
Rolspruit project	23.36	8.60	201.01	6.46	23.36	8.60	201.01	6.46	-	►
Poplar project	-	-	-	-	-	-	-	-	-	►
Evander South project	-	-	-	-	-	-	-	-	-	►
West Rand assets	227.66	0.28	64.60	2.08	227.66	0.28	64.60	2.08	-	►
Mogale Cluster	119.33	0.29	34.04	1.10	119.33	0.29	34.04	1.10	-	►
Soweto Cluster	108.32	0.28	30.55	0.98	108.32	0.28	30.55	0.98	-	►
Total¹	398.78	0.91	393.21	12.64	408.31	0.90	398.35	12.81	(1.3)	▼

¹ Totals may not reflect the sum of the lines due to rounding.

ABRIDGED MINERAL RESOURCES AND MINERAL RESERVES REPORT

continued

BARBERTON ASSETS

Barberton Mines consists of three underground mines, a tailings retreatment operation and one project.

FAIRVIEW MINE

Fairview Mine continues its focus on optimising the extraction and successfully increasing flexibility within the MRC and Rossiter Reef. This was achieved by developing towards down-dip extensions of the orebodies and by increasing the reserve definition drilling rate. Broader-scale exploration drilling is focused on the Hope Reef and Main Reef Top, with desktop studies being conducted on various known but unmined lower-grade blocks in all orebodies.

Estimated Mineral Resources affected by:

- Depletion by mining
- Geological boundary and structural updates
- Mineral Resource block updates (tonnes and grade)
- The cut-off grade increased from 1.88g/t for the prior financial year to 2.08g/t for the current reporting period due to a constant gold price and increased costs assumed in the cut-off grade calculation

Estimated Mineral Reserves affected by:

- Depletion by mining
- Impact of updated geological structures and boundaries
- Update of grades in Mineral Resource blocks

Modelled life-of-mine: 20 years

SHEBA MINE

Sheba Mine continued to focus on the extraction of the MRC and ZK orebodies during the year, while the high-grade Verster and Thomas Reefs supplemented the plant feed material. Specific attention was given to the reserve definition drilling and development of the ZK orebody's down-dip extension on 37 Level and 38 Level in the unmined areas between Sheba and Fairview Mines, while mining platforms were accessed above the Southwall adit level at the Western Cross orebody.

Estimated Mineral Resources affected by:

- Depletion by mining
- Geological boundary and structural updates
- Mineral Resource block updates (tonnes and grade)
- The cut-off grade decreased to 2.10g/t for the current reporting period relative to 2.60g/t for the prior financial year

Estimated Mineral Reserves affected by:

- Depletion by mining
- Impact of updated geological structures and boundaries
- Update of grades in Mineral Resource blocks

Modelled life-of-mine: 6 years (excluding the Sheba Fault project)

CONSORT MINE

Development at Consort Mine progressed towards the Consort Bar and MMR orebodies at 14 and 15 Levels, respectively. Specific focus and tasks were centred on remediating and equipping the PC Shaft and remnant blocks and extracting high-grade ore between 42 and 45 Levels. Geotechnical constraints continued to impede the timeous development towards the strike and up-dip continuation of this orebody.

Estimated Mineral Resources affected by:

- Depletion by mining
- Geological boundary and structural updates
- Mineral Resource block updates (tonnes and grade)
- The cut-off grade decreased from 3.77g/t for the prior financial year to 2.81g/t for the current reporting period

Estimated Mineral Reserves affected by:

- Depletion by mining
- Impact of updated geological structures and boundaries
- Update of grades in Mineral Resource blocks

Modelled life-of-mine: 9 years

BARBERTON TAILINGS RETREATMENT PLANT

Mining of the Harper North, Harper South and Vantage dams progressed in accordance with the mine plan. Additionally, the Sheba dormant TSF was successfully drilled during the reporting period and these results were incorporated into an updated Mineral Resource model and included in the Mineral Resource tabulation. It is envisaged that the Sheba Fault project will form part of the BTRP feed sources when this project is commissioned and production is enabled through the construction of a RoM crusher circuit at the BTRP. This will allow the BTRP to treat approximately 35,000tpm of RoM material from the Royal Sheba and Western Cross projects, thereby extending the life of the operation and ensuring its sustained output in future.

Estimated Mineral Resources affected by:

- Depletion by mining
- Inclusion of screened low-grade stockpile material
- Inclusion of the Sheba dormant TSF post a successful drilling campaign
- The cut-off grade remained constant year-on-year

Estimated Mineral Reserves affected by:

- Depletion by mining
- The plant recovery factor remained at 35.3% in the current reporting period
- Inclusion of the Sheba dormant TSF post a successful drilling campaign

Modelled life-of-mine: 2 years (excluding the treatment of material from the Sheba Fault project)

SHEBA FAULT PROJECT

The Group recently initiated preliminary mining activities at the Royal Sheba and Western Cross projects to further define the grades and recoveries expected from this large-scale orebody. These activities included the extraction of a 10,000t bulk sample from historically unmined areas located 6m below surface, between 6 Level and 7 Level, during a previous reporting period at the Royal Sheba project. This trial mining campaign assisted in obtaining valuable information to complete a successful internal feasibility study in order to motivate for the construction of the project. Furthermore, ore from the Western Cross mineralisation supplemented RoM feed to the Sheba metallurgical plant during the reporting period.

Estimated Mineral Resources affected by:

- Proposed mining method optimisation to long hole open stoping
- The cut-off grade increased year-on-year from 0.8g/t in the prior reporting period to 1.5g/t at Royal Sheba

Estimated Mineral Reserves affected by:

- Long hole open stoping mining method adopted
- The cut-off grade remained constant year-on-year at 1.60g/t

Modelled life-of-mine: 9 years

ABRIDGED MINERAL RESOURCES AND MINERAL RESERVES REPORT

continued

EVANDER ASSETS

Evander Mines consists of one underground mine, a tailings retreatment operation and several projects.



8 SHAFT	
All underground mining development and infrastructure placement for the mining of 24 Level progressed, with the ramp-up of mining activities on 24 Level executed successfully during the reporting period. The phase 1 module of the refrigeration plant, commissioned in the prior reporting period, functioned according to design, while phase 2 of the refrigeration plant construction was completed and successfully commissioned during the reporting period. Phase 1 of the project enables mining of both the 24 Level F line stopes and mining of the 24 Level B, C and D raise lines. Phase 2 allows for additional mining crews to be placed on 24 Level as well as for subsequent mining on 25 Level.	
Estimated Mineral Resources affected by:	Estimated Mineral Reserves affected by:
<ul style="list-style-type: none"> Depletion by mining Geological boundary and structural updates Mineral Resource block updates The cut-off grade remained constant year-on-year at 670cmg/t 	<ul style="list-style-type: none"> Depletion by mining Impact of updated geological structures and boundaries Update of grades in Mineral Resource blocks and inclusion of the 8 Shaft The mine call factor decreased to 75% from 85% in the prior financial year due to more tonnes being mined from 24 Level
Modelled life-of-mine: 11 years	

ELIKHULU	
Elikhulu is expected to yield approximately 50Koz of gold per annum over its nine-year remaining life-of-mine. These production estimates exclude an Inferred Resource of 74Koz of gold delineated in the soil material beneath the existing tailings dumps.	
Estimated Mineral Resources affected by:	Estimated Mineral Reserves affected by:
<ul style="list-style-type: none"> Depletion through remining activities TSF boundary updates for the Leslie/Bracken and Winkelhaak TSFs Mineral Resource block updates on the Leslie/Bracken TSFs 	<ul style="list-style-type: none"> Depletion through remining activities Impact of updated TSF limits for the Leslie/Bracken and Winkelhaak TSFs Update of grades in Mineral Resource blocks in Leslie/Bracken and Winkelhaak estimates Modifying factors employed as per actual results since the commissioning of Elikhulu
Modelled life-of-mine: 9 years	

EGOLI PROJECT	
The traditional off-reef footwall development of the deep-level, narrow tabular Witwatersrand orebodies has been optimised by placing the development haulages on-reef. This enhances the lead time to first gold and results in lock-up of material in pillars that could be extracted at the end of the operation's economic life. This is done using newly developed backfill and support technology similar to the 8 Shaft pillar.	
Estimated Mineral Resources affected by:	Estimated Mineral Reserves affected by:
<ul style="list-style-type: none"> The cut-off grade decreased slightly due to increases in mining costs and a constant gold price assumed 	<ul style="list-style-type: none"> Modifying factors remained constant year-on-year
Modelled life-of-mine: 9 years	

ROLSPRUIT PROJECT	
This orebody is a down-dip extension of the same Kinross payshoot currently being exploited at 8 Shaft. The project is located immediately west-north-west of the 8 Shaft. Exploration on the Rolspruit project commenced in 1955, and by 1988, a total of 53 boreholes with accompanying reef deflections had been completed by various companies. The Group regularly reviews its portfolio of exploration projects and applies the latest available economic data to assess their feasibility.	
Estimated Mineral Resources affected by:	Estimated Mineral Reserves affected by:
<ul style="list-style-type: none"> The cut-off grade decreased slightly year-on-year to 397cmg/t 	<ul style="list-style-type: none"> The cut-off grade decreased slightly due to an inflationary increase in mining costs assumed through conventional narrow tabular breast mining at a depth of more than 2,500m to 447cmg/t
Modelled life-of-mine: >29 years	

POPLAR PROJECT	
Exploration on the Poplar project commenced in the mid-1950s and has been the subject of several studies. A total of 104 mother holes were drilled in the project area, with an additional 146 intersections obtained through deflection drill holes.	
Estimated Mineral Resources affected by:	Estimated Mineral Reserves affected by:
<ul style="list-style-type: none"> The cut-off grade decreased slightly year-on-year due to an inflationary increase in mining costs and an increase in the gold price assumed to 473cmg/t 	None reported
Modelled life-of-mine: None reported	

EVANDER SOUTH PROJECT	
This project is located directly west of Evander Mines' 9 Shaft and is south of the Poplar project. A total of 116 mother holes were drilled in the project area, with 475 deflections.	
Estimated Mineral Resources affected by:	Estimated Mineral Reserves affected by:
<ul style="list-style-type: none"> The cut-off grade decreased slightly year-on-year due to an inflationary increase in mining costs and an increase in the gold price assumed to 319cmg/t 	None reported
Modelled life-of-mine: None reported	

ABRIDGED MINERAL RESOURCES AND MINERAL RESERVES REPORT

continued

WEST RAND ASSETS

The MTR project consists of the Mogale Cluster TSFs and the Soweto Cluster TSFs.

SUDAN ASSETS

The Sudan assets consist of five exploration concessions totalling 1,088km².

MOGALE CLUSTER

The Mogale Cluster TSFs are expected to yield an average of approximately 50Koz of gold per annum over the initial 13 years of its life-of-mine, while the last two years are expected to yield an average of approximately 30Koz of gold per year. These production estimates exclude an Inferred Resource of 49Koz of gold estimated at the base of some of the TSFs.

Estimated Mineral Resources affected by:

- No change in reported Mineral Resources

Estimated Mineral Reserves affected by:

- No change in reported Mineral Reserves

Modelled life-of-mine: 13 years

SOWETO CLUSTER

The Soweto Cluster TSFs and the related MTR project infrastructure on the West Rand, owned and operated by Pan African, will be utilised to re-treat historical gold plant tailings at a rate of up to 1.0Mt per month through the newly constructed plant within the Mogale Cluster.

Estimated Mineral Resources affected by:

- No change in reported Mineral Resources

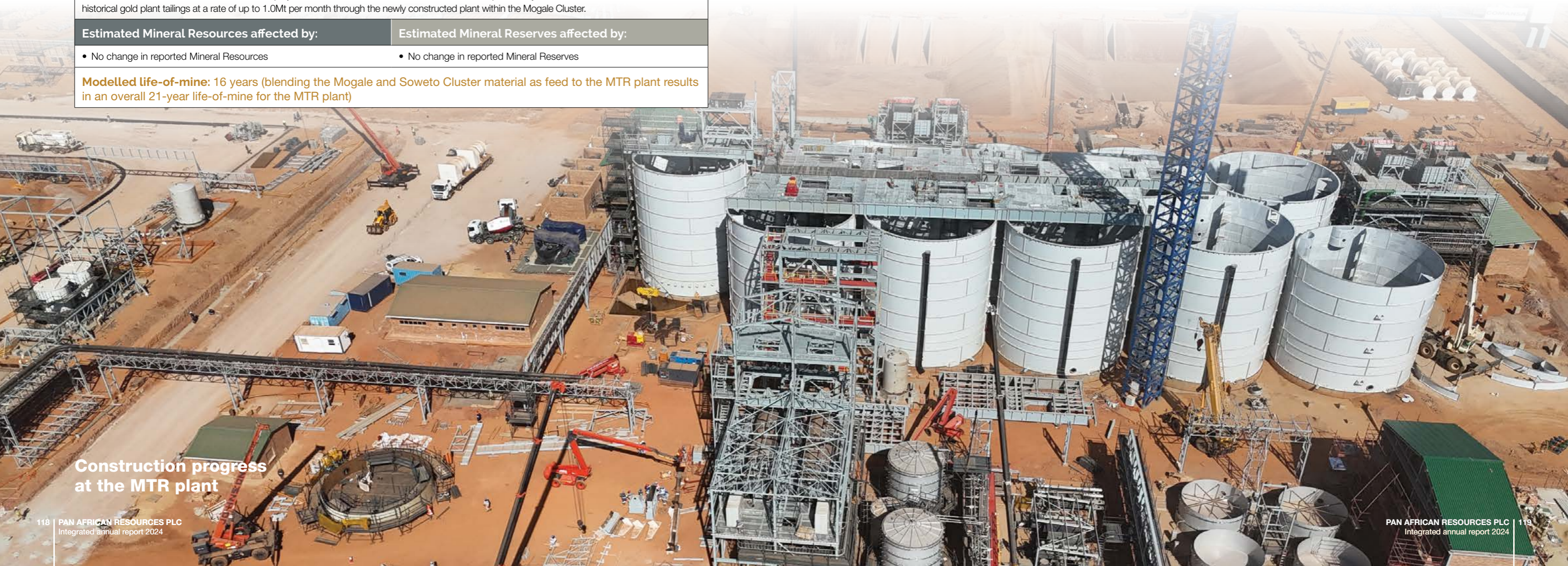
Estimated Mineral Reserves affected by:

- No change in reported Mineral Reserves

Modelled life-of-mine: 16 years (blending the Mogale and Soweto Cluster material as feed to the MTR plant results in an overall 21-year life-of-mine for the MTR plant)

SUDAN ASSETS

Following the military-led coup d'etat on 25 October 2021, the paramilitary group known as the Rapid Support Forces launched attacks against the ruling military group, the Sudanese Armed Forces, in April 2023. Because of the conflict that ensued thereafter, all expatriate employees of the Group were safely extracted from Sudan. Accordingly, a notice of force majeure on the Group's exploration licences was issued to the Sudanese Mineral Resources Company. All of the Group's in-country assets were placed on care and maintenance to minimise operational expenditure. During August 2023, the Group initiated the return of the expatriate workforce to recommence with exploration activities. Sampling of the Kishi target in Block 12A North has resulted in elevated copper, cobalt, nickel and gold grades being detected, with an individual sample achieving a copper grade of 9.7%, cobalt at 207.4g/t, nickel of 4.448g/t and gold of 0.5g/t. Additionally, around 2,226 soil, stream sediment and trench samples have been collected in the Kishi target area to determine the extent of the anomaly. The Group continuously monitors and evaluates the security and risk situation in the country.



Construction progress at the MTR plant

As a custodian for future generations, Pan African recognises the importance of protecting the environment and securing its social licence to operate. This will enable the Group to deliver on its long-term sustainable value creation and preservation strategy.

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE

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NON-FINANCIAL AND SUSTAINABILITY INFORMATION

OUR CLIMATE CHANGE STATEMENT

DEALING WITH CLIMATE CHANGE

Pan African has embarked on a journey to integrate the TCFD recommendations into our business model and community stakeholder engagement process to contribute towards a sustainable mining future. This report aligns with the JET Framework, which emphasises addressing climate change challenges while ensuring fairness and equity for all stakeholders, including employees and communities affected by the transition to a low-carbon economy.

OUR CLIMATE CHANGE GUIDING FRAMEWORKS

Our approach to climate change is informed by the following international frameworks:

- Paris Agreement
- Kunming-Montreal Global Biodiversity Framework
- 2030 Agenda for Sustainable Development and the UN SDGs
- International Bill of Human Rights
- JET Framework report by the Presidential Climate Commission
- GRI Standards
- IFRS S1 and S2
- GHG Protocol.

The **principles** that guide our climate change efforts reflect international best practices for sustainable development, adapted for local context:

- Application of a mitigation hierarchy
- Stakeholder-inclusivity
- Respect for human rights
- Application of JET Framework principles
- Adherence to responsible corporate governance practices
- Cost-effectiveness
- An evidence-based approach.

The NFSIS has been drafted in accordance with the requirements of section 414 of the Companies Act 2006. Our approach to climate change must carefully balance mitigation of our carbon footprint, building climate adaptation and resilience and supporting the JET Framework.

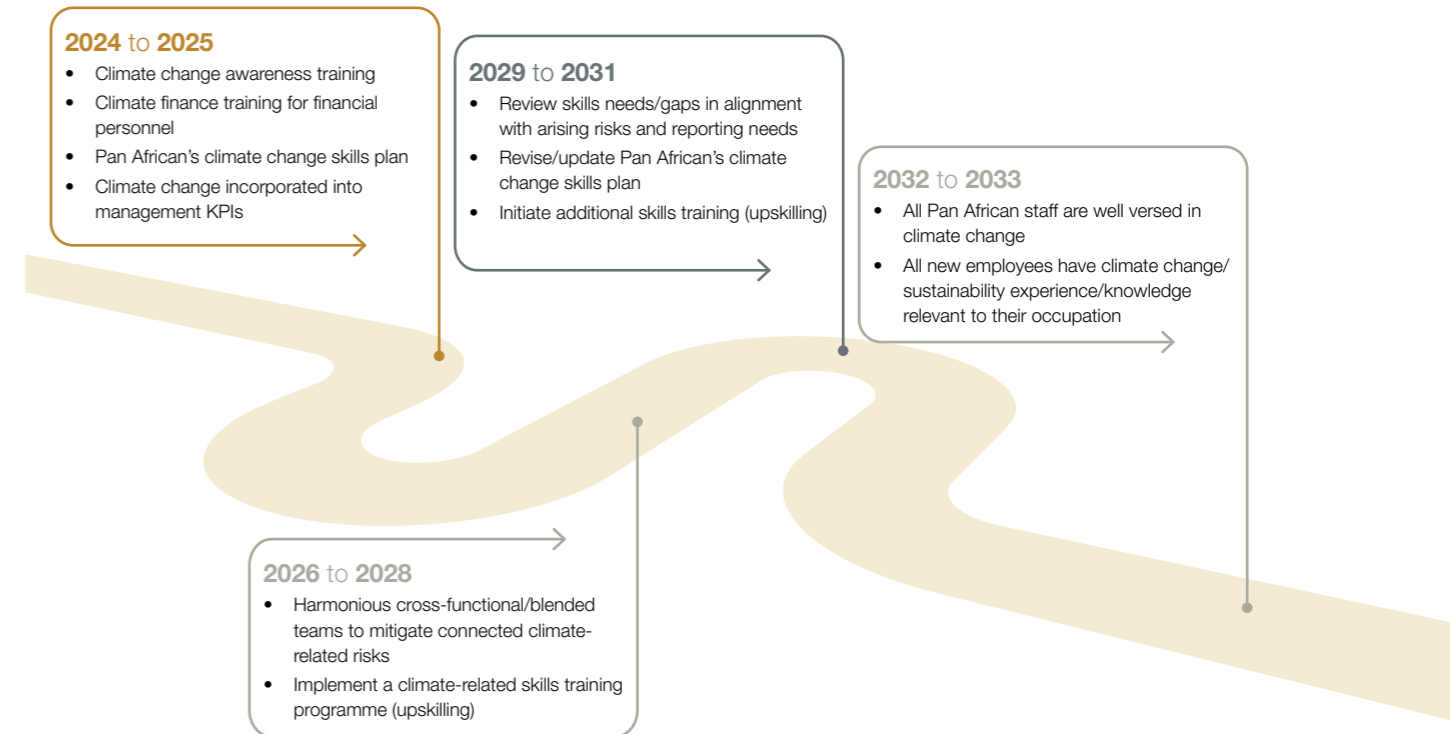
FUTURE ENDEAVOURS AND ONGOING PROGRESS

In our maiden 2023 climate change report, we committed to aligning with the TCFD recommendations on climate-related governance, strategy, risk management and metrics. Since then, we have implemented a strategy covering climate risks and opportunities, capacity building and scenario analysis.

While we are still in the process of fully integrating climate-related risks into our operational strategy and core risk management framework, we are working on embedding these considerations into our culture and operations, focusing on production and environmental compliance.

We are assessing the transition to GRI 14: *Mining Sector 2024* and IFRS S2: *Climate-related Disclosures*, aiming for adoption in our 2025 reporting. Achieving our climate resilience goals and adapting to new reporting standards requires budget allocations for resource mobilisation as outlined in our climate skills roadmap, which details training initiatives through to 2033.

Pan African is exposed to several climate-related risks, including obtaining funding for mitigation and adaptation strategies, the energy-water nexus, supply chain and operations management. Ongoing initiatives and scenario analysis have identified new research and development (R&D) areas, policies and risks to manage. Implementation and tracking of risk controls are ongoing, as risks evolve with changing contexts and new information.



GOVERNANCE

Pan African is committed to the highest standards of corporate governance and recognises that an effective corporate governance culture is critical to long-term performance. The board is responsible for overseeing the management of Pan African and providing strategic direction. The board has established committees to assist it in the execution of its functions. More information on Pan African's corporate governance can be found in our corporate governance report.

CLIMATE CHANGE GOVERNANCE STRUCTURE

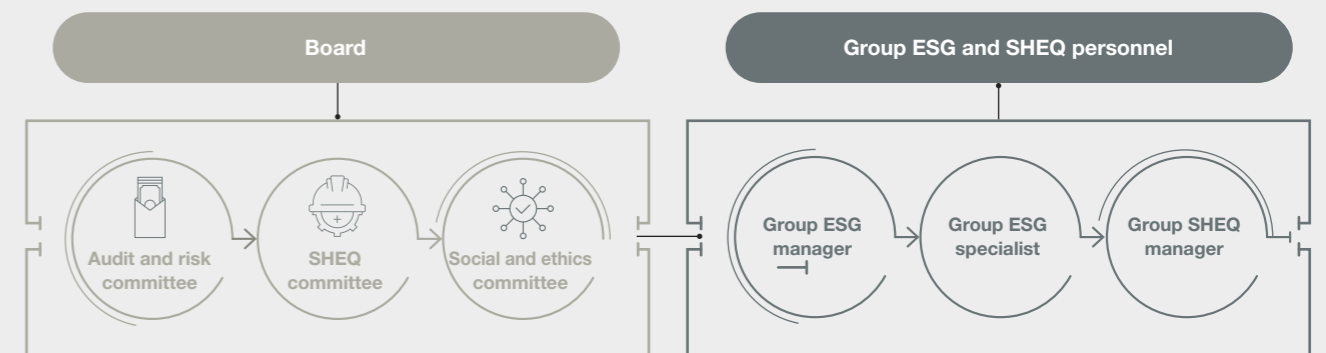
Climate change-related matters are discussed by the SHEQ committee and the audit and risk committee with the board receiving quarterly updates.

While the board is ultimately responsible, climate change-related matters have primarily been delegated to the social and ethics committee. The SHEQ and audit and risk committees consider climate change-related risks.

Control of climate change-related matters, including monitoring, reporting and compliance, is performed by the Group ESG manager and Group ESG specialist through a collaborative approach with general managers and senior managers in all operations.

For specific examples of the board's oversight on climate change-related matters, refer to **page 143** in the corporate governance overview.

Overview of Pan African's climate change governance



NON-FINANCIAL AND SUSTAINABILITY INFORMATION continued

STRATEGY

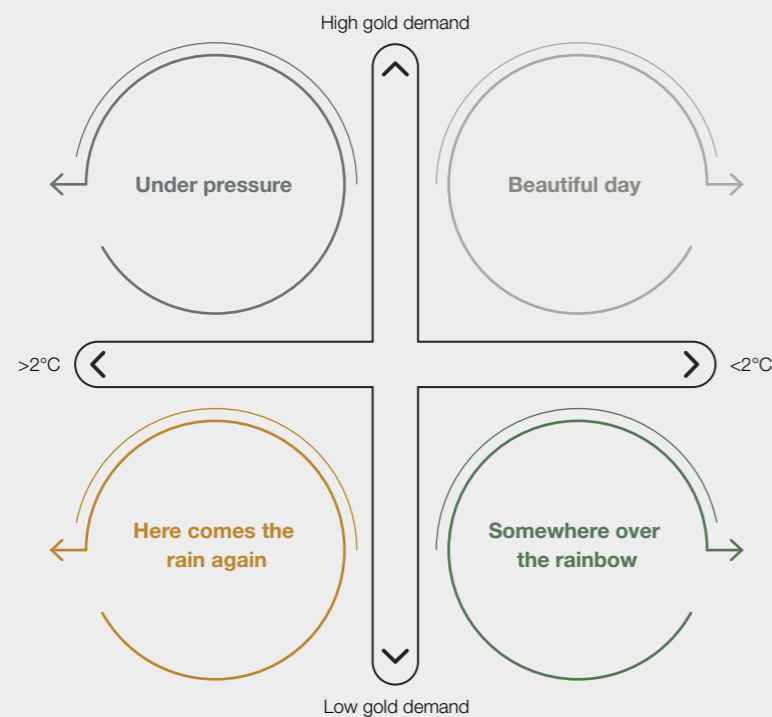
Our strategy is designed to actively respond to the current and projected impacts of climate change on the Group and meet the increasing demand for disclosure of our approach from primary users of our climate change reports.

SCENARIO ANALYSIS

To strengthen our understanding of climate change risks and opportunities, we initiated and completed a scenario analysis process during 2023.

In this scenario, global efforts to combat climate change have been insufficient, and temperatures are expected to increase to over 2°C by the end of the century. Extreme weather events become more frequent, and more investment capital is diverted to adaptation and resilience measures. Moreover, central banks in many countries are increasing their holdings of gold reserves as a risk mitigation measure, leading to increased gold demand and price. However, global economic growth remains impacted. In South Africa, economic growth remains stagnant, and political stability has declined. Pan African benefits from high gold demand and a favourable exchange rate, but social disruption and extreme weather events negatively impact operations. Overall, investor confidence is neutral.

This scenario presents a promising future for the world and the gold mining sector. With substantial global action and effective GHG emissions control, the projection is for global warming to be less than 2°C by the end of this century. South Africa's climate change legislation has broadened in scope and rigour, leading to well-planned national GHG mitigation efforts. The implementation of renewable energy and storage technologies has significantly improved energy security and availability, with the promising growth of green hydrogen. Gold demand is on the rise globally, and investors' sentiments are optimistic.



This scenario represents a pessimistic outlook both globally and for the gold mining sector. Due to insufficient climate change mitigation efforts, global temperature increases are significant, and extreme weather events have become more frequent and severe. Resilience measures are eroded over time. Due to a lack of progress in reducing GHG emissions in South Africa, there is a crucial need for more international funding and policy changes. Without international cooperation, neither renewable energy uptake nor adaptation measures can be funded. While domestic policy and planning do not develop significantly, South African exports, including gold, are increasingly subject to carbon border adjustment mechanisms (CBAM) and boycotts. Investor confidence is low, and extreme weather events, social unrest and a shortage of critical skills regularly disrupt operations. It is clear that international cooperation is key to addressing these challenges.

In this scenario, global efforts to reduce GHG emissions stabilise temperatures below 2°C. South Africa also makes strides in reducing domestic GHG emissions, but economic growth and energy availability remain challenging. A lack of investment in adaptation infrastructure makes water shortages a concern. South African exports remain carbon-intensive in the medium term, with attractive carbon border taxes. Globally, gold demand is low, indicating poor global economic growth. Nevertheless, there is still some foreign capital influx, and investor confidence is increasingly optimistic.

These scenarios were used to assess climate-related risks over the next 10 years. Various impacts were identified, and the team supporting the scenario analysis process categorised these by financial and other impacts driven by climate-related risks and responses. Some of the critical outcomes for each scenario are highlighted below.

<p>Under pressure</p> <ul style="list-style-type: none"> • High mean temperatures leading to increased automation • Extreme weather events increasing • A decline in water quality and quantity • High interest and exchange rates • Increase in illegal mining • Difficulty in retention of personnel 	<p>Beautiful day</p> <ul style="list-style-type: none"> • Increase in self-generation and storage technologies • Increase in adaptation measures and resilience • Adopt automation and the Fourth Industrial Revolution • Uptake of energy efficiency solutions • Exchange rate impact on the Just Energy Transition • Deeper mining conditions increase energy use
<p>Here comes the rain again</p> <ul style="list-style-type: none"> • High mean temperatures leading to increased automation • Extreme weather events increasing • A decline in water quality and quantity • High interest and exchange rates • Increase in illegal mining • Difficulty in retention of personnel 	<p>Somewhere over the rainbow</p> <ul style="list-style-type: none"> • Lack of automation • Lack of energy diversification skills • Civil unrest and activism • Adapting the business model towards renewable energy • GHG emissions reduction

Some issues that were raised as typical across all the scenarios considered include:

- Civil unrest in local communities due to climate impacts will affect Pan African
- Human performance/BIOX® process and the impact of temperatures increasing over time
- Energy efficiency as a mechanism for reducing costs and emissions
- Market impacts on carbon-intensive exports
- Water availability and quality decreasing
- A shift to renewable energy and storage is required.

Furthermore, the following high-impact risks were present in fewer scenarios but could potentially have significant impacts:

- Boycotting of carbon-intensive gold producers by international fund managers
- Volatile currency conversions and high interest rates impact our ability to execute the climate change response plans
- Civil unrest and activism, caused by climate-related pressures, such as water availability, would impact Pan African's operations and stakeholder management processes.

The following financial impacts were highlighted:

- To reduce climate risk, increased costs may be incurred for purchasing, for example, energy-efficient equipment, lower carbon generation of electricity, adaptation measures to deal with more intense flooding, etc.
- Additionally, in relation to human productivity and safety, the surface infrastructure may require equipment and buildings to manage temperatures above ground. For underground operations, increased ventilation and cooling equipment may be necessary.

CLIMATE-RELATED RISKS AND OPPORTUNITIES

The World Bank identifies drought, floods and wildfires as the primary drivers of climate-related disasters in South Africa. The country faces major challenges due to rising water demand, pollution and limited ability to expand water storage or hydropower infrastructure.

South Africa's National Climate Change Response Policy promotes adaptation measures to mitigate climate impacts on health such as reducing pollutants, raising public awareness and improving health data systems. Expected health impacts include increased heat stress, changes in vector-borne diseases, air pollution and water-borne illnesses. Increased training for healthcare personnel is essential for managing these emerging health issues.

South Africa's reliance on surface water and significant dams means rising temperatures will likely decrease water levels and availability. Groundwater resources will also suffer from over-extraction and saltwater intrusion. Altered rainfall patterns may lead to flash floods and soil erosion or droughts.

Energy generation, transmission and expansion are critical to South Africa's development and economic growth. Rising temperatures may strain electricity infrastructure by increasing demand for cooling. Given that the country's current infrastructure is already under pressure, ensuring additional energy availability and diversifying energy sources are essential for long-term sustainability.

NON-FINANCIAL AND SUSTAINABILITY INFORMATION continued

Time horizon

- Short-term focus (one year)
- Medium-term focus (two to three years)
- Long-term focus (three years or more)

We have assessed our specific climate change risks and opportunities, which are detailed below.

Physical climate change risks and opportunities

Acute risk	When
Climate-related risk	
1. Increase in severity of extreme weather events, including storms and floods	●
Response <ul style="list-style-type: none"> Collaborative R&D into long-range weather forecasting and early warning systems Flood and mudslide prevention measures, in addition to current measures to deal with increased intensity, at tailings facilities as part of the adaptation plan Contingency plans, including the availability of input materials and transport considerations 	
Financial and other impacts driven by climate-related risks and responses	
Risks <ul style="list-style-type: none"> Increase in R&D spending as input into an adaptation plan Increase in capital expenditure to fund an adaptation plan Decrease in revenue from disruptions in the value chain, up and downstream 	Opportunities <ul style="list-style-type: none"> Increase in climate-related know-how through collaboration and networks for better preparedness Increase in climate resilience related to flooding Protect revenue from disruptions in the value chain, up and downstream
Chronic risks	
Climate-related risks	
1. Increase in the intensity and duration of droughts	●
Response <ul style="list-style-type: none"> Development of a comprehensive Group adaptation plan, including adaptation measures for both physical and softer issues such as information gathering and stakeholder engagement 	
Financial and other impacts driven by climate-related risks and responses	
Risks <ul style="list-style-type: none"> Increase in capital expenditure to fund an adaptation plan Increase in R&D spend 	Opportunities <ul style="list-style-type: none"> Increase in assets due to the adoption of water purification and efficiency technologies Decrease in the costs of purchased water
2. Increase in mean temperatures and heatwaves	● ●
Response <ul style="list-style-type: none"> Upgrades and additions to ventilation and cooling systems Enclosure of processes currently open to the atmosphere 	
Financial and other impacts driven by climate-related risks and responses	
Risks <ul style="list-style-type: none"> Increase in capital expenditure to fund the adaptation plan Increase in operational costs, including maintenance Increase in incidents of fatigue, disease and sick leave resulting in reduced productivity 	Opportunities <ul style="list-style-type: none"> Increase in climate-resilience assets Health sector collaboration to understand climate-related disease prevention, diagnosis and treatment
3. Changes in precipitation patterns adversely impacting water quality	●
Response <ul style="list-style-type: none"> Increase in investment in water treatment plants to improve water consumption, withdrawal and discharge Increase in corrosion control measures 	
Financial and other impacts driven by climate-related risks and responses	
Risks <ul style="list-style-type: none"> Increase in capital expenditure Increase in operational costs, including maintenance 	Opportunities <ul style="list-style-type: none"> Increase in climate-resilience assets Innovation in climate-related maintenance techniques

Transition climate change risks and opportunities

Social risks	When
Climate-related risks	
1. Civil unrest increases	●
Response <ul style="list-style-type: none"> Increase in social inclusion projects and stakeholder engagement 	
Financial and other impacts driven by climate-related risks and responses	
Risks <ul style="list-style-type: none"> Increase in CSI expenditure Increase in security costs Increase in costs to repair/replace infrastructure due to vandalism Disruption of operations leading to revenue loss 	Opportunities <ul style="list-style-type: none"> Increase in social inclusion projects and stakeholder engagement Community well-being and licence to operate sustainably
2. Increase in automation due to extreme weather leading to job losses	● ●
Response <ul style="list-style-type: none"> Invest in R&D to understand areas of potential job losses Re- and upskilling of employees into new areas aligned with the Just Energy Transition and low-carbon economy Review of information technology (IT) and digital strategies 	
Financial and other impacts driven by climate-related risks and responses	
Risk <ul style="list-style-type: none"> Increase in capital expenditure to fund an adaptation plan 	Opportunities <ul style="list-style-type: none"> Sustainable communities and job opportunities Increase in productivity
Governance and reputation	
Climate-related risks	
1. Pan African is not perceived as responsive to climate change	●
Response <ul style="list-style-type: none"> Increase engagement with material stakeholders, including shareholders, funders and communities Specify climate-related criteria in procurement policies, processes and procedures 	
Financial and other impacts driven by climate-related risks and responses	
Risks <ul style="list-style-type: none"> Decrease in share price due to negative investor sentiments Increase in litigation and legal costs 	Opportunities <ul style="list-style-type: none"> Increase in accountability and transparency Increase in Company valuation Green procurement strategies aligned with the circular economy and industrial symbiosis
2. Pan African has insufficient or incorrect skills to execute climate change strategies	● ●
Response <ul style="list-style-type: none"> Invest in R&D to understand areas of potential job losses Re- and upskilling of employees into new areas aligned with the Just Energy Transition and low-carbon economy 	
Financial and other impacts driven by climate-related risks and responses	
Risk <ul style="list-style-type: none"> Increase in human resources training costs 	Opportunities <ul style="list-style-type: none"> Alignment with the JET Framework Employees with improved skills and climate change awareness
3. Pan African is unable to meet climate-related funding requirements	●
Response <ul style="list-style-type: none"> Increase communication and oversight on climate-related funding targets 	
Financial and other impacts driven by climate-related risks and responses	
Risk <ul style="list-style-type: none"> Increase in funding costs for future growth projects 	Opportunities <ul style="list-style-type: none"> Increase in consistency and credibility Improved overall performance and valuation of the Company

NON-FINANCIAL AND SUSTAINABILITY INFORMATION continued

Time horizon

- Short-term focus (one year)
- Medium-term focus (two to three years)
- Long-term focus (three years or more)

Policy and legislation	
Climate-related risks	When
1. Implementation of the Sector Adaptation Strategy and Plan and the Sectoral Emissions Targets related to South Africa's Climate Change Bill	●
Response	
<ul style="list-style-type: none"> • Build in-house renewable energy solutions (RES) and storage capabilities while purchasing certified third-party RES • Collaborate to buy or sell offset credits (dependent on emissions cap or budget) • Set an internal carbon price to use in investment and procurement decisions 	
Financial and other impacts driven by climate-related risks and responses	
Risk	Opportunity
<ul style="list-style-type: none"> • Increase in costs to certify carbon intensity and assurance of emissions 	<ul style="list-style-type: none"> • Increase in the renewable energy mix
2. Increase in carbon taxes	●
Response	
<ul style="list-style-type: none"> • Build in-house RES and storage capabilities while purchasing certified third-party RES • Collaborate to buy or sell offset credits (dependent on emissions cap or budget) • Set an internal carbon price to use in investment and procurement decisions 	
Financial and other impacts driven by climate-related risks and responses	
Risk	Opportunity
<ul style="list-style-type: none"> • Increase in costs from fines or taxes 	<ul style="list-style-type: none"> • Increase participation in the carbon credit markets
3. Increase in CBAM negatively impacting gold exports	●
Response	
<ul style="list-style-type: none"> • Build in-house RES and storage capabilities while purchasing certified third-party RES • Collaborate to buy or sell offset credits (dependent on emissions cap or budget) • Set an internal carbon price to use in investment and procurement decisions 	
Financial and other impacts driven by climate-related risks and responses	
Risk	Opportunity
<ul style="list-style-type: none"> • Loss of revenue 	<ul style="list-style-type: none"> • New internal processes for investments and procurement
Reporting compliance	
Climate-related risks	When
1. Increase in climate-related disclosures from funders and investors	●
Response	
<ul style="list-style-type: none"> • Upskill or acquire resources to deal with compliance • Implement corporate governance processes/policies aligned with funder requirements 	
Financial and other impacts driven by climate-related risks and responses	
Risks	Opportunities
<ul style="list-style-type: none"> • Increase in compliance costs • Increase in borrowing costs 	<ul style="list-style-type: none"> • Increase in climate-related resources and skills of the future • Increase in oversight and reporting compliance aligned with stakeholders' requirements
2. Increase in insurance costs due to lack of climate-related disclosures	●
Response	
<ul style="list-style-type: none"> • Increase reporting aligned with international frameworks 	
Financial and other impacts driven by climate-related risks and responses	
Risk	Opportunity
<ul style="list-style-type: none"> • Increased insurance-related costs 	<ul style="list-style-type: none"> • Increase in oversight and reporting compliance aligned with stakeholders' requirements

Emissions reduction targets	
Climate-related risks	When
1. Implementation of additional RES	● ● ●
Response	
<ul style="list-style-type: none"> • Build in-house RES and storage capabilities while purchasing certified third-party RES 	
Financial and other impacts driven by climate-related risks and responses	
Risk	Opportunity
<ul style="list-style-type: none"> • Increase in assurance costs 	<ul style="list-style-type: none"> • Increase in energy security and cost savings
2. Implementation of energy efficiency interventions	●
Response	
<ul style="list-style-type: none"> • Energy audit to be undertaken to identify priority areas for energy efficiencies • Conduct a business case on high head pump storage using the available head in the mine shaft 	
Financial and other impacts driven by climate-related risks and responses	
Risk	Opportunities
<ul style="list-style-type: none"> • Increase in assurance costs 	<ul style="list-style-type: none"> • Increase in energy security and cost savings • Optimal use of available resources
3. Setting targets for emissions reductions	●
Response	
<ul style="list-style-type: none"> • Identify opportunities for reduction in emissions 	
Financial and other impacts driven by climate-related risks and responses	
Risk	Opportunity
<ul style="list-style-type: none"> • Implications on growth 	<ul style="list-style-type: none"> • Increase in energy efficiency and cost savings
Value chain	
Climate-related risk	When
1. Increase in input materials due to lack of supply	● ●
Response	
<ul style="list-style-type: none"> • Introduce a value chain forum to share ideas and lessons learnt and look for areas of synergy • Conduct studies to determine the carbon intensity of the gold sold along the value chain in preparation for the CBAM 	
Financial and other impacts driven by climate-related risks and responses	
Risks	Opportunities
<ul style="list-style-type: none"> • Increase in input costs • Increase in R&D costs 	<ul style="list-style-type: none"> • Increase in climate-related supplier engagement and inclusive procurement while exploring green procurement strategies • Increase in value chain efficiencies including building energy efficiency as a criterion for procurement

NON-FINANCIAL AND SUSTAINABILITY INFORMATION continued

The opportunities we have recognised align with our strategic goals, which encompass our dedication to decarbonisation, the adoption of green energy and the pursuit of long-term environmental sustainability. Additionally, we strive to reduce our dependence on external providers for drinking water. The strategic endeavours we have actively engaged in include the following:

Initiatives	Direct impact	Financial impact
Evander Mines' 9.9MW solar plant	153,402tCO ₂ e savings over the first 10 years	<ul style="list-style-type: none"> US\$4.4 million was saved since the plant was commissioned in May 2023
Barberton Mines' 8.75MW solar plant facility (planned)	Between 14ktCO ₂ e and 15ktCO ₂ e per annum of carbon dioxide emissions reductions	<ul style="list-style-type: none"> Cost savings of ZAR26 million in year one before averaging ZAR40 million a year in cost savings over the life of the plant Expected to provide 15% of Barberton Mines' energy requirements Expected cost savings of approximately US\$2.4 million¹ at current Eskom tariffs
Evander Mines' water treatment plant	Reduced water consumption from Rand Water by 45.6% to 747.5ML for the 2024 financial year	<ul style="list-style-type: none"> Realised cost savings of approximately US\$0.5 million for the 2024 financial year

¹ Rand amounts converted at an exchange rate of US\$/ZAR:18.00.

STAKEHOLDER ENGAGEMENT

We have collaborated with the NCPD-SA, hosted by the Council for Scientific and Industrial Research, on behalf of the Department of Trade, Industry and Competition. The NCPD-SA is a member of the United Nations Industrial Development Organisation and the United Nations Environmental Programme's Global Network for Resource Efficient and Cleaner Production and is leading the African Roundtable on Sustainable Consumption and Production. The partnership aims to assist Pan African in lowering costs through energy, water, materials consumption and waste management efficiencies, including facilitating our participation in the circular economy through the industrial symbiosis programme.

Our initial engagement activities have focused on partnerships to build our internal knowledge and identify climate risks and opportunities. From now on, our stakeholder engagement efforts will be more focused on community and supplier engagement, development and accredited training.

RISK MANAGEMENT

Pan African has a comprehensive risk management framework in place. As with our broader ESG priorities, climate risks will increasingly be integrated into our risk management programme. The risk management process includes a clear disclosure strategy. Our approach to defining and managing climate risks has evolved.

Our risk management process

We utilise a structured risk management process to identify, assess and address uncertainties and protect stakeholder value, promoting long-term sustainability. This process considers risks from strategic, operational and external sources. Our risks and opportunities are managed on four tiers, which are the board, the board committees, executive management and employees. Refer to **page 48** for more information on Pan African's risk management process.

Physical climate-related risks form part of the SHEQ risk assessments and are consolidated into the Group risk register, while transition risks, particularly those related to emerging regulations and policies, are evaluated for their potential financial impacts. Currently, these risks are managed at the operational level, but we are actively working to incorporate climate change considerations into our overall business strategy.

We are developing a climate-related transition plan based on the assessments of climate-related risks, opportunities, capacity building and scenario analysis. Future strategies will include mitigation and adaptation plans, with climate considerations integrated into budgeting processes at both corporate and operational levels. Contingency and business continuity planning will also be updated to reflect climate-related risks.

To build resilience, we are committed to strengthening our organisation's skills, knowledge and capacity through ongoing climate-related training. Additionally, where applicable, climate-related risks and opportunities will be incorporated into our Group risk management frameworks for effective monitoring and management.

METRICS AND TARGETS

Pan African has disclosed its ESG performance consistently in its previous integrated annual reports, using the report as its primary platform to reach its stakeholders. The extent of our disclosure has broadened over time.

Our approach to measuring and managing climate-related risks and opportunities aligns with the GHG Protocol recommended by leading reporting frameworks such as the GRI, TCFD and IFRS S2. We also track other relevant metrics, including water and waste management, that are material to our operations.

ENERGY TARGETS

We monitor energy capital expenditure to maintain a cost-effective approach when evaluating projects. This aligns with IFRS S2 strategy disclosures on financial performance, position and cash flows related to managing climate-related risks and opportunities. Capital expenditure on energy-related projects primarily relates to Barberton Mines' Fairview solar plant with US\$10.3 million (2023: US\$2.3 million) invested for the financial year. Total capital expenditure for the year amounted to US\$172.4 million (2023: US\$113.0 million). Several projects were implemented during the financial year to enhance energy efficiency and contribute to cost savings while aligning with sustainable practices. Refer to the climate change report for more information on these projects.

Through our strategic initiative of diversifying renewable energy sources and enhancing water management strategies, we aim to improve power security, optimise resource utilisation, reduce costs and promote environmental stewardship. Refer to the cost consciousness material matter on **page 35** for savings realised from Evander Mines' solar plant as well as from energy-efficient projects.

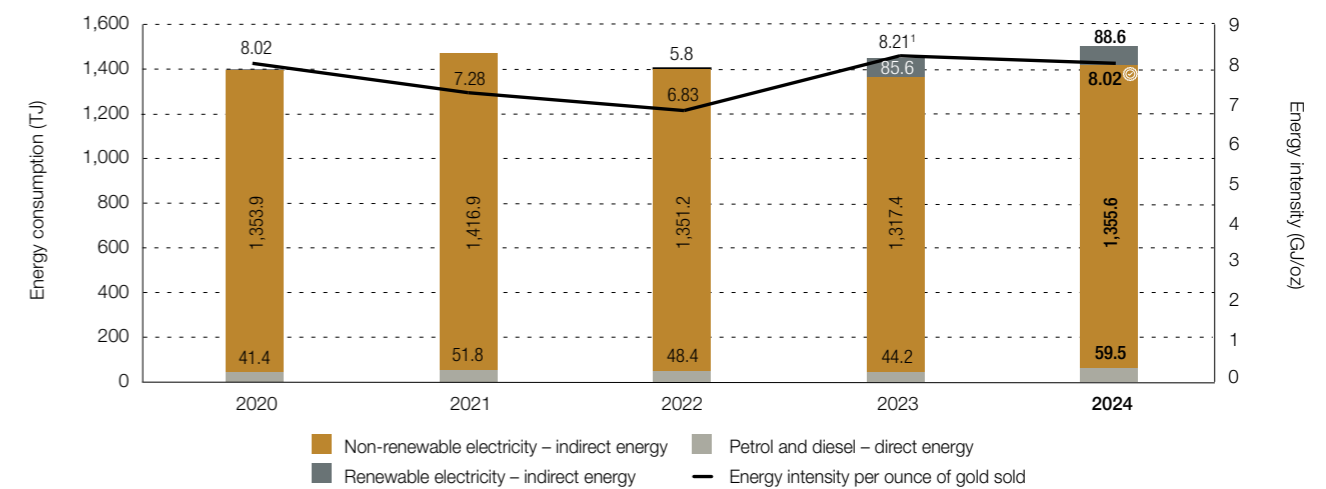
As part of our commitment to increasing the percentage of renewable energy in our overall energy mix, we have committed to achieving a target of 15% of the total energy consumed being generated from renewable energy by 2027.

KPI	2024	2023
Renewable energy (%) = (solar PV (MWh))/ (total electricity consumption (MWh))	Target: 7% Performance: 6.1%	Target: 5% Performance: 6.1%

We achieved a renewable energy mix of 6.1% instead of 7%. This is attributable to delays in the construction of Barberton Mines' Fairview solar plant. The plant started generating electricity in August 2024 and we are on track to meet our future renewable energy targets.

We are focused on ensuring that we maintain high energy efficiency ratios and low energy intensity ratios.

Energy consumption



¹ Historically, the Group recognised revenue on delivery of gold to Rand Refinery. However, the Group established that control does not pass to the customer on delivery but rather on settlement. As such, revenue and associated intensities have been restated to reflect only gold sales that have been settled at the reporting date, as opposed to gold delivered to Rand Refinery.

We do not have a target regarding total energy consumption. As a growing business, we do not aim to reduce our total energy consumption. Instead, we focus on ensuring that we maintain sustainable energy efficiency ratios while lowering our energy intensity rates.

The Group's energy consumption has increased by approximately 3.9%, mainly due to an increase in petrol and diesel consumption following the inclusion of the MTR project into the GRI reporting boundary as well as an increase in indirect energy consumption. However, we have maintained the percentage of energy from renewable sources at 6.1%. We are pleased that our energy intensity has reduced over the year by 2.3%, due to a 4.9% increase in gold sold.

NON-FINANCIAL AND SUSTAINABILITY INFORMATION continued

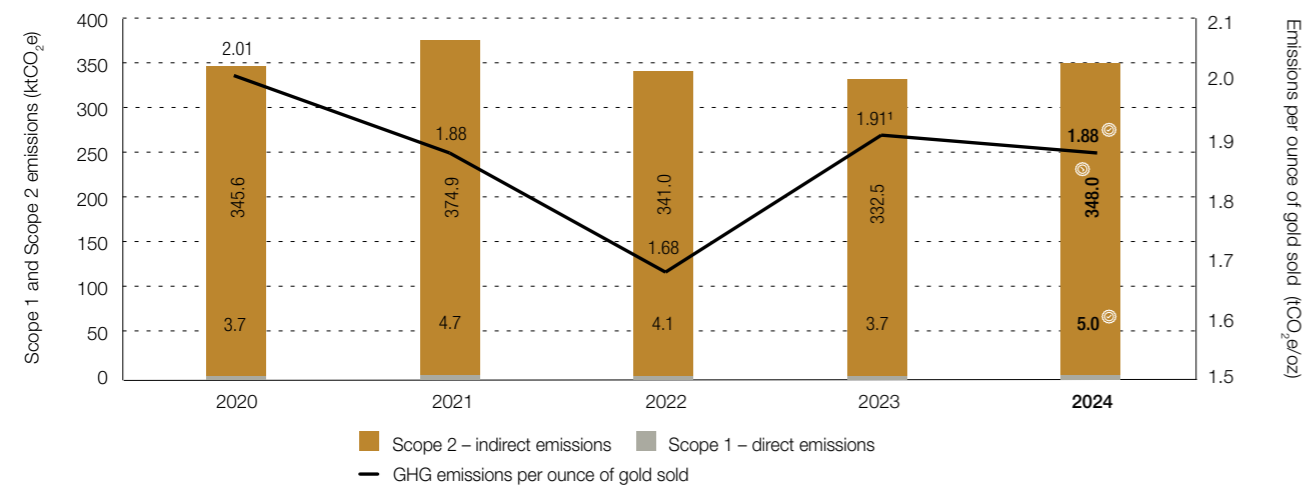
CARBON TARGETS

We continue to meet the requirements of the mandatory GHG emissions reporting regulations and comply with the Carbon Tax Act, 15 of 2019, in South Africa.

Our Scope 1 and Scope 2 emissions have increased by 35.1% and 4.7%, respectively. The increase in Scope 1 emissions is primarily due to including the MTR project, the Sudan exploration and the Barberton Blueberries project into our emissions boundary.

We have not established carbon targets although we do monitor and track energy and carbon intensities.

GHG emissions and carbon intensity



¹ Historically, the Group recognised revenue on delivery of gold to Rand Refinery. However, the Group established that control does not pass to the customer on delivery but rather on settlement. As such, revenue and associated intensities have been restated to reflect only gold sales that have been settled at the reporting date, as opposed to gold delivered to Rand Refinery.

We are making progress in developing and verifying our Scope 3 GHG emissions.

We have undertaken work to enhance our Scope 3 reporting to ensure that the figures are aligned with the requirements for both the reporting and target-setting standards. This work consisted of a workshop with finance and procurement personnel on establishing significant criteria for including Scope 3 emissions. The results are being used to assess which Scope 3 emission categories are material to Pan African's operations.

WATER TARGETS

Although we have not established formal water targets, we closely monitor water consumption as part of our commitment to sustainability. Effective water management is important to ensure the sustainability of our operations and secure our social licence to operate. Climate change is expected to increase the variability of rainfall patterns, leading to an increased likelihood of water quality issues. Rising temperatures further exacerbate water quality deterioration by reducing oxygen levels. In light of this, we understand that improving water security is closely linked to improved water efficiency, which in turn is connected to energy efficiency and the reduction of associated emissions.

For more information, refer to the water management material matter on [page 38](#).

Water treatment plants

Our strategic focus on water treatment plants ensures that more treated water is discharged, minimising our consumption and evaporation rates.

It is important to note that water treatment plants ensure water discharge at acceptable quality, in line with our water use licence and the resource quality objectives set by the DWS. This not only minimises environmental pollution and reputational risk but also positions us to effectively manage climate-related extreme weather events. We see investing in water treatment plants as a climate-related opportunity that can mitigate water security risks. More importantly, it enables us to discharge water into streams or for third-party use in a responsible and sustainable manner. Furthermore, the use of treated water in our processing plants contributes to our sustainability efforts by reducing our withdrawal from rivers and municipal water.

Refer to [page 43](#) in the climate change report for more information on the Group's water-saving strategies and collaboration efforts on water as a shared resource.

CONCLUSION

By incorporating the recommendations of the TCFD and NFSIS, we have enhanced our understanding of the potential impacts of climate change on our business and established a foundation for informed decision-making. As we continue to navigate the challenges and opportunities posed by climate change, we remain dedicated to proactive measures that promote long-term value creation, environmental stewardship and a sustainable future for all.

Refer to Pan African's climate change report for the year ended 30 June 2024, which is available on our website at: www.panafricanresources.com, for further reading.

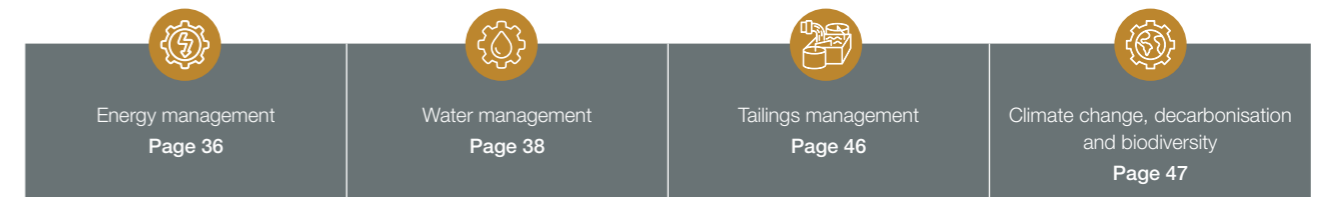
ENVIRONMENTAL OVERVIEW

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

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

Pan African understands the importance of actively protecting and preserving the environment. We acknowledge that our operations have significant implications for local ecosystems, communities and the broader environment. Therefore, we are committed to implementing robust environmental management practices aimed at ensuring sustainable outcomes.

Several environmental matters have been identified as being material and are discussed in the material matters section.



WASTE MANAGEMENT

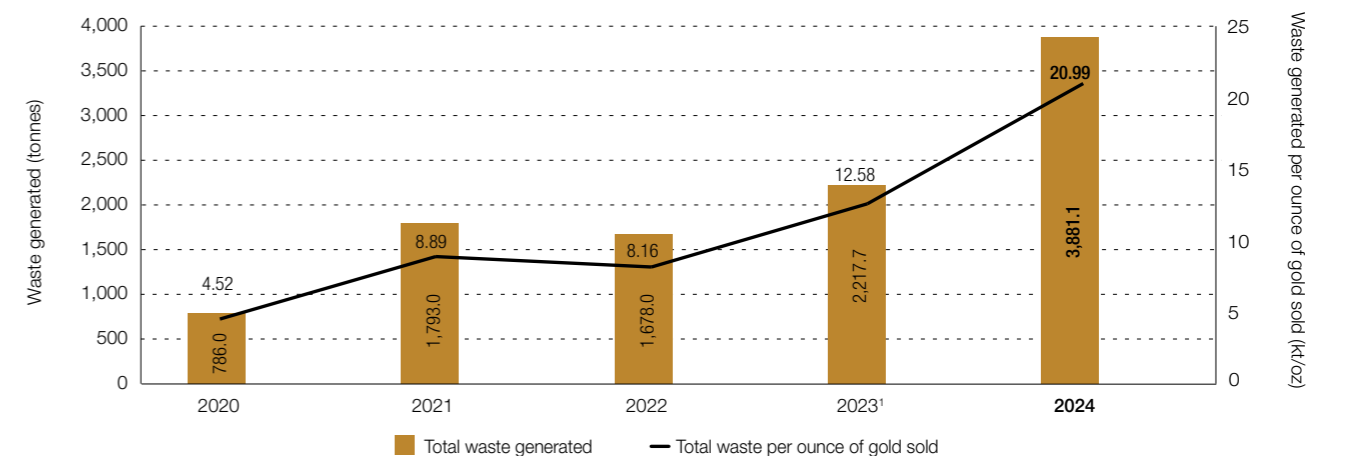
Our mining operations generate waste rock as well as hazardous and non-hazardous waste materials. By responsibly managing these waste streams, the impact on human health and the environment is minimised.

Our commitment to responsible waste management and disposal is supported by our standards and procedures. We adhere to strict protocols for handling and transporting materials, including chemical substances such as cyanide and other reagents. Each operation manages mineral and non-mineral waste in accordance with the Group SHEQ policy, the National Waste Management Strategy and other relevant legislation.

Total waste generated

Our total waste generated, which includes waste diverted from disposal by recovery operations and waste directed to disposal by disposal operations, saw a significant increase in the reporting period. This was primarily due to an irregular surge at Evander Mines, attributed to the construction of new change houses and the removal of underground waste. However, our concerted efforts to align with the GRI waste standard have significantly improved our waste reporting quality and global comparability.

Total waste generated



ENVIRONMENTAL OVERVIEW continued

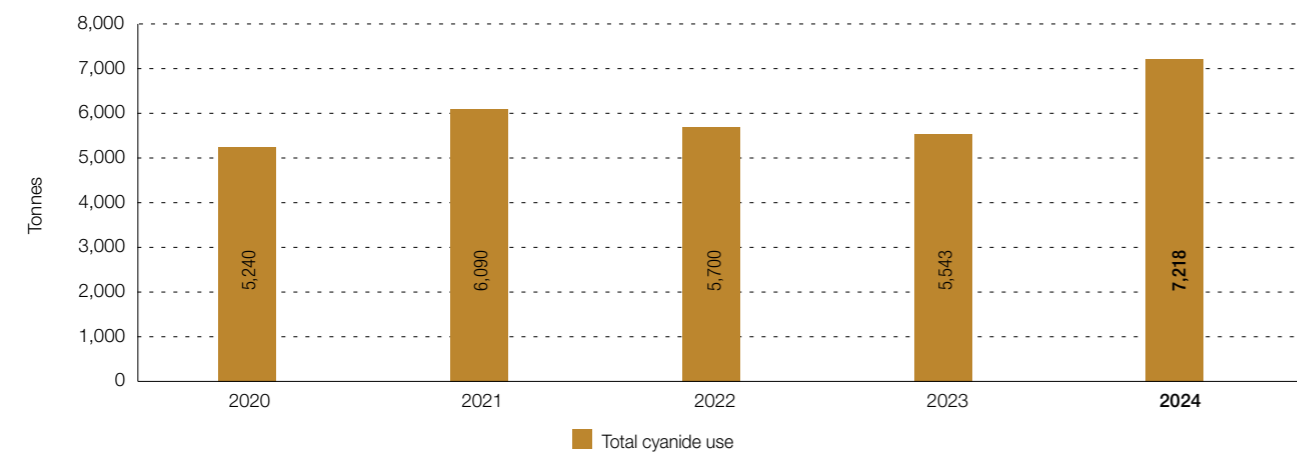
Hazardous waste

The primary types of hazardous waste generated at our operations include used hydrocarbons and oil rags, solvents, e-waste and fluorescent tubes. To manage potentially hazardous waste, safety data sheets are utilised and certified suppliers transport the waste off-site for disposal at licensed hazardous waste facilities. Waste manifest certificates are issued to confirm compliance with applicable legislation.

The use of a sodium cyanide solution for gold extraction remains the safest, most effective and economical metallurgical process.

The Group ensures proper disposal of all waste cyanide in accordance with the South African Code for Cyanide Management. Environmental risk associated with transporting materials, including cyanide, has been assessed across all operations with no significant environmental impacts identified. All cyanide required by our operations is transported by certified hazardous substances transport providers. Emergency response trailers are stationed on-site at Barberton Mines, the BTRP and Evander Mines to promptly address spillages, should they occur.

Cyanide management



LAND USE

Closure and rehabilitation

Preserving biodiversity and the natural heritage of the Makhonjwa Mountains (also known as the Barberton Mountainland) where we operate is paramount to us as more than 90% of Barberton Mines' mining rights lie within the Barberton Nature Reserve.

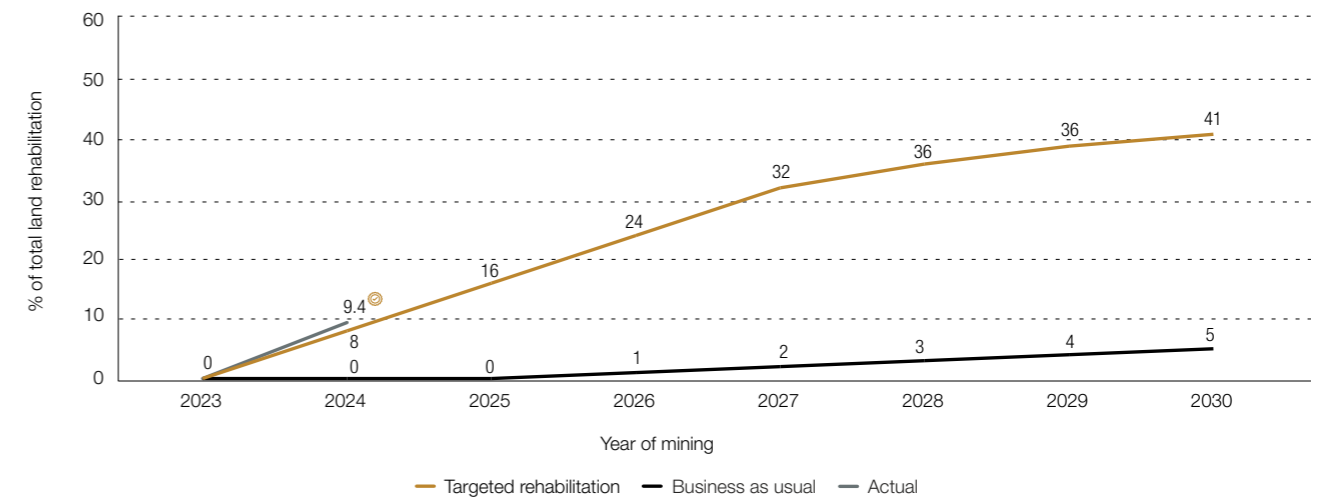
Our rehabilitation efforts focus on restoring natural balance, preserving water and fostering indigenous flora and fauna. Both Barberton Mines and Evander Mines have developed their annual

rehabilitation plans, their final rehabilitation, decommissioning and mine closure plans as well as their environmental risk assessment reports.

Evander Mines has already rehabilitated all its old shafts and hostels, leaving only operational areas such as offices and plants.

Our goal is to achieve 41% land rehabilitation by 2030 on the MTR project. With 122.3ha rehabilitated in the 2024 financial year amounting to 9.4% of land in the process of rehabilitation, the Group has achieved and exceeded its 2024 targeted rehabilitation percentage of 8%.

MTR project land rehabilitation targets



AIR QUALITY AND POLLUTION

Our primary sources of emissions and air pollution include drilling, blasting, hauling, smelting and the collection and transportation of ore. Temperatures in underground mines at the rock face can range between 60°C and 70°C, which may adversely impact employee safety and productivity. Ventilation and cooling systems help mitigate these risks but may have adverse environmental effects. In the past, ozone-depleting substances (ODSs), such as chlorofluorocarbons (CFCs), were used in cooling systems, however, we do not use CFCs nor do our operations produce, import or export ODSs. Monthly monitoring of ambient air for fallout dust emissions and stack emissions is conducted at our operations to assess the potential impacts on our employees and neighbouring communities.

None of our air emissions have reached environmental trigger points.

BIODIVERSITY

Pan African is dedicated to managing biodiversity impacts and safeguarding ecosystems and habitats within our operational areas. We prioritise preventing the loss and degradation of ecosystems and aim to minimise the impacts on soil erosion. Our operations have direct and indirect effects on biodiversity and ecosystems through pollution and habitat alteration. Achieving a net positive impact on biodiversity in affected areas is important for reducing environmental harm and restoring previously disturbed land. We actively respond to stakeholder expectations and comply with regulatory requirements aimed at mitigating biodiversity loss and adverse ecosystem impacts.

Proactively managing our biodiversity impact involves various measures including concurrent rehabilitation of disturbed areas, biomonitoring and erosion control procedures. We rehabilitate previously disturbed land and remove alien invasive vegetation to protect and restore biodiversity in the areas where we operate.

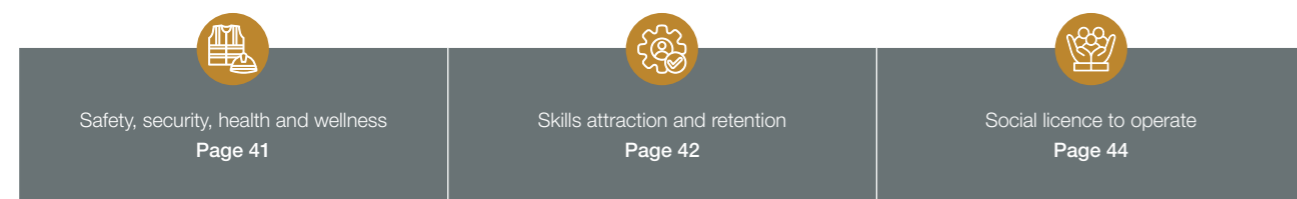
Pan African takes utmost care to preserve the biodiversity of the Makhonjwa Mountain range

SOCIAL OVERVIEW

Our **sustainable development report** contains additional disclosures and is available on our website at: <https://www.panafricanresources.com/investors/gri-and-sustainability/>

Understanding and proactively managing the impacts of mining on communities are essential for the success of our operations and sustainability of communities. As stakeholder demands intensify, creating shared value and maintaining our social licence to operate remain top priorities for the Group.

The following social material matters are discussed in the material matters section.

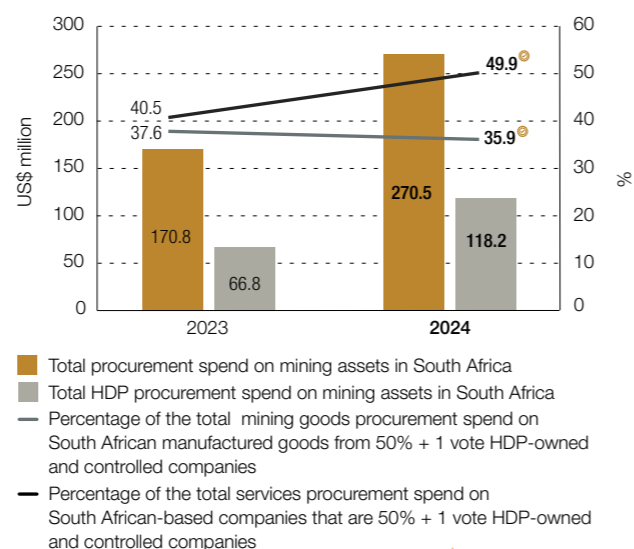


LOCAL PROCUREMENT AND ENTERPRISE DEVELOPMENT

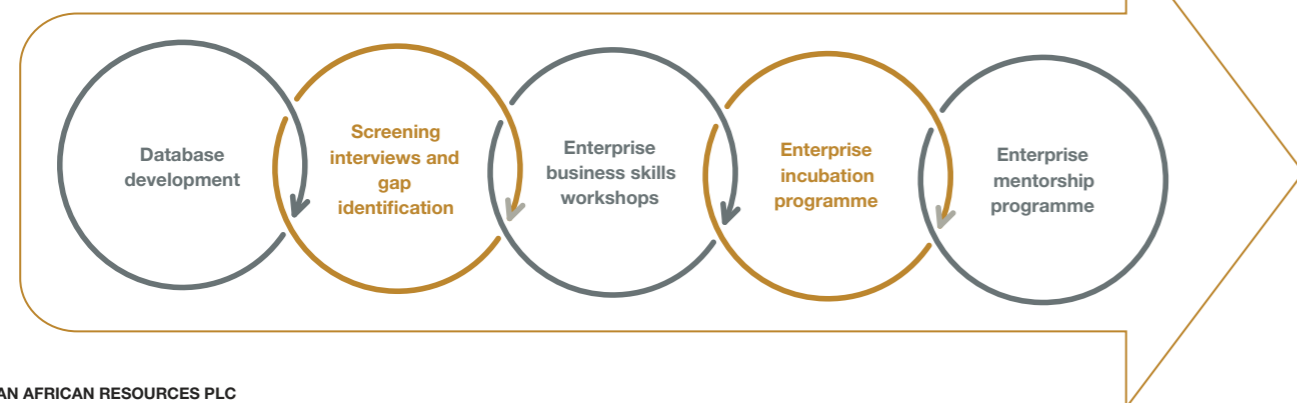
Local procurement and supplier development strategies are critical in reducing operational costs and carbon emissions, enhancing control across our supply chain and supporting community growth by fostering job creation and entrepreneurial opportunities. The overall level of procurement on mining assets in South Africa has increased by 58.4%. Total HDP procurement spend has increased by 76.9%.

Our enterprise development programme identifies outsourcing opportunities within the mines' supply chain and promotes business opportunities for HDP suppliers. Supporting small and medium enterprises is vital for bolstering economically challenged local communities and creating sustainable employment beyond mining supply.

HDP procurement spend



Enterprise supplier development programme structure



We maintain an inclusive approach to procurement, supplier and enterprise development to ensure that the procurement of consumable goods, services and capital goods aligns with or exceeds the Group's targets for HDP spend as outlined in our SLPs. We are committed to increasing spend with black-owned and particularly black-women-owned businesses as well as implementing proactive community development projects and strategic sourcing.

Our procurement managers actively engage with suppliers throughout the tender process, providing guidance to non-compliant companies on how to achieve compliance. This ongoing effort expands our supplier base to include more local providers, reinforcing our commitment to community upliftment and sustainable economic development.

SYNDICATED CRIME

Illegal mining poses ongoing challenges, and its impact continues to adversely affect our gold production as well as the safety and security of our employees and communities. These activities not only adversely impact revenue but also increase security costs. The rise in poverty and unemployment in local communities has exacerbated incidents of illegal mining and theft particularly at abandoned, concealed shafts. The increased gold price unfortunately further incentivises such activities. Crime syndicates target local youth, recruiting them into illegal activities. The growing number of individuals and organised groups mining informally and illegally on our mine sites is an ongoing concern.

SECURITY

At Barberton Mines, measures have been taken to limit the unauthorised access of illegal miners to underground areas and prevent the theft of surface infrastructure.

Surveillance technology, combined with specialised tactical security teams, resulted in the arrest of more than 900 individuals for various offences during the reporting period. Notably, more than 40% of those arrested were repeat offenders and more than 60% were foreign nationals, highlighting the security challenges the mine faces as a result of an ineffective criminal justice system.

Barberton Mines' security department further expanded its CCTV network to over 800 cameras of which more than 100 were installed during the financial year. Additionally, X-ray technology, implemented in early 2024 at both the Fairview and Sheba shafts, has significantly reduced internal theft by employees and contractors resulting in numerous arrests. Other technologies employed include seismic movement sensors, long-range thermal cameras and specialised K9 and mounted tactical resources, demonstrating our commitment and innovative approach to security.

In late 2023, the South African Police Service launched Operation Vala Umgodi and deployed specialised units across mining regions to combat illegal mining and related crimes. This initiative has bolstered our security efforts, showcasing strong partnerships and support from national law enforcement.

Security considerations were integral to the planning of the MTR plant and its operations, resulting in a modern security framework equipped with state-of-the-art technology ready for when the plant is operational.

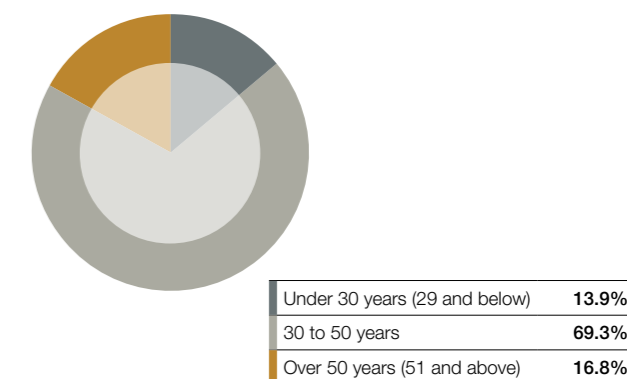
We are committed to working collaboratively with stakeholders to ensure the implementation and maintenance of statutory TSF management standards. Action plans and remedial activities identified through internal and external reviews are being implemented to mitigate high-risk safety and environmental concerns. With these actions, we aim to ensure safety compliance for our mining operations, employees and the surrounding communities.

DIVERSITY AND INCLUSION

Our ongoing commitment to improving gender diversity across all levels of the Group aims to strengthen decision-making, governance and financial performance. Over the past year, the percentage of women in mining has increased from 16.1% to 17.1%.

Our employee complement is well balanced, with a fairly even age distribution across the Group.

Permanent employees by age group

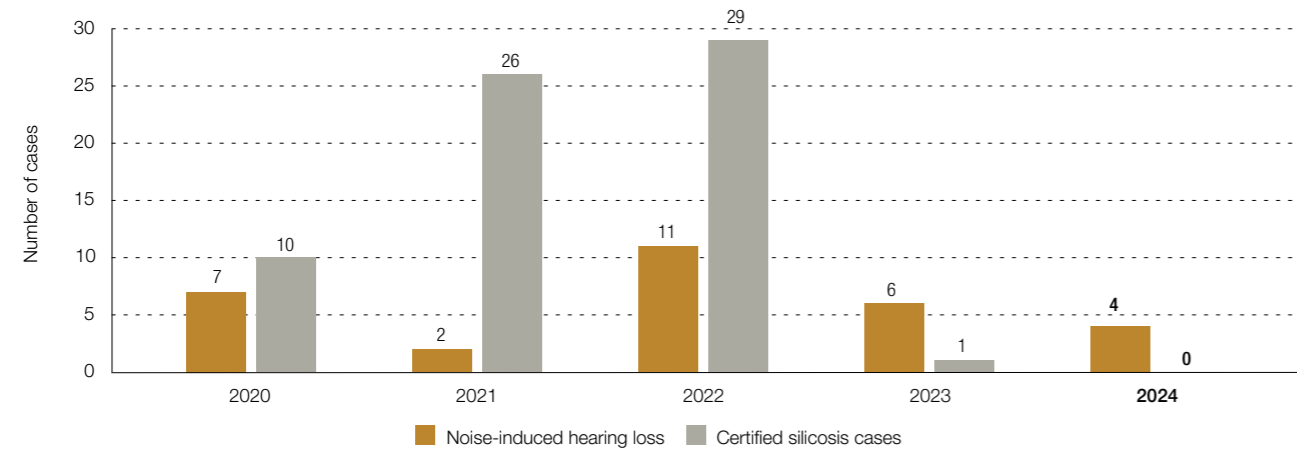


SOCIAL OVERVIEW continued

OCCUPATIONAL HEALTH AND HYGIENE

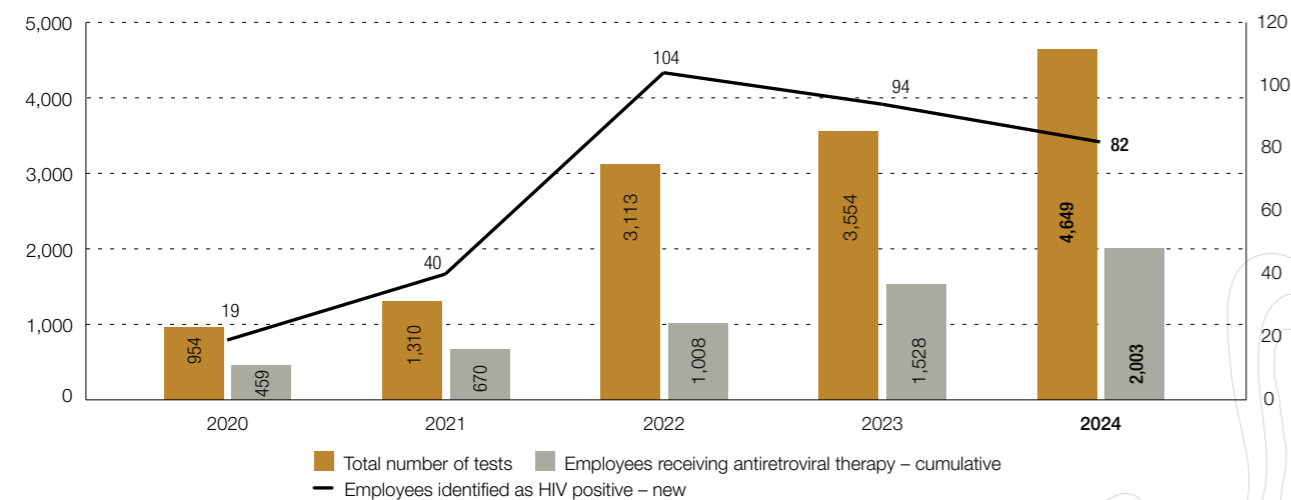
Pan African is committed to fostering healthy workplaces for our employees and communities. Our comprehensive occupational hygiene programme is designed to safeguard employees' long-term health by addressing occupational hazards such as dust inhalation, excessive noise levels and heat stress at their source.

Work-related ill-health



South Africa continues to face HIV/Aids epidemic challenges, and we remain committed to raising awareness and encouraging employees to get to know their status. We offer voluntary counselling and testing for HIV/Aids to prospective and permanent employees, including contractors, with the support of an on-site counsellor who provides guidance on these and other health issues. Our efforts aim to reduce stigmas associated with many of these illnesses and increase awareness. During the past year, the number of HIV tests conducted decreased significantly as well as the number of employees identifying as being HIV positive.

HIV/Aids



CORPORATE GOVERNANCE OVERVIEW

The Pan African board is committed to upholding corporate governance practices and promoting responsible corporate citizenship as an integral part of the Group's strategic framework.

CORPORATE GOVERNANCE FRAMEWORK

The board is the custodian of the Group's corporate governance framework and is supported by its five committees. The board recognises its responsibility to lead the Group ethically and sustainably through the application of King IV™.

The Group's corporate governance framework forms the foundation of how business is conducted and is guided by:

Our purpose

We are committed to optimally and consistently extracting gold from mineral deposits while creating sustainable value for all our stakeholders through responsible mining.

Our vision

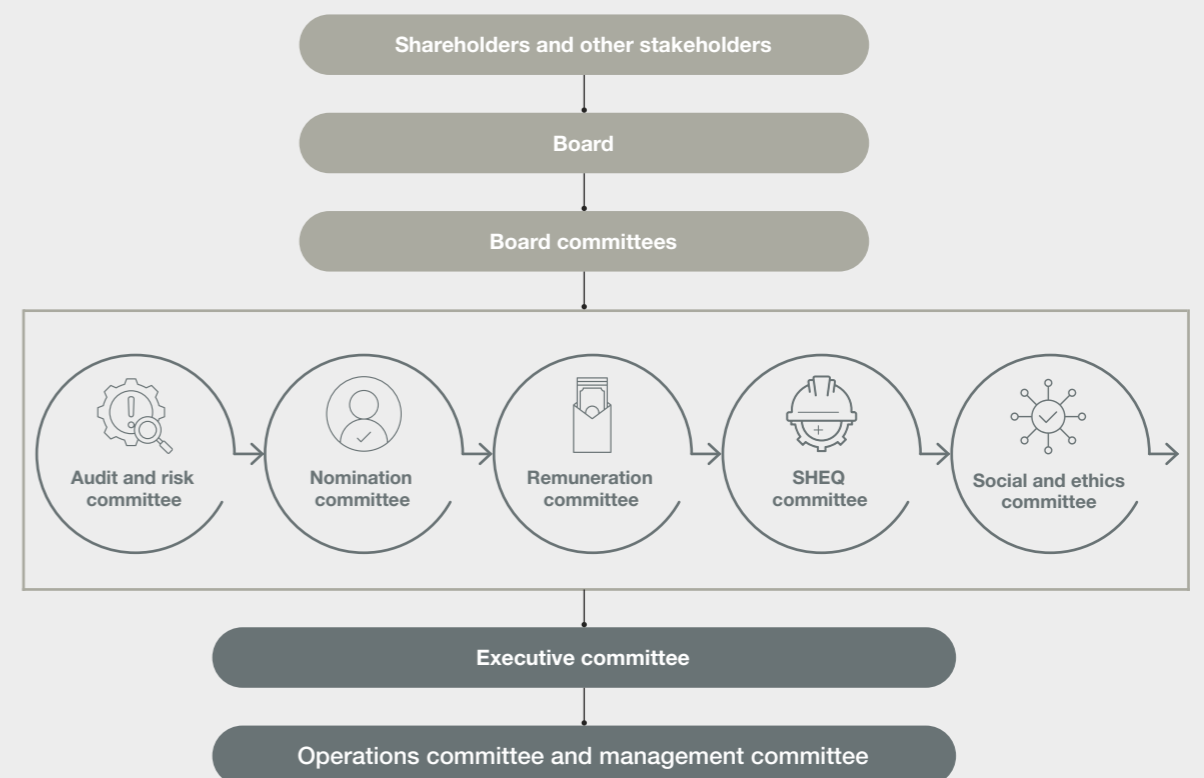
We aspire to further develop Pan African as a leading mid-tier gold producer that upholds its purpose.

Our sustainability commitment

Our commitment to sustainability extends beyond compliance. We collaborate with experts in community engagement, conservation and sustainability initiatives to benefit all stakeholders. Our approach prioritises ESG considerations, including the use of renewable energy and water recycling.

Our values

- Action and delivery
- Excellence
- Resilience
- Courageous conversations
- Innovation
- Teamwork
- Ownership
- Integrity
- Care
- Attitude



CORPORATE GOVERNANCE OVERVIEW continued

The board assumes ultimate responsibility for ensuring that the Group adheres to sound corporate governance standards and makes business decisions with the appropriate diligence, expertise and focus to maximise sustainable value for all stakeholders.

The board comprises a diverse group of directors who possess the requisite knowledge, expertise, technical experience and business acumen to govern the Group responsibly, ethically, honestly and transparently. We recognise that we operate in an ever-shifting environment shaped by evolving social and political dynamics, and we are committed to maintaining effective and responsible governance structures that safeguard our reputation and social licence to operate.

The board delegates certain powers to its committees, which assist it in fulfilling its corporate governance responsibilities per their board-approved charters. Each committee charter outlines the delegated roles and responsibilities of the committee and is subject to periodic review by the board. Refer to **page 146** for more information on the composition and role of the board committees. For an overview of board members' credentials and their committee membership, please refer to **pages 144 and 145**. The corporate governance framework, which was reviewed in June 2024, is depicted on **page 139**.

STAKEHOLDER CONCERNS, STRATEGIC AREAS OF FOCUS AND ISSUES DISCUSSED AND ACTIONED

Our directors are acutely aware of their responsibility to act in the best interests of the Company and its members as a whole, taking into consideration the short-, medium- and long-term success of the Company, as outlined in section 172 of the UK Companies Act 2006.

The board assumes responsibility for establishing the strategic direction of the Group, overseeing its overall business conduct and culture and ensuring alignment with the Group's purpose and values. Meetings are convened by the board at least four times a year, with additional meetings scheduled as deemed necessary. In 2024, the board convened on seven occasions, reflecting its commitment to diligent governance.

Stakeholder relations are a fundamental component of the Group's governance structure and are managed through various channels. The social and ethics committee is responsible for oversight of stakeholder relationships. The chief executive officer, financial director and head of investor relations ensure an inclusive approach to achieving optimal outcomes for all stakeholders in the execution of the Group's strategy. At an operational level, stakeholder engagement is the responsibility of the general manager, human resources manager and ESG manager.

The board prioritises transparency and accountability by ensuring clear and timely communication with shareholders and other stakeholders about the Group's performance and strategic direction. Inclusivity is central to its approach, with the board reporting annually on ESG performance and maintaining guidelines such as stakeholder relationship and engagement, whistle-blowing and SHEQ policies, which are available on the Group's website. Refer to our key stakeholder relationships on **pages 57 to 65** also, refer to **pages 136 and 137** for more information related to our suppliers.



PROVIDERS OF CAPITAL | Investors, shareholders, fund managers, analysts and financial institutions

Strategic objective

FINANCIAL CAPITAL

Ensure adequate, competitively priced and flexible financial resources for the funding of our operations and disciplined capital allocation for sustainable long-term value creation

Key stakeholder concerns during the year

- Consistent financial and operational performance which enables sustainable shareholder returns
- Increasing debt levels
- Growth opportunities
- Distributions made in contravention of the UK Companies Act 2006
- Power curtailment
- Share liquidity and valuation

Governance responsibility

- Board
- Audit and risk committee
- Exco

Governance activities in 2024

- The board monitored the Group's capital structure, cash flow projections, debt covenant compliance and ongoing operational performance relative to budgets and operational forecasts. The board is confident that the Group's capital structure and its management of liquidity risk are appropriate and effective
- The board, through the audit and risk committee, monitored the Group's capital reduction process which took effect on 18 July 2024
- The board monitored the Group's solar funding strategy and approved the funding package for the construction of Barberton Mines' solar plant and the extension of Evander Mines' solar plant funding facility which was established during June 2024
- The board monitored the progress of the power purchase agreement entered into with Sturdee Energy
- The board reviewed several investment proposals and approved the strategic acquisition of an equity interest in TCMG
- The board, through the audit and risk committee, monitored the upgrade of the Group's ERP system
- The board reviewed the status of the Group's strategic capital projects, ensuring that these projects are being progressed consistent with projected timelines and within the allocated budget
- The board discussed the MTR project's execution risk and mitigating actions, specifically those related to social unrest and illegal mining in the area
- The board, through the social and ethics committee, monitored the Group's progress in meeting the KPIs associated with the sustainability-linked bond
- Taking into consideration the Group's strategic objectives, capital structure and liquidity, the board will recommend the proposed dividend for the year ended 30 June 2024 to shareholders for their approval at the November 2024 AGM

Looking ahead

- Monitor the Group's operational optimisation and restructuring initiatives intended to increase production and reduce costs
- Execute capital projects intended to sustain and increase gold production into the future
- Monitor debt levels as the MTR project's construction progresses
- Maintain the focus on generating sustainable shareholder returns
- Advance organic growth projects within our mining rights, and further progress the exploration programme in north-eastern Sudan once the in-country political situation stabilises

For more information refer to **pages 58 and 59**.



Refrigeration plant at Fairview Mine's 11 Level adit

CORPORATE GOVERNANCE OVERVIEW continued

🏠 **Employees and unions**

<p>Strategic objective</p> <p> HUMAN CAPITAL</p> <p>Attract, cultivate and retain exceptional talent while fostering a culture of safety, respect and continuous learning</p>	<p>Governance activities in 2024</p> <ul style="list-style-type: none"> The board, assisted by the SHEQ committee, had oversight of the Group's compliance with safety standards. It monitored the implementation of health and safety measures across operations, with a particular focus on reinforcing fundamental safety behaviours and cultivating a robust safety culture The board monitored the Group's response to the fatal accident that occurred at Elikhulu in February 2024 Executive directors ensured that employee safety was a consistent and prominent agenda item in every Exco meeting The board discussed and approved initiatives to enhance the safety and risk management of the Group's TSFs The board, assisted by Remco: <ul style="list-style-type: none"> deliberated succession plans, retention and remuneration schemes and identified future leaders within the Group and the development of these leaders reviewed, monitored and ensured compliance in terms of stipulated employment equity targets and other regulatory requirements The board monitored wage negotiations at Barberton Mines and Evander Mines. In June 2024, Barberton Mines successfully concluded a five-year wage agreement with the NUM. Similarly, a five-year wage agreement was reached with the UASA in July 2021, which is set to expire in June 2026
<p>Key stakeholder concerns during the year</p> <ul style="list-style-type: none"> Employee safety Wage negotiations Maturation of Barberton Mines' ESOP Diversity and transformation 	<p>Governance responsibility</p> <ul style="list-style-type: none"> Board SHEQ committee Social and ethics committee Exco
<p>Looking ahead</p> <ul style="list-style-type: none"> Continue to drive year-on-year improvements in safety performance Implement improved safety initiatives at all operations Continue to maintain a strong focus on talent management, skills development and succession planning 	

For more information refer to **pages 60 and 61**.

👥 **Communities**

<p>Strategic objective</p> <p> SOCIAL AND RELATIONSHIP CAPITAL</p> <p>Engage stakeholders to build positive relationships, maintain our social licence to operate and create sustainable value</p>	<p>Governance activities in 2024</p> <ul style="list-style-type: none"> The executive directors managed stakeholder relationships on behalf of the Group, and the chief executive officer updated the board on the status of stakeholder engagements Feedback from external stakeholders such as host communities, financiers, the South African government and shareholders was discussed by the board The board, through the SHEQ committee and the social and ethics committee, monitored the progress of the Group's CSI and local LED projects and was satisfied with the progress made by the Group on these projects
<p>Key stakeholder concern during the year</p> <ul style="list-style-type: none"> Socio-economic support and opportunities through job creation and infrastructure development 	<p>Governance responsibility</p> <ul style="list-style-type: none"> Board SHEQ committee Social and ethics committee Exco
<p>Looking ahead</p> <ul style="list-style-type: none"> Continue to engage with communities and stakeholders surrounding our operations Continue investing in local community socio-economic development projects through Barberton Mines' and Evander Mines' SLPs, CSI and our 'beyond compliance' ESG projects Continue with small enterprise development assistance for local historically disadvantaged South African (HDSA) companies through business incubation centres that provide training, mentoring and support infrastructure 	

For more information refer to **pages 62 and 63**.

🏛️ **Governments and regulatory bodies** | The governments of South Africa, the UK and Sudan, the JSE, A2X, AIM, OTCQX and other regulatory authorities

<p>Strategic objective</p> <p> SOCIAL AND RELATIONSHIP CAPITAL</p> <p>Engage stakeholders to build positive relationships, maintain our social licence to operate and create sustainable value</p>	<p>Governance activities in 2024</p> <ul style="list-style-type: none"> The board, through the audit and risk committee: <ul style="list-style-type: none"> reviewed ongoing compliance with King IV™, the listings requirements (JSE and AIM) and other relevant regulations applicable to the Group. The board is satisfied with the extent of the Group's compliance with the King IV™ principles and the listings requirements monitored investigations emanating from the Group's whistle-blowing hotline The board, through the social and ethics committee and SHEQ committee, monitored compliance with SLP commitments The board monitored progress on the DMRE engagement regarding the MTR project's SLPs The board monitored the implementation of risk management initiatives aimed at enhancing the safety and operational management of the Group's TSFs while striving for GISTM compliance as far as reasonably practicable The board monitored the construction of phase 2 of Elikhulu's TSF extension on the Kinross footprint The board monitored the registration and transfer of mining rights associated with the MTR project The board, through the audit and risk committee, approved the share trading policy, the IT governance policy and the internal irregularities investigation protocols in November 2023 and reviewed other key policies and charters to ensure their relevance, effectiveness and alignment with best practices
<p>Key stakeholder concern during the year</p> <ul style="list-style-type: none"> Compliance with regulatory requirements 	<p>Governance responsibility</p> <ul style="list-style-type: none"> Board Audit and risk committee Social and ethics committee Exco
<p>Looking ahead</p> <ul style="list-style-type: none"> Through ethical awareness campaigns, further promote and enhance awareness of ethical behaviour Continued compliance with the Group's SLPs Continue with our strategy of adopting a 'beyond compliance' ESG approach Continue to progress the implementation of TSF audit recommendations and compliance with the GISTM to ensure that the Group's TSFs are compliant, to the extent possible 	

For more information refer to **pages 62 and 63**.


🌿 **The environment** | Represented by civil society groups whose primary areas of interest include environmental-related issues


<p>Strategic objective</p> <p> NATURAL CAPITAL</p> <p>Manage our operations with climate-conscious practices that preserve and protect natural resources and promote sustainability</p>	<p>Governance activities in 2024</p> <ul style="list-style-type: none"> The board monitored land rehabilitation progress linked to the MTR project ensuring alignment with the sustainability-linked bond KPI The board, through the social and ethics committee, monitored: <ul style="list-style-type: none"> the Group's progress in meeting the KPIs associated with the sustainability-linked bond the operational performance of Evander Mines' solar plant the construction progress of Barberton Mines' 8.75MW solar plant biodiversity and conservation collaboration partnerships between Barberton Nature Reserve and Barberton Mines the sponsorship of the Care for Wild Rhino Sanctuary The board monitored the Group's ESG performance including: <ul style="list-style-type: none"> the progress of its renewable energy and climate change strategy the operational performance of Evander Mines' water treatment plant the Barberton Blueberries project, tracking the extent of employment opportunities created, remuneration paid to employees and blueberries harvested and sold the implementation of phase 1 of a health and wellness programme at Barberton Mines the assurance of ESG disclosures in the 2024 sustainable development report No reportable environmental incidents were reported The board, through the SHEQ committee, monitored: <ul style="list-style-type: none"> the Group's carbon footprint and GHG emissions and reviewed initiatives to reduce baseline GHG emissions the progress of the Group's rehabilitation initiatives
<p>Key stakeholder concerns during the year</p> <ul style="list-style-type: none"> Sustainability performance and reporting Tailings management 	<p>Governance responsibility</p> <ul style="list-style-type: none"> Board SHEQ committee Social and ethics committee Exco
<p>Looking ahead</p> <ul style="list-style-type: none"> Continue to monitor and improve regulatory compliance Continue to assess and respond to any negative impacts that the Group's operations may have had on the environment and communities surrounding our operations 	

For more information refer to **pages 64 and 65** as well as the sustainable development report and the climate change report published on our website. <https://www.panafricanresources.com/investors/gri-and-sustainability/>


BOARD OF DIRECTORS

NON-EXECUTIVE DIRECTORS

	Keith Spencer (74) <i>Chairman • Independent</i>	
	BSc Eng (Mining) Date of appointment 8 October 2007	Significant directorships None
Skills and experience Keith is a mining engineer with 48 years' practical experience. Since 1986, Keith has held senior positions at some of the largest gold mines in the world including: <ul style="list-style-type: none"> • Managing director of Driefontein Consolidated • Chairman and managing director of Deelkraal Gold Mine • Director on the boards of gold mines belonging to Gold Fields, South Africa • Operations director of Metorex 	Experience <ul style="list-style-type: none"> • Technical and operational • Risk management • Environmental and sustainability • Business and strategy • Leadership 	
	Committee membership <ul style="list-style-type: none"> • Nomination committee • SHEQ committee <i>Chairman of the nomination committee</i> <i>Chairman of the SHEQ committee</i>	


	Dawn Earp (62) <i>Lead Independent</i>	
	BCompt (Hons), CA(SA), CDSA® Date of appointment 16 September 2021	Significant directorships Arcelor Mittal South Africa, Impala Platinum Holdings, Truworths International Limited and South African Guide-dogs Association non-profit organisation
Skills and experience Dawn previously held the position of financial director, both at Implats and Rand Refineries. She has served as a non-executive director of various private and listed companies	Experience <ul style="list-style-type: none"> • Finance and accounting • Risk management • Governance and regulation • Business and strategy • Leadership • Taxation 	
	Committee membership <ul style="list-style-type: none"> • Audit and risk committee • Nomination committee • SHEQ committee <i>Chairperson of the audit and risk committee</i>	


	Thabo Mosololi (55) <i>Independent</i>	
	BCom (Hons), CA(SA) Date of appointment 9 December 2013	Significant directorships MFT Investment Holdings, Truworths International Limited, New Season Investment Fund, MalaMala Game Reserve and Roadgrass Investments
Skills and experience Thabo brings a wealth of experience in financial management, corporate governance and audit to the board. He qualified as a chartered accountant with KPMG in 1994. Since then, he has served on various boards as a member and chairman of audit committees in the resources and other industries in South Africa	Experience <ul style="list-style-type: none"> • Finance and accounting • Risk management • Governance and regulation • Business and strategy • Leadership • Taxation • Environmental and sustainability 	
	Committee membership <ul style="list-style-type: none"> • Audit and risk committee • Nomination committee • Remuneration committee • Social and ethics committee <i>Chairman of the social and ethics committee</i>	

	Yvonne Themba (59) <i>Independent</i>	
	BA, MBA Date of appointment 17 July 2019	Significant directorships Adopt-a-School Foundation non-profit organisation, Canadoce Investments Close Corporation, Bo Themba Projects Proprietary Limited, eLogistics Portal Proprietary Limited, Pfortner Holdings Proprietary Limited, Pfortner Solutions Proprietary Limited, Xerosystems Proprietary Limited and Energy Mobility Education Trust
Skills and experience Yvonne is the executive director of BoThemba Projects. She was previously responsible for human capital at Phembani Group and Shanduka Group. She headed the group corporate communications department at African Life Assurance Limited and the CSI and corporate communications department at Sanlam. Prior to that, she was deputy director of the Life Officers' Association	Experience <ul style="list-style-type: none"> • Technical and operational • Risk management • Governance and regulation • Environmental and sustainability • Business and strategy • Leadership 	
	Committee membership <ul style="list-style-type: none"> • Nomination committee • Remuneration committee • Social and ethics committee <i>Chairperson of the remuneration committee</i>	

	Charles Needham (70) <i>Independent</i>	
	Articles of Clerkship-Accounting, Dip in Mining Taxation Date of appointment 17 July 2019	Significant directorships Alphamin Resources Corporation, Divitiae Holdings Limited, Imagined Earth Proprietary Limited, METPROP Proprietary Limited, MetQuip Proprietary Limited, Orpheus Property Holdings Proprietary Limited, Unit 8 Tradewinds Proprietary Limited (company is dormant) and Alphamin Bisie Mining Proprietary Limited
Skills and experience Charles is chairman of Alphamin Resources Corporation (listed on the Toronto Stock Exchange). His previous experience includes 31 years at Metorex and its mining operations in Namibia, South Africa, Zambia and the Democratic Republic of the Congo. He progressively held the positions of group accountant, financial director and ultimately chief executive officer of Metorex	Experience <ul style="list-style-type: none"> • Finance and accounting • Risk management • Technical and operational • Governance and regulation • Business and strategy • Leadership 	
	Committee membership <ul style="list-style-type: none"> • Audit and risk committee • Remuneration committee • SHEQ committee 	

EXECUTIVE DIRECTORS

	Cobus Loots (46) <i>Chief executive officer • Not independent</i>	
	CA(SA), CFA® Charterholder Date of appointment 26 August 2009	Significant directorships None
Skills and experience Cobus has many years of experience in the African mining sector. He qualified as a chartered accountant with Deloitte & Touche in South Africa. He has been a director of Pan African since 2009, serving as financial director from 2013 until his appointment as chief executive officer on 1 March 2015	Experience <ul style="list-style-type: none"> • Technical and operational • Finance and accounting • Risk management • Business and strategy • Leadership • Technology • Taxation 	
	Committee membership <ul style="list-style-type: none"> • SHEQ committee 	

	Deon Louw (62) <i>Financial director • Not independent</i>	
	CA(SA), CFA® Charterholder, HDip (Tax Law), AMCT (UK) Date of appointment 1 March 2015	Significant directorships None
Skills and experience Deon has extensive finance and business experience, which includes investment banking, advisory and business administration in the finance and mining sectors. As a founding member of Investec Bank's emerging market finance team, he was involved in financing mining transactions in sub-Saharan Africa for more than a decade. He fulfilled the roles of chief financial officer of Shanduka Coal, financial director of Sentula Mining Limited, director of Resource Finance Advisers and head of resource structured finance at Investec Bank	Experience <ul style="list-style-type: none"> • Finance and accounting • Risk management • Business and strategy • Leadership • Technology • Taxation • Environmental and sustainability 	
	Committee membership <ul style="list-style-type: none"> • Social and ethics committee 	

BOARD OF DIRECTORS continued

THE BOARD AND ITS COMMITTEES (AT 30 JUNE 2024)

Board of directors	Audit and risk committee	SHEQ committee	Social and ethics committee	Nomination committee	Remuneration committee
Meets at least four times a year	Meets at least four times a year	Meets at least four times a year	Meets at least four times a year	Meets when required	Meets at least twice a year
<i>Chairman</i>	<i>Chairperson</i>	<i>Chairman</i>	<i>Chairman</i>	<i>Chairman</i>	<i>Chairperson</i>
KEITH SPENCER	DAWN EARP	KEITH SPENCER	THABO MOSOLOLI	KEITH SPENCER	YVONNE THEMBA
	Members: Charles Needham, Thabo Mosololi Other non-executive and executive board members attend as invitees.	Members: Dawn Earp, Cobus Loots	Members: Yvonne Themba, Deon Louw	Members: Dawn Earp, Thabo Mosololi, Yvonne Themba, Charles Needham	Members: Charles Needham, Thabo Mosololi
The board provides leadership to the Group and is collectively responsible for promoting and safeguarding the long-term success and sustainability of the business. The board is supported by five committees to which certain powers have been delegated. The board delegates the responsibility of managing the Group's operations, developing strategy and implementing the board's directives to executive management.	The audit and risk committee assists the board in fulfilling its corporate governance and oversight responsibilities to ensure the integrity of the Group's financial and corporate reporting, while ensuring that adequate systems of internal control and risk management processes are in place and are operating effectively.	The SHEQ committee was established to assist the board in its oversight of the effectiveness of Pan African's SHEQ policies and programmes and to keep the board informed on Pan African's objectives and compliance with and maintenance of applicable standards.	The social and ethics committee assists the board in ensuring that the Group is and remains a committed and socially responsible corporate citizen by creating a sustainable business, having regard for the Group's economic, social and environmental impact on the areas in which it operates.	The role of the nomination committee is to assist the board in ensuring that: <ul style="list-style-type: none"> the composition of the board has an appropriate level of skills, experience, diversity and independence directors are appointed through a formal nomination process induction of newly appointed directors and ongoing training and development of existing directors is undertaken formal succession plans for the board, chief executive officer and senior management appointments are in place. 	Remco assists the board to ensure that: <ul style="list-style-type: none"> both executive and non-executive directors are fairly and responsibly remunerated executive directors' remuneration is structured to incentivise sustainable performance for the benefit of shareholders the disclosure of director remuneration is accurate, complete and transparent.

MEETING ATTENDANCE

Attendance at board and committee meetings is recorded through the completion of an attendance register. Below is a summary of the attendance of these meetings.

	Keith Spencer	Dawn Earp	Thabo Mosololi	Charles Needham	Yvonne Themba	Cobus Loots	Deon Louw
Board meetings	7/7	7/7	7/7	7/7	6/7	7/7	7/7
Audit and risk committee meetings ¹	6/6	6/6	6/6	6/6	5/6	6/6	6/6
Remuneration committee meetings ²			2/2	2/2	2/2	2/2	2/2
SHEQ committee meetings	3/3	3/3				3/3	
Social and ethics committee meetings ³			3/3		2/3	3/3	2/3

¹ Keith Spencer, Yvonne Themba, Cobus Loots and Deon Louw attended as invitees.

² Cobus Loots and Deon Louw attended as invitees.

³ Cobus Loots attended as an invitee.

Executive committee

Exco meets on a regular basis to review the Company's performance against a set of predetermined objectives and to manage the Group's operations, develop the Group's strategy and implement the board's directives. Exco is not a committee of the board. Members of Exco include: Cobus Loots (chief executive officer); Deon Louw (financial director); Niel Symington (executive: shared services); Marleen Kok (Group finance executive); Edmond Thorne (Group mining engineer manager); Hendrik Pretorius (executive: technical services and new business); and Jonathan Irons (Group consulting metallurgist and executive accountable for tailings).

BOARD COMPOSITION

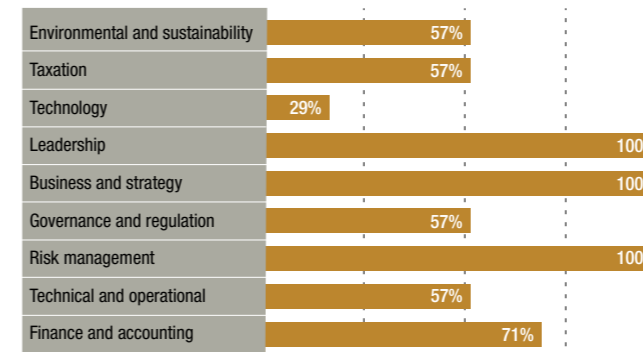
The board delegates the director election and appointment process to the nomination committee. The Group's financial director, Deon Louw, has taken the decision to retire with effect from 30 September 2024 and will continue as a consultant to the Group. Marleen Kok will succeed Deon Louw as Group financial director and will be appointed to Pan African's board of directors.

The board comprises a majority of independent non-executive directors with five independent non-executive directors and two executive directors (non-independent). The executive directors are the chief executive officer and the financial director. Through an annual appraisal process, the board has concluded that it has the appropriate balance of knowledge, skills, experience, diversity, continuity and independence to objectively and effectively discharge its governance role and responsibilities.

Pursuant to the articles of association of the Company, one-third of directors, excluding any director appointed since the previous AGM, must retire on a rotational basis from office at each AGM. The directors to retire are those who have been longest in office since their last election or re-election. Retiring directors may make themselves available for re-election if they remain eligible, as required by the constitutional documents and in compliance with the AIM Rules and the JSE Listings Requirements. Dawn Earp, Thabo Mosololi and Charles Needham will retire by rotation pursuant to the articles of association. They will again make themselves available for re-election at the November 2024 AGM.

Diversity of experience

Our board reflects a considerable amount of experience in mining, business and related activities and collectively has a wealth of industry knowledge¹.



¹ Percentage of directors with requisite skills.

Director independence

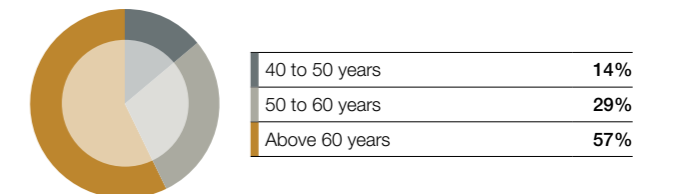
The board comprises seven directors: two executive directors (chief executive officer and financial director) and five non-executive directors. The board's non-executive directors are all independent of management and free from any material business or other relationship which could interfere with their ability to exercise independent judgement.

There is a separation of responsibilities between the leadership of the board (the responsibility of the chairman) and the executive responsibility for the leadership of the Group's business (the responsibility of the chief executive officer).



Diversity of age

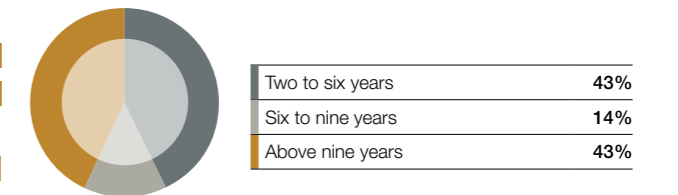
The board is responsible for implementing a retirement age of 73 for its members. In certain instances, the board reserves the right to extend the age limit to 78 years, depending on the board member's fitness to serve as a director. An evaluation of Keith Spencer's suitability to serve as a director has been conducted, and the board is confident in his capacity to fulfil the role effectively, including serving as the chairman of the board.



Diversity of tenure

In terms of the JSE Listings Requirements and the Group's constitutional documents, one-third of directors, excluding any director appointed since the previous AGM, must retire from office at each AGM on a rotational basis non-executive directors who have served more than nine years are subject to an annual assessment of their independence by the board.

Keith Spencer and Thabo Mosololi, both independent non-executive directors, have served on the board for more than nine years. An assessment of their independence was conducted, and the board has satisfied itself that they both display independence of thought, mindset and judgement in their roles as chairmen of the board and the social and ethics committee, respectively.



BOARD OF DIRECTORS continued

Time commitment and external appointments

The board acknowledges that non-executive directors have business interests other than those of the Company. Before their appointment to the board, non-executive directors are required to declare any directorships, appointments and other business interests to the Company in writing.

Non-executive directors are required to seek approval from the chairman, on behalf of the board, before accepting significant additional commitments that might affect the time they have available to perform their role as non-executive directors. The board's conflict of interest policy was reviewed in June 2024. A conflict of interest register is maintained to ensure transparency.

Currently, four of the five non-executive directors hold more than two external appointments. Refer to **pages 144 and 145** for the external appointments held. The board has considered these external commitments, taking into account the time commitment required for each appointment, and is satisfied that they do not adversely impact the directors' ability to discharge their responsibilities fully and effectively in fulfilment of their non-executive roles in the Company.

As evidenced in the table on **page 146**, in 2024, the directors attended 95.9% of board and committee meetings.

Executive directors are required to seek approval from the board, following consideration by the nomination committee, before accepting an external directorship. Currently, the two executive directors do not hold any external appointments.

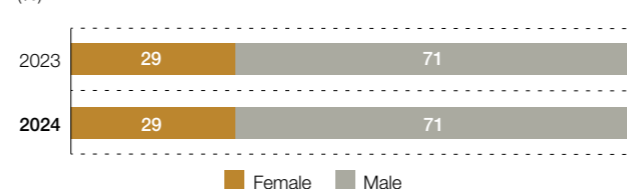
Diversity of gender and employment equity

To enable the board to discharge its duties and responsibilities effectively, the board considers the benefits of all aspects of diversity in its composition. The nomination committee is the custodian of the diversity policy as it pertains to director appointment.

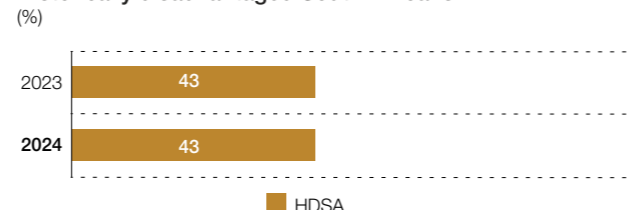
The board has exceeded the following targets for its director representation:

- 25% female
- 40% HDSA.

Gender (%)



Historically disadvantaged South Africans (%)



REMUNERATION REPORT

On behalf of Remco and the board, I am pleased to present the 2024 financial year's remuneration report. This report presents a succinct overview of Remco's activities during the past year and provides context to the Group's remuneration philosophy and practices.

We review our corporate governance practices regularly and have adopted King IV™ as the recognised corporate governance code to ensure that we act in the best interests of our stakeholders, comply with applicable laws and regulations and expeditiously adapt to the evolving regulatory environment. In compliance with King IV™, this report is presented in three parts:

- Part one is the background statement and provides context to our remuneration philosophy and resultant decisions
- Part two contains our forward-looking remuneration policy
- Part three details how we have implemented our remuneration policy during the 2024 financial year. Directors' and prescribed officers' emoluments and incentives are disclosed in **note 38** to the annual financial statements on **pages 264 and 265**.

PART ONE: BACKGROUND STATEMENT

REMUNERATION GOVERNANCE

Remco, comprising only independent non-executive directors, monitors the effectiveness and credibility of the Group's executive remuneration system through the application of its charter, which is reviewed on an annual basis. The committee reviews the performance of the executive officers and senior management. It sets the scale, structure and basis of their remuneration as well as the terms of their employment contracts. The committee also considers remuneration packages and policies and makes recommendations in this regard to the board. The membership and meeting attendance of Remco are shown in the corporate governance report on **page 146**.

The chief executive officer, the financial director and the executive shared services attend Remco meetings as invitees, but are not present when their remuneration is discussed.



Barberton Mines' BIOX® plant

REMUNERATION REPORT continued

Some of the key focus areas discussed during the financial year were:

Focus area	Discussion
Setting appropriate short-term incentive (STI) parameters for the 2024 financial year	Ensuring appropriate parameters are set for the upcoming financial year
Remuneration adjustments and benchmarking	Ensuring that remuneration levels were in line with the Group's remuneration philosophy and aligned with industry peer benchmarks provided by REMchannel® market analysis and other independent sources
Value creation	Identifying key strategic value drivers for the Group and incorporating these into management long-term incentive (LTI) and STI schemes
Salaries and wages	Ratification of annual salary increases for non-unionised operational employees
Wages negotiations	Oversight and approval of the final five-year wage agreement entered into between Barberton Mines and the NUM for the Category 4 to Category 8 bargaining unit employees
Maturation of Barberton Mines' ESOP scheme	The maturation of the ESOP has realised meaningful benefits for qualifying employees over its life. After a 10-year term, the scheme was destined to mature on 30 June 2024, but an early settlement of the scheme, at 31 March 2024, was negotiated with employees and unions. Qualifying employees received dividends of more than ZAR40 million during the scheme's tenor, with the final maturity benefits paid to employees during May 2024. More than 2,200 employees qualified to receive final maturity payments, with payments dependent on the number of completed years of service
Other areas of focus	Internal and external matters considered by Remco during the current reporting period included: <ul style="list-style-type: none"> • approval of the 2023 financial year STIs which were paid during the 2024 financial year • analysing market-related non-executive directors' remuneration information provided by management and proposing non-executive directors' remuneration aligned with industry best practice to the board for approval • approval of annual increases for senior management • together with the board, reviewing and monitoring the performance of senior executives • interaction with large institutional shareholders on their requirements in terms of the Company's remuneration policy and implementation report and adjusting the policy and implementation report accordingly

Remco reviewed general remuneration levels and structures across the Group and is satisfied that current procedures and practices adequately ensure that employee performance objectives are defined, progress is tracked and training and development opportunities are identified. Remco is satisfied that it acted objectively and independently in the application of a remuneration policy and pursuit of a philosophy that underpins the Group's objectives and stakeholder aspirations. It is also satisfied that, to the extent it makes use of external consultants, these consultants are independent and objective.

INTERNAL AND EXTERNAL FACTORS IMPACTING REMUNERATION OUTCOMES

In the current reporting period, management continued delivering on the board's strategic mandate of positioning Pan African as a safe, sustainable, higher-margin gold producer.

Value-adding projects completed by the incumbent management team and board during their tenure include:

- Securing, funding, construction and operation of transformative surfaces assets:
 - BTRP
 - Evander Tailings Retreatment Plant
 - Elikhulu
 - 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.

Remco is satisfied that the executive directors, guided by the board, continue to provide exemplary leadership and remain committed to achieving the Group's objectives and targets. The Group's performance over the past years is a testament to the efforts and acumen of our senior management team and the Group's employees, who performed exceptionally well under challenging circumstances.

We thank management and all our employees for their unrelenting efforts in challenging times. We look forward to the year ahead and further progress in positioning Pan African as a sector-leading gold producer.

ENGAGEMENT WITH SHAREHOLDERS

Remco engages with key shareholders on the Group's remuneration structures. Furthermore, Remco commits to engage with major shareholders if either the remuneration policy or the implementation report is disapproved by 25% or more of the votes exercised at the AGM. The levels of support for our remuneration policy remained relatively unchanged during 2024, with 66.54% (2023: 71.53%) of votes cast being in favour of our remuneration report. The levels of support for our remuneration implementation report decreased to 50.27% (2023: 73.01%) of votes cast in favour of our implementation report.

As required by King IV™, Pan African invited those dissenting shareholders who rejected the remuneration resolutions to engage with the Company on their remuneration policy and/or implementation report concerns. The Company undertook to respond in writing and, if required, engage further with these shareholders.

Remco has engaged with large institutional and other shareholders on concerns in the past and will continue to do so in the future. These engagements include meetings with the chairperson of Remco and written responses to queries raised, where appropriate.

During the current reporting period, Remco requested input from the Group's larger institutional investors on the Group's current remuneration policy and implementation report. We received feedback from only one of these investors on their concerns regarding the Group's remuneration policy and implementation report. To address their concerns, improved disclosure in both the STIs and LTIs paid to executives has been implemented. Over the past years, the Group has also simplified its LTI schemes and abolished transaction incentives.

We value constructive engagements and, where appropriate, have addressed concerns and implemented improvements to our remuneration policies and structures.

ACCESS TO INFORMATION AND ADVISERS

Remco has unrestricted access to the Company's records, facilities and any other resources necessary to discharge its duties and responsibilities.

Remuneration is reviewed annually and independently benchmarked against a competitor and peer group, including South African mining and national sectors and international peers, to provide Remco with the requisite insights into the prevailing executive remuneration environment.

The board reviews and ratifies remuneration proposals from Remco, whereafter they are submitted to shareholders for a non-binding vote of approval at the AGM.

LOOKING FORWARD

Looking forward, Remco will continue to ensure that our remuneration policies and practices are aligned with the Company's strategic priorities and support sustainable value creation. Key focus areas include:

- **Market trends and best practices:** Continuously monitoring and adapting to market trends and best practices to maintain a competitive and effective remuneration framework
- **Enhanced stakeholder engagement:** Strengthening our engagement with shareholders and other stakeholders to gather feedback and ensure our remuneration practices reflect their expectations
- **Succession planning and talent development:** Ensuring that our remuneration policies support the development and retention of key talent and alignment with our succession planning strategies.

IN SUMMARY

The global economic environment remains volatile, with inflationary pressures, geopolitical tensions and supply chain disruptions affecting business operations and financial performance. The competition for top talent is intense, and companies are finding it increasingly challenging to attract and retain skilled professionals.

Regulative requirements across different jurisdictions are becoming increasingly complex, demanding greater transparency and accountability in remuneration practices. Stakeholders are also increasingly focused on how companies integrate ESG factors into their remuneration frameworks.

Our commitment to responsible remuneration practices remains resolute. We have taken proactive steps to ensure that our executive remuneration framework remains transparent, fair and equitable. Our practices are based on benchmarking against relevant industry peers, considering market trends and adhering to local regulations.

Remco firmly believes that our success is not only measured by short-term financial gains but also by the sustainable growth and resilience of our business. Therefore, we continue to stress the importance of long-term performance through the utilisation of LTIs, which are tied to share price growth and ESG performance targets and vest over an extended period. This approach encourages and incentivises our senior management to think beyond immediate gains and to make decisions that contribute to the enduring success of the Company.

In conclusion, I would like to extend my gratitude to my fellow committee members for their dedication and hard work throughout the year. We remain committed to maintaining a transparent, fair and competitive remuneration framework that supports the long-term success of the Company and aligns with the interests of our stakeholders.

On behalf of Remco

Yvonne Themba

Chairperson of the remuneration committee

11 September 2024

REMUNERATION REPORT continued

PART TWO: REMUNERATION POLICY

REMUNERATION OBJECTIVES

The Group's remuneration framework is structured to support our strategic pillars:

Profitability We maintain a strong focus on profitability by being one of the highest-margin producers of gold in Southern Africa	Sustainability Our sustainability is centred on creating long-term value for all stakeholders by balancing economic, environmental and social considerations	Stakeholders We believe that an integrated stakeholder approach is crucial for our success and prioritise the health and well-being of our employees and host communities	Growth Our growth strategy is based on a combination of organic portfolio growth and production-enhancing, value-accretive projects
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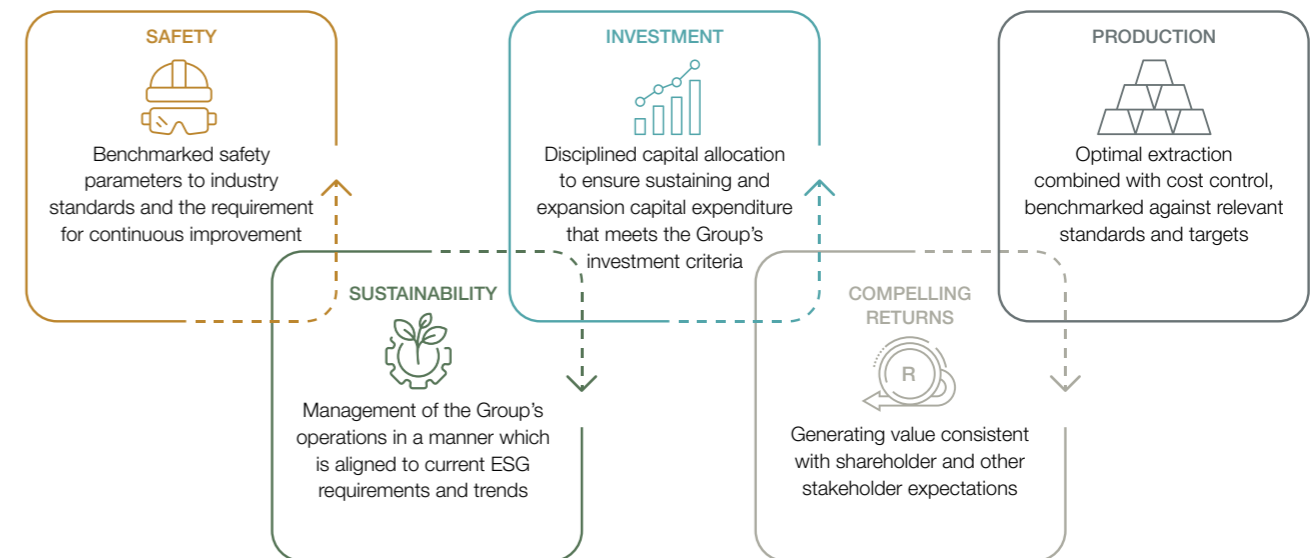
OUR STRATEGIC OBJECTIVES

Strategic objectives	KPIs
FINANCIAL CAPITAL Ensure adequate, competitively priced and flexible financial resources for the funding of our operations and disciplined capital allocation for sustainable long-term value creation	<ul style="list-style-type: none"> Profitability Managing senior debt and credit facilities Cash generated by operating activities Returns to shareholders
MANUFACTURED CAPITAL Unlock the full potential of our Mineral Resources and Mineral Reserves through sustainable extraction and processing, while embracing renewable energy, to pave the way for a responsible and prosperous mining future	<ul style="list-style-type: none"> Gold production Capital spend Sustaining organic production and developing expansion projects Evander Mines' 24, 25 and 26 Level project Other organic growth projects Group AISC
INTELLECTUAL CAPITAL Optimise the use of technology and harness the expertise of our teams to consistently deliver safe, reliable, efficient and responsible mining operations	<ul style="list-style-type: none"> Optimisation initiatives Managing and monitoring TSFs Mintails' funding and project execution Mineral Resources and Mineral Reserves – implementation of the Mineware Syncromine planning and reporting system at Barberton Mines and Evander Mines
HUMAN CAPITAL Attract, cultivate and retain exceptional talent while fostering a culture of safety, respect and continuous learning	<ul style="list-style-type: none"> Zero-harm initiatives Injury frequency rates Entrepreneurial and results-driven culture
SOCIAL AND RELATIONSHIP CAPITAL Engage stakeholders to build positive relationships, maintain our social licence to operate and create sustainable value	<ul style="list-style-type: none"> Barberton Blueberries project Community clinics and schools Sponsorships Curtailing illegal mining
NATURAL CAPITAL Manage our operations with climate-conscious practices that preserve and protect natural resources and promote sustainability	<ul style="list-style-type: none"> Progress on Evander Mines' 12MW expansion study Successful construction of Barberton Mines' 8.75MW solar plant Progress on the Sturdee Energy power purchase agreement offtake arrangement Mitigating high-risk safety and environmental issues Conservation initiatives

ALIGNING REMUNERATION WITH STRATEGY

Remco assists the board in aligning remuneration with the Group's overall business strategy while attracting, incentivising, developing and retaining people capable of creating long-term value for all our stakeholders, as detailed below.

Strategic business activities and incentive criteria



REMUNERATION PHILOSOPHY

Pan African's remuneration philosophy seeks to reward executive directors, senior management and our various levels of employees for performance consistent with its key remuneration objectives. It recognises that these individuals can materially impact the performance of the Group over the short, medium and long term.

Executive directors and senior executives carry significant responsibility, statutory and otherwise, and appropriate skills are difficult to attract and retain in an increasingly challenging and competitive environment. It is, therefore, critical that remuneration levels align with the contribution and performance of the Group, its operating units and, importantly, the contribution of key individuals.

The Group's remuneration policy provides a framework for remuneration that attracts, retains and motivates employees to achieve the organisation's strategic objectives within its risk tolerance and risk management framework.

The remuneration framework for senior management recognises the following principles:

1 Objective of STIs An annual incentive which rewards management for matters under their control and influence and excludes matters outside their control, specifically commodity prices and exchange rates	2 Objective of LTIs Aligns the long-term interest of the Group's management and employees with that of the Group's shareholders through incentives that are directly linked to the increase in Pan African's share price, relative to that of its peers, progress with ESG initiatives and returns generated on capital employed. These awards generally vest over a three- to four-year period	3 Alignment to shareholders We believe that the combination of these incentives should achieve the objectives embedded in the remuneration philosophy by aligning the interests of employees with the aspirations of our shareholders	4 Application of discretion Remco has the authority to apply its discretion in instances where specific circumstances are outside the control of the operations or executives, and not taking account of these circumstances would be prejudicial to employees or management
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To achieve its remuneration objectives, Remco, in consultation with and through oversight from the board, retains flexibility and a degree of discretion in the manner in which it incentivises and rewards performance. Remco took note of previous concerns raised by shareholders and undertook, from the 2020 financial year, not to award incentives or discretionary bonuses to employees for successfully concluding transactions, except for a change in the control of Pan African. However, the committee retains its discretion to implement incentives with the intent of ensuring the successful execution of large-scale capital projects that materially increase Group production and margins.

REMUNERATION REPORT continued

EQUITABLE AND RESPONSIBLE REMUNERATION

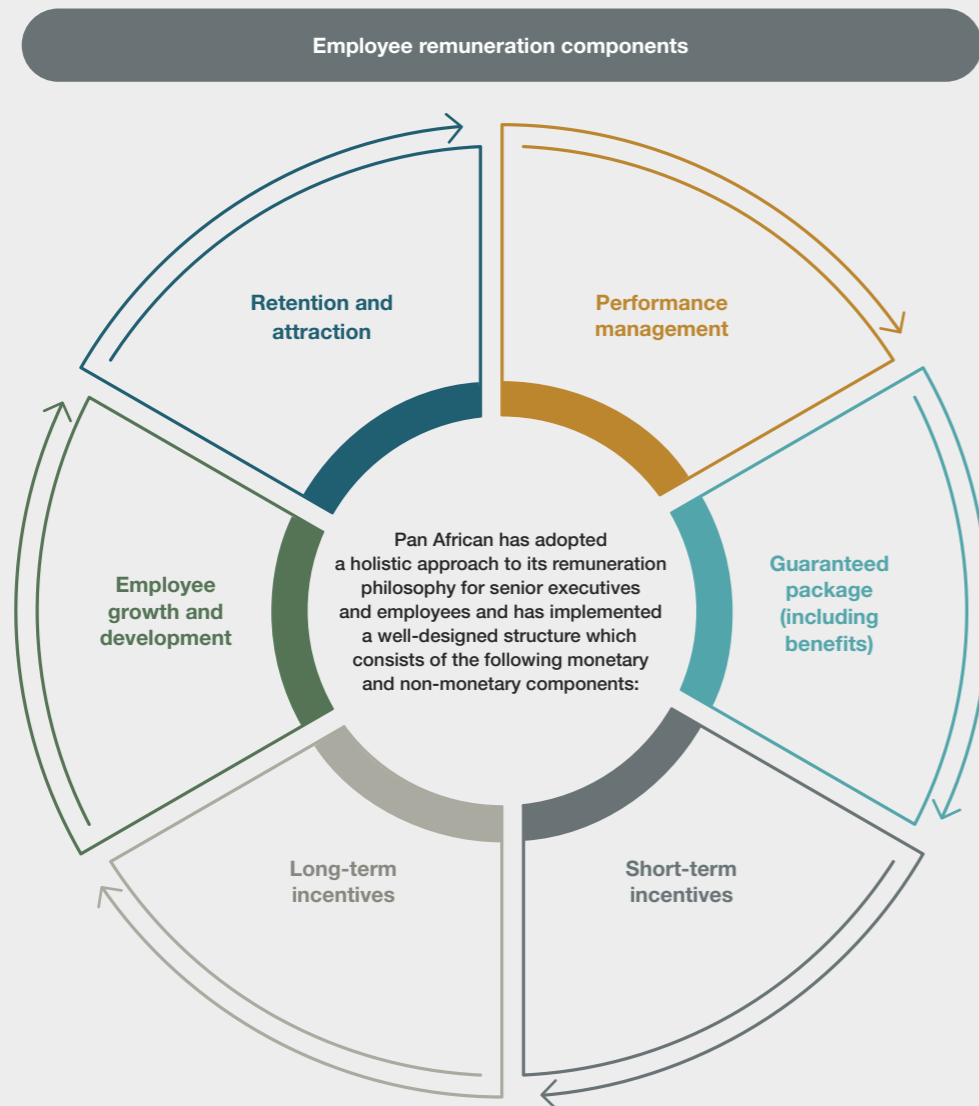
Remco remains committed to ensuring fair remuneration across all levels of the Group. Employees, irrespective of their gender or race, are paid equally for comparable peer positions. Remuneration is based solely on the employee's qualifications, experience, appointment level, scarcity of skill and performance levels, with no other relevant differentiating factors.

Senior executives' remuneration is structured to disincentivise undue risk-taking. Remco, comprising only independent non-executive directors, formulates it with an emphasis on value creation.

Remco regularly reviews compensation levels and incentive schemes to ensure they remain market-related and aligned with executive compensation best practice by using REMchannel® market analysis and other independent benchmarking sources. The REMchannel® analysis is an independent report compiled from extensive and detailed participant-provided information and is customised for sectoral differences and remuneration practice complexities.

Remco strives to fairly remunerate the Group's employees at a level that approximates market-related benchmarks, ensuring the retention of key skills and enabling the Group to attract and retain top candidates for senior management positions.

REMUNERATION FRAMEWORK



Although remuneration is disclosed in US\$, the Group's reporting currency, all non-executive directors, executive directors and employees are remunerated in South African rand and no compensation is made in other currencies or linked to other currencies, except for employees deployed in foreign countries.

TOTAL GUARANTEED PAY

	Executive and senior management
Eligibility	<ul style="list-style-type: none"> • Exco • Operations committee (Opsco) • Management committee (Manco) • Heads of departments (HODs)
Pay structure	Total guaranteed pay (TGP)
Key features	<ul style="list-style-type: none"> • Pensionable salary • Leave • Pension/provident fund contributions (including life and disability cover) • Medical contributions • Travel allowance <p>These items are included in each eligible employee's total TGP</p>
Policy	<p>Reviewed annually against competitive industry peer market data supplied by REMchannel®. The Group generally rewards employees between the 25th percentile and market mean, as per REMchannel®'s market analysis, aligned to an individual's contribution to the Group, including:</p> <ul style="list-style-type: none"> • skills and competencies required to generate results • sustained contribution to the Group • the responsibility of the role and value contribution of the individual to the Group
How guaranteed pay is determined	<p>Pay is determined by the following factors:</p> <ul style="list-style-type: none"> • Contractual arrangements • Group performance • Individual performance • Inflation • Annual benchmarking against relevant peers • Outlook for the next financial year



REMUNERATION REPORT continued

VARIABLE REMUNERATION CONDITIONS

Short-term incentives

Framework

	Executive and senior management
Purpose	To drive and reward short- and medium-term results, reflecting the level of risk and time horizon
Eligibility	Exco, Opsco, Manco and HODs
Payment period	<ul style="list-style-type: none"> Exco, Opsco and Manco are paid annually HODs are paid quarterly
Performance measures and STI opportunity	<p>Financial and non-financial parameters and metrics at a Group, subsidiary and individual/team level:</p> <ul style="list-style-type: none"> Group financial and strategic performance Business unit (team) financial and strategic performance Individual contribution to team performance Individual performance, including alignment with corporate values and meeting performance objectives <p>If the individual, team or the Group does not meet, or only partially meets, risk and compliance requirements, no award or a reduced award may be granted</p>
STI opportunity parameters (threshold, on-target and stretch parameters)	<p>Group-based KPIs</p> <p>Threshold: Threshold parameters for the Group-based KPIs are based on the following:</p> <ul style="list-style-type: none"> Safety: The SHEQ committee sets safety ceilings. These ceilings are absolute, so if the achieved safety rates are in excess of the ceiling, no incentive is awarded to participants Production: The threshold level for participants is set at a 90% achievement of the board-approved budgeted gold ounce production Costs: The threshold level for participants is set at 90% achievement of the board-approved budgeted AISC <p>On-target: On-target parameters for the Group-based KPIs are based on the following:</p> <ul style="list-style-type: none"> Safety: The SHEQ committee sets safety ceilings. These ceilings are absolute, so if the achieved safety rates are in excess of the ceiling, no incentive is awarded to participants Production: Participants start earning an incentive when they achieve in excess of 90% of the board-approved budgeted gold production, on a sliding scale, up to 100% achievement of the board-approved budgeted gold production Costs: Participants start earning an incentive when they achieve in excess of 90% of the board-approved budgeted AISC, on a sliding scale, up to 100% achievement of the board-approved AISC <p>Stretch: The Group does not set stretch targets for the safety or cost components of the Group-based KPIs</p> <p>For achieving 105% of budgeted gold production (maximum stretch), participating management's production KPI percentage is increased, from the maximum of 100% to 140%, with a pro rata increase between 100% and 105% specific, to the gold production KPI</p> <p>Personal KPIs Employees' personal KPIs do not contain threshold, on-target or stretch parameters. These KPIs are measurable and clearly defined, and Remco has discretion on pro rata achievement should the parameter not be met in full</p>
STI gatekeepers	<p>Protect the Company from incentive payments that are unaffordable or inappropriate in the specific circumstances:</p> <ul style="list-style-type: none"> If the Group makes operational losses Unacceptable or unprofessional personal behaviour, resulting in a disciplinary judgement Material non-compliance with regulations, with the executive being guilty of serious misconduct or negligence
Malus and clawback	All STIs are subject to malus and clawback provisions

STI performance measures and maximum opportunity

KPIs relate to predetermined value drivers designed to enhance shareholder value and are reviewed regularly. For details, see the remuneration framework on [page 154](#).

Position	Maximum STI ¹ %	Group-based KPIs		Parameters	Individual KPIs	
		Weight %	Weight %		Weight %	Determined by
Chief executive officer	110	60	50	Gold sold per operating unit (ounces)	40	Remco and the board
			30	AISC per kilogramme of gold produced per operating unit		
			20	Safety record per operation Stretch targets on production per operating unit		
Financial director	80	60	50	Gold sold per operating unit (ounces)	40	Remco and the board
			30	AISC per kilogramme of gold produced per operating unit		
			20	Safety record per operation Stretch targets on production per operating unit		
Executive managers at corporate level	60	60	50	Gold sold per operating unit (ounces)	40	Chief executive officer in consultation with Remco
			30	AISC per kilogramme of gold produced per operating unit		
			20	Safety record per operation Stretch targets on production per operating unit		
Senior managers at corporate level	50	60	50	Gold sold per operating unit (ounces)	40	Chief executive officer in consultation with Remco
			30	AISC per kilogramme of gold produced per operating unit		
			20	Safety record per operation Stretch targets on production per operating unit		

¹ 2024 maximum variable remuneration as a percentage of TGP – qualification criteria at 100% achievement.

Long-term incentives

PAR Gold Long-term Incentive Plan (PGLIP):

- Remco has simplified the Group's LTI plans and all senior corporate management now only participates in the PGLIP. The PGLIP is a conditional share plan that is performance-linked, with allocations based on a percentage of TGP in line with current market benchmarks. Senior corporate management qualifies to purchase a predetermined number of shares at a nominal value in PAR Gold Proprietary Limited (PAR Gold), with each annual allocation being a new class of share, as calculated by the allocation formula
- On measurement date, participants may receive, subject to measurement conditions, dividends from PAR Gold, based on their respective shareholdings, as per the predetermined dividend formula.

REMUNERATION REPORT continued

Summary of current PGLIP

Details	PGLIP
Objectives	<p>The main objectives of the LTIs are to:</p> <ul style="list-style-type: none"> appropriately incentivise selected managerial employees within the Group ensure retention of key skills required for the Group's ongoing profitable performance and growth align management interests with those of shareholders and shareholder aspirations ensure longer-term vesting link incentives to share price performance provide objective measurement and benchmarking against the Group's performance and/or personal contribution <p>Discretionary incentives are designed to drive and reward long-term corporate growth within the context of sustaining Company values and to align the interests of shareholders and scheme participants. These include share incentives or similar schemes</p> <p>It is the intention to structure any form of LTI in such a way as to attract and retain the requisite Group skills and to ensure that it is market-related and promotes appropriate actions and behaviour</p>
Instrument	A conditional share incentive plan where participants qualify to acquire actual PAR Gold shares of a special class, based on an allocation formula, at a nominal value. At the end of the measurement period, subject to dividend formula conditions being fulfilled, employees receive a dividend per share, provided the employee is still an employee of good standing
Eligibility	Corporate senior managers and executive directors
Vesting period	Three years
Performance criteria and vesting percentages	<ul style="list-style-type: none"> The PGLIP dividend payment is performance-linked, with allocations based on a percentage of TGP, in line with current market benchmarks Employees qualify to purchase a number of shares in PAR Gold, as calculated by the allocation formula, at a nominal value. These shares may qualify for dividends in accordance with a dividend formula at the end of the measurement period Return on shareholders' funds (ROSF), total shareholder returns (TSR) and ESG criteria are used in calculating the dividend qualifying formula Once dividends have been declared and paid on these shares, PAR Gold reacquires them from the participants at their nominal value
Allocation criteria	<p>Annual share allocation formula: Current TGP multiplied by the applicable industry benchmark percentage, divided by Pan African's 90-day volume-weighted average price (VWAP) share price and multiplied by a factor of 95%</p> <p>Current industry benchmarked percentages used:</p> <ul style="list-style-type: none"> Chief executive officer – 130% Financial director – 120% Executive and senior management – 40% to 80%, depending on seniority
Measurement criteria	In accordance with dividend formula

Details	PGLIP																								
LTI opportunity parameters (threshold, on-target and stretch parameters) – effective from the 2025 financial year	<p>Threshold parameters – apply to all three of the measurement criteria as per the dividend formulae; no dividend is declared on a specific parameter if minimum criteria are not met</p> <p>On target parameters – performance as per requirements of the dividend formulae for ROSF, TSR and ESG criteria – results in 100% vesting</p> <p>Stretch parameters – apply only to ROSF and TSR criteria</p> <p><i>ROSF:</i> <i>Relative – 20%:</i> (ROSF outperformance of peer group by an additional 15%) – resulting in stretch vesting of 150% for this parameter (50% x 20% x 150% = 15% maximum) <i>Absolute – 80%:</i> (ROSF outperformance of the Group's cost of equity by an additional 10%) – resulting in stretch vesting of 150% for this parameter (50% x 80% x 150% = 60% maximum)</p> <p><i>TSR:</i> TSR outperformance of peer group by an additional 20% – resulting in stretch vesting of 150% for this parameter (20% x 150% = 30% maximum)</p> <p><i>Note: No sliding scale applied to stretch parameters, therefore binary measurement.</i></p> <p>The maximum achievable stretch percentage would therefore be:</p> <table border="1"> <thead> <tr> <th>Parameter</th> <th>Threshold</th> <th>On-target %</th> <th>Stretch (150% of ROSF and TSR criteria) %</th> </tr> </thead> <tbody> <tr> <td>ROSF – relative to peer group</td> <td>–</td> <td>10</td> <td>15</td> </tr> <tr> <td>ROSF – versus Group's cost of equity</td> <td>–</td> <td>40</td> <td>60</td> </tr> <tr> <td>TSR – relative to peer group</td> <td>–</td> <td>20</td> <td>30</td> </tr> <tr> <td>ESG – based on deliverables</td> <td>–</td> <td>30</td> <td>30</td> </tr> <tr> <td>Total</td> <td>–</td> <td>100</td> <td>135</td> </tr> </tbody> </table>	Parameter	Threshold	On-target %	Stretch (150% of ROSF and TSR criteria) %	ROSF – relative to peer group	–	10	15	ROSF – versus Group's cost of equity	–	40	60	TSR – relative to peer group	–	20	30	ESG – based on deliverables	–	30	30	Total	–	100	135
Parameter	Threshold	On-target %	Stretch (150% of ROSF and TSR criteria) %																						
ROSF – relative to peer group	–	10	15																						
ROSF – versus Group's cost of equity	–	40	60																						
TSR – relative to peer group	–	20	30																						
ESG – based on deliverables	–	30	30																						
Total	–	100	135																						
Change of control	Vesting will occur on a pro rata basis based, on lapsed time																								
Good leaver	In the event of death, disability or retirement pro rata vesting will occur																								
Other criteria	<ul style="list-style-type: none"> There is no mechanism to carry over or defer unvested shares (due to underperformance) Malfeasance/malice and clawback clauses are included, consistent with current market practice 																								
Settlement	Dividend based on Pan African's 90-day VWAP share price, on measurement date																								
Dilution limit	Non-dilutive scheme																								



The BTRP metallurgical plant at Barberton Mines

REMUNERATION REPORT continued

PGLIP dividend formula criteria

- **ROSF – 50% weighting (calculated as average ROSF over a three-year period)¹**

Annual ROSF is calculated as follows:

ROSF = Net profit after tax/average shareholder funds (equity and distributable reserves) over the financial year

- Relative – 20% (average ROSF outperformance of peer group over a three-year period)
- Absolute – 80% (ROSF equal to or higher than the Group's cost of equity).

¹ Adjusted for major projects not yet generating profits at Remco's discretion.

- **TSR – 20% weighting (calculated over a three-year period)**

Shareholders' returns are calculated as follows:

TSR = {(closing 90-day VWAP share price – starting 90-day VWAP share price) + dividends} ÷ starting 90-day VWAP share price

- Relative – 100% (average TSR outperformance of peer group over a three-year period)

- **ESG criteria – 30% weighting**

Predetermined ESG performance criteria will be set for each measurement period.

Example of PGLIP – share awards and dividend formula application

Information used for calculation:

- Participant TGP: ZAR2,000,000
- Participant multiple based on Paterson E-upper Grading: 70%
- Pan African's 90-day VWAP share price on date of issue: ZAR3.50
- Pan African's 90-day VWAP share price on vesting date: ZAR4.50
- 100% of dividend qualifying criteria fulfilled after the three-year measurement period

PAR Gold shares qualified for

Formula

$$\frac{\text{(TGP x multiple based on Paterson Grading)}}{\text{Pan African's 90-day VWAP x 95\%}^1} = \text{number of PAR Gold shares available for purchase}$$

Calculated as follows: $(\text{ZAR2,000,000} \times 70\%) \div \text{ZAR3.50} \times 95\% = 380,000$ PAR Gold C, D and E shares

¹ The 95% weighting is a condition of the conversion of the Pan African Resources Senior Management Share Scheme to the PGLIP scheme, to ensure tax parity between the two schemes

PAR Gold dividend

The number of shares calculated above will qualify for a dividend, based on the above-mentioned dividend qualifying criteria, equal to Pan African's 90-day VWAP share price on measurement date, calculated as follows:

$$\text{(PAR Gold shares x Pan African's 90-day VWAP on measurement date)} \times \text{percentage of dividend criteria achieved} = \text{possible dividend}$$

That is: $380,000 \text{ shares} \times (\text{ZAR4.50} \times 100\%) = \text{ZAR1,710,000}$

The participant will therefore be entitled to a dividend of ZAR1,710,000, before dividend taxation, at the end of the three-year measurement period, assuming all vesting criteria are fulfilled

RISK MANAGEMENT AND REMUNERATION

Pan African recognises the need to fairly remunerate employees to attract, incentivise and retain talent. It is, however, cognisant of the need to ensure that effective risk management is part of its remuneration criteria to promote the desired behaviour and to avoid exposing the Group to intolerable risk levels. The Group's remuneration philosophy reinforces the need for superior and sustainable long-term results while promoting sound risk management principles.

These performance elements incorporate production and personal performance parameters, which are weighted based on the relevant seniority level, to drive the desired personal behaviour. Safety is imperative to the mining operations and is included in the Group's production incentive parameters.

All senior management KPIs include specific performance elements and deliverables are aligned with the Group's strategic or other critical objectives.

NON-EXECUTIVE DIRECTORS' REMUNERATION

Remco advises the board on non-executive directors' fees. In determining their fees, Remco considers the directors' responsibilities throughout the year, scarcity of skills, the Group's performance, market-related conditions and local and international comparative remuneration levels. King IV™ recommends that fees should comprise a base fee and an attendance fee per meeting.

The board agreed that a fixed fee for directors' services on the board and subcommittees was more appropriate, as the board's input extends beyond meeting attendance.

When non-executive directors are required to spend significantly more time and effort than is normally expected preparing for and attending board meetings, Remco considers additional fees to compensate non-executive directors for their additional time and effort.

There are no contractual arrangements for compensation for loss of office for non-executive directors. Non-executive directors' remuneration is subject to regulations which include the Companies Act 2006, the JSE Listings Requirements and King IV™.

Non-executive director remuneration is included in **note 38** to the annual financial statements on **page 264**.

EXCO, OPSCO AND MANCO REMUNERATION

Remco is responsible for making recommendations to the board regarding the remuneration of the chief executive officer, the financial director as well as executive and senior management. Remuneration of executive and senior management is reviewed on an annual basis in relation to the Group's operational, financial and strategic performance, as well as individual contribution thereto, alignment with the Group's values and contributions to risk management and compliance requirements.

Where the individual, team or the Group does not meet, or only partially meets performance requirements, either all or a portion of the discretionary awards are forfeited. An annual benchmarking exercise, conducted by REMchannel® market analysis (supplemented with other independent benchmarking sources), is used as a basis to determine a fair market-related remuneration package.

Individual KPIs are agreed annually and contain the performance elements disclosed on **page 157**.

Remuneration comprises fixed and variable (STI and LTI) remuneration components. STIs have certain parameters, disclosed on **page 156**, to ensure a performance-based culture.

The board and Exco retain a level of discretion to determine which parameters apply, their respective weighting taking cognisance of immediate and evolving priorities, and alignment of employee behaviour to shareholder aspirations.

PRESCRIBED OFFICERS

The Group's prescribed officers are those individuals who exercise general executive control over and manage a significant portion of the Group's business activities or regularly participate, to a material degree, in the exercise of general executive control over a significant portion of the Group's business activities.

In accordance with these requirements, Pan African's prescribed officers are included in **note 38** to the annual financial statements on **page 265**.

REMUNERATION REPORT continuedPART THREE:
REMUNERATION IMPLEMENTATION REPORT

The detailed remuneration of the Group's non-executive directors, executive directors and prescribed officers is disclosed in **note 38** to the annual financial statements on **pages 263 to 269**.

SHORT-TERM INCENTIVES – 2024 FINANCIAL YEAR**Group operational performance – 2024 financial year****Barberton Mines**

Parameter	Weighting %	Threshold	On-target	Stretch	Actual achievement
Safety rates – per million man hours (20% weighting)					
RIFR	50	>1.98	<1.98	n/a	0.57
LTIFR	50	>0.92	<0.92	n/a	0.43
Gold production – ounces (50% weighting)					
Underground production	38.6	69,180	76,867	80,710	71,470
BTRP	11.4	13,917	15,463	16,236	18,888
Total	50.0	83,097	92,330	96,946	90,358
AISC – ZAR/kg (30% weighting)					
Underground production	23.2	1,047,900	943,100	n/a	1,046,372
BTRP	6.8	620,700	558,600	n/a	389,742
Total	30.0	966,557	878,688	n/a	909,114

Evander Mines

Parameter	Weighting %	Threshold	On-target	Stretch	Actual achievement
Safety rates – per million man hours (20% weighting)					
RIFR	50	>2.14	<2.14	n/a	0.45
LTIFR	50	>3.42	<3.42	n/a	1.94
Gold production – ounces (50% weighting)					
Underground production	15.9	36,882	40,980	43,029	40,686
Elikhulu	34.1	45,269	50,299	52,814	54,812
Total	50.0	82,151	91,279	95,843	95,498
AISC – ZAR/kg (30% weighting)					
Underground production	9.5	845,400	760,900	n/a	805,194
Elikhulu	20.5	698,900	629,000	n/a	627,410
Total	30.0	757,059	688,235	n/a	703,153

Stretch production table

Ounces	Budget production	Actual production	Variance %
Barberton Mines – underground and surface	76,867	71,470	93
BTRP	15,463	18,888	122
Barberton Mines total	92,330	90,358	98
Evander Mines – underground and surface	40,980	40,686	99
Elikhulu	50,299	54,812	109
Evander Mines total	91,279	95,498	105
Group total	183,609	185,856	101

EXECUTIVE DIRECTORS' OPERATIONAL AND PERSONAL KPI ANALYSIS – 2024 FINANCIAL YEAR**Personal KPI analysis****Chief executive officer**

For the 2024 financial year, the chief executive officer's personal KPI was calculated as the average achievement of the senior management at corporate level. For the 2024 financial year, the senior management at corporate level achieved an average of 95.38% for their personal KPIs, which was applied to the chief executive officer's maximum possible achievement, resulting in a personal KPI percentage of 41.97% (maximum possible – 44%). The KPIs of the senior management at corporate level include the following:

- Progressing the MTR plant construction on schedule and within budget
- Successfully finalising the Group's renewable energy funding strategy
- Progressing Evander Mines' ventilation shaft equipping and refrigeration upgrade
- Completion of Barberton Mines' solar plant construction
- Successful implementation of a new ERP system across the Group.

Financial director

Key performance area	Key performance indicator	Weighting %	Actual achievement evidence	TGP % achieved	Total TGP % achieved
Finalising Group renewable energy plant funding	Funding closed in the second half of the 2024 financial year	25.0	The facility was closed in June 2024 and is fully drawn down	8.0	32.0
Ongoing funding availability for the MTR project and its construction execution	Requisite funding, as required by the project	25.0	Funding was available for the full financial year with adequate liquidity to complete the project at all times	8.0	
Developing skills and continuity within the finance functions	Maturity and proficiency of finance staff	25.0	The finance function is performing well, and the mentoring of the new financial director has been completed	8.0	
Ongoing improvements to the integrated annual report	Industry recognition	25.0	Integrated annual report award for 2023 report – ongoing improvements are being made to the integrated annual report	8.0	

REMUNERATION REPORT continued

Operational KPI analysis – 2024 financial year

Barberton Mines (44% weighting towards total operational KPI)²

Parameter	Weighting %	Chief executive officer			Financial director		
		Actual achievement % of STI	Actual % of STI	Maximum possible % of STI	Actual achievement % of STI	Actual % of STI	Maximum possible % of STI
Safety – per million man hours (20% weighting of the total 44% weighting of Barberton Mines)							
RIFR	50	0.57	2.88	2.88	0.57	2.10	2.10
LTIFR	50	0.43	1.44	2.88	0.43	1.05	2.10
Gold production – ounces (50% weighting of the total 44% weighting of Barberton Mines)							
Underground production	38.6	71,470	3.12	11.13	71,470	2.27	8.10
BTRP	11.4	18,888	3.27	3.27	18,888	2.38	2.38
Total	50.0	90,358	6.39	14.40	90,358	4.65	10.48
AISC – ZAR/kg (30% weighting of the total 44% weighting of Barberton Mines)							
Underground production	23.2	1,046,372	0.00	6.68	1,046,372	0.00	4.86
BTRP	6.8	389,742	1.96	1.96	389,742	1.43	1.43
Total	30.0	909,114	1.96	8.64	909,114	1.43	6.29
Total production parameter STI			12.67	28.80		9.23	20.97
Production stretch ¹			1.00	5.80		0.70	4.20
Total production parameter STI including stretch achievement			13.67	34.60		9.93	25.17

¹ Stretch production parameter.

² Based on operations' budgeted weighted contribution to Group profit after tax.

Evander Mines (56% weighting towards total operational KPI)²

Parameter	Weighting %	Chief executive officer			Financial director		
		Actual achievement % of STI	Actual % of STI	Maximum possible % of STI	Actual achievement % of STI	Actual % of STI	Maximum possible % of STI
Safety – per million man hours (20% weighting of the total 56% weighting of Evander Mines)							
RIFR	50	0.45	3.72	3.72	0.45	2.70	2.70
LTIFR	50	1.94	3.72	3.72	1.94	2.70	2.70
Gold production – ounces (50% weighting of the total 56% weighting of Evander Mines)							
Underground production	15.9	40,686	5.38	5.92	40,686	3.92	4.30
Elikhulu	34.1	54,812	12.68	12.68	54,812	9.22	9.22
Total	50.0	95,498	18.06	18.60	95,498	13.14	13.52
AISC – ZAR/kg (30% weighting of the total 56% weighting of Evander Mines)							
Underground production	9.5	805,194	1.55	3.55	805,194	1.13	2.58
Elikhulu	20.5	627,410	7.61	7.61	627,410	5.53	5.53
Total	30.0	703,153	9.16	11.16	703,153	6.66	8.11
Total production parameter STI			34.66	37.20		25.40	27.03
Production stretch ¹			4.10	7.40		3.00	5.40
Total production parameter STI including stretch achievement			38.76	44.60		28.40	32.43
Total production KPI achievement (Barberton Mines and Evander Mines)			52.43	79.20		38.30	57.60
Total personal KPI achievement			41.97	44.00		32.00	32.00
Total STI 2024 financial year			94.36	123.20		70.11	89.60

¹ Stretch production parameter.

² Based on operations' budgeted weighted contribution to Group profit after tax.

Stretch performance (performance above 100% of target) = stretch percentage on a linear sliding scale from 100% achievement onwards, limited to a maximum additional percentage of 5% above on-target performance percentage (i.e. limited to 105% of target performance). Performance above 100% of target will be multiplied by a factor, as per the table below, up to a maximum achievable percentage of 140% of the gold production parameter.

Gold production stretch % achieved	Factor applied to 100% achievement	Adjusted gold production %
101	1.08	108.0
102	1.16	116.0
103	1.24	124.0
104	1.32	132.0
105	1.40	140.0

REMUNERATION REPORT continued

Therefore, for a 5% outperformance of production targets, the chief executive officer could earn an additional 13.2% of his TGP, and the financial director could earn an additional 9.6% of his TGP as per the table below.

	Production parameter split %	% of TGP at on-target performance	% of TGP at maximum stretch performance (140%)	Maximum achievable STI % (140% of production)	Variance %
Chief executive officer (Production KPIs = 60% of 110%)					
Production	50	33.0	46.2	46.2	13.2
Cost	30	19.8	19.8	19.8	-
Safety	20	13.2	13.2	13.2	-
Financial director (Production KPIs = 60% of 80%)					
Production	50	24.0	33.6	33.6	9.6
Cost	30	14.4	14.4	14.4	-
Safety	20	9.6	9.6	9.6	-

Should maximum stretch production be achieved at all business units, the chief executive officer could receive a maximum of 123.2% compared to 110% for on-target performance, and the financial director a maximum of 89.6% compared to 80% for on-target performance. Stretch achievements are weighted based on the specific business unit's performance versus the total budgeted performance for each operating company within the Group. The detailed stretch parameter achievement for the chief executive officer and financial director can be seen in the tables below.

Chief executive officer – 2024 financial year

Ounces	Budget production	Actual production	Variance %	Achievement %	Weighted allocation %
Barberton Mines – underground and surface	76,867	71,470	93	0.0	0.0
BTRP	15,463	18,888	122	13.2	1.0
Barberton Mines total	92,330	90,358	98		1.0
Evander Mines – underground and surface	40,980	40,686	99	0.0	0.0
Elikhulu	50,299	54,812	109	13.2	4.1
Evander Mines total	91,279	95,498	105		4.1
Group total	183,609	185,856	101		5.1

Financial director – 2024 financial year

Ounces	Budget production	Actual production	Variance %	Achievement %	Weighted allocation %
Barberton Mines – underground and surface	76,867	71,470	93	0.0	0.0
BTRP	15,463	18,888	122	9.6	0.7
Barberton Mines total	92,330	90,358	98		0.7
Evander Mines – underground and surface	40,980	40,686	99	0.0	0.0
Elikhulu	50,299	54,812	109	9.6	3.0
Evander Mines total	91,279	95,498	105		3.0
Group total	183,609	185,856	101		3.7

Conclusion

The chief executive officer qualified for a 2024 financial year STI incentive equal to 94.36% of his TGP, equal to ZAR7,436,127, which will be paid in the 2025 financial year. The financial director qualified for a 2024 financial year STI incentive equal to 70.11% of his TGP, equal to ZAR4,907,508, which will be paid in the 2025 financial year.

SHORT-TERM INCENTIVES – 2023 FINANCIAL YEAR

Group operational performance – 2023 financial year

Barberton Mines

Parameter	Weighting %	Threshold	On-target	Stretch	Actual achievement
Safety rates – per million man hours (20% weighting)					
RIFR	50	>0.36	<0.37	n/a	0.27
LTIFR	50	>1.07	<1.07	n/a	1.26
Gold production – ounces (50% weighting)					
Underground production	40.5	74,972	83,302	87,467	64,586
BTRP	9.5	16,168	17,965	18,863	19,875
Total	50.0	91,140	101,267	106,330	84,461
AISC – ZAR/kg (30% weighting)					
Underground production	24.3	905,900	815,300	n/a	1,027,213
BTRP	5.7	559,100	503,200	n/a	408,916
Total	30.0	835,922	759,929	n/a	881,719

Evander Mines

Parameter	Weighting %	Threshold	On-target	Stretch	Actual achievement
Safety rates – per million man hours (20% weighting)					
RIFR	50	>1.21	<1.21	n/a	1.89
LTIFR	50	>2.22	<2.22	n/a	3.09
Gold production – ounces (50% weighting)					
Underground production	20.6	39,758	44,175	46,384	40,175
Elikhulu	29.4	45,242	50,269	52,782	50,573
Total	50.0	85,027	94,444	99,166	90,748
AISC – ZAR/kg (30% weighting)					
Underground production	12.3	897,600	807,900	n/a	863,359
Elikhulu	17.7	552,300	497,100	n/a	530,083
Total	30.0	828,020	752,745	n/a	703,153

REMUNERATION REPORT continued

Stretch production table

Ounces	Budget production	Actual production	Variance %
Barberton Mines – underground and surface BTRP	83,302 17,965	64,586 19,875	78 111
Barberton Mines total	101,267	84,461	83
Evander Mines – underground and surface Elikhulu	42,793 50,269	40,175 50,573	94 101
Evander Mines total	93,062	90,748	98
Group total	194,329	175,209	90

EXECUTIVE DIRECTORS' OPERATIONAL AND PERSONAL KPI ANALYSIS – 2023 FINANCIAL YEAR

Personal KPI analysis

Chief executive officer

Key performance area	Key performance indicator	Weighting %	Actual achievement evidence	TGP % achieved	Total TGP % achieved
Renewable energy funding strategy	Establish a funding strategy for the Group's renewable energy projects to ensure sufficient and reasonably priced funding for future projects	16.7	Proposals were received from various parties to refinance Evander Mines' solar plant and to fund the construction of Barberton Mines' solar plant, also allowing for funding of future projects under the newly established structure	7.3	44
USA shareholding in Pan African	Increase in shareholding by USA institutions/funds	16.7	Increase in institutional shareholding by USA funds from 2.90% at the beginning of 2022 to 5.84% in June 2023 and an increase of 100%. Shareholding by USA retail shareholders is not disclosed in share registers, which would further increase the percentage USA holdings	7.3	
Stakeholder and community engagement advisory role, peer group benchmarking and monitoring	Reputation management, community and employee relations, ongoing peer group analysis	16.7	Rebuttal of allegations from Carte Blanche (episode not aired), roll-out of employee smartphone app, community engagement strategy at Barberton Mines and the MTR project, regular updates to the chairman and board on market and peer information	7.3	
Domestic medium-term note (DMTN) debt programme – inaugural issuance	Successful inaugural issuance under the DMTN programme as partial funding for the MTR project	16.7	First mining company in South Africa to issue a sustainability-linked bond. The inaugural issuance was oversubscribed and issued within price guidance	7.3	
MTR project	Finalise all permitting by 30 June 2023	16.7	Environmental authorisation was finalised on 22 June 2023	7.3	
Barberton Mines continuous operations	Successful implementation of continuous operations by March 2023	16.7	Continuous operation was implemented by 6 February 2023, ahead of the expected 1 March 2023 completion date. Results evident from March 2023 production month	7.3	

Financial director

Key performance area	Key performance indicator	Weighting %	Actual achievement evidence	TGP % achieved	Total TGP % achieved
DMTN debt programme – inaugural issuance	Successful inaugural issuance under the DMTN programme as partial funding for the MTR project	25	First mining company in South Africa to issue a sustainability-linked bond. Inaugural issuance oversubscribed and issued within price guidance	100	32.0
MTR project funding package – debt facility and funding of Pan African's contribution	Secure funding package for the MTR project consisting of a debt facility and alternative funding option for Pan African's contribution	25	Debt facility secured and financial close achieved. Assisted the chief executive officer with the synthetic forward structure to fund Pan African's contribution in order to complete the funding package	100	
Renewable energy funding strategy	Establish a funding strategy for the Group's renewable energy projects to ensure sufficient and reasonably priced funding for future projects	25	Proposals were received from various parties to refinance Evander Mines' solar plant and to fund the construction of Barberton Mines' solar plant, also allowing for funding of future projects under the newly established structure	100	
Integration and strengthening of Group administration function and compliance with all regulatory and other requirements (ongoing key performance area)	Review of Group control environment (where deficiencies have been noted by internal audit and through other means) and implementation of remedial action plans and improvements. Ensuring that all regulatory and other requirements are met	25	Improvements noted in internal audit reports	100	

REMUNERATION REPORT continued

Operational KPI analysis – 2023 financial year

Barberton Mines (42% weighting towards total operational KPI)²

Parameter	Weighting %	Chief executive officer			Financial director		
		Actual achievement	Actual % of STI	Maximum possible % of STI	Actual achievement	Actual % of STI	Maximum possible % of STI
Safety – per million man hours (20% weighting of the total 42% weighting of Barberton Mines)							
RIFR	50	0.27	2.79	2.79	0.27	2.03	2.03
LTIFR	50	1.26	0.00	2.79	1.26	0.00	2.03
Gold production – ounces (50% weighting of the total 42% weighting of Barberton Mines)							
Underground production	40.5	64,586	0.00	11.33	64,586oz	0.00	8.24
BTRP	9.5	19,875	2.64	2.64	19,875oz	1.92	1.92
Total	50.0	84,461	2.64	13.97	84,461oz	1.92	10.16
AISC – ZAR/kg (30% weighting of the total 42% weighting of Barberton Mines)							
Underground production	24.3	1,027,213	0.00	6.80	1,027,213	0.00	4.94
BTRP	5.7	408,916	1.59	1.59	408,916	1.15	1.15
Total	30.0	881,719	1.59	8.39	881,719	1.15	6.09
Total production parameter STI			7.02	27.94		5.10	20.31
Production stretch ¹			1.00	5.60		0.70	4.00
Total production parameter STI including stretch achievement			8.02	33.54		5.80	24.31

¹ Stretch production parameter.

² Based on operations' budgeted weighted contribution to Group profit after tax.

Evander Mines (58% weighting towards total operational KPI)²

Parameter	Weighting %	Chief executive officer			Financial director		
		Actual achievement	Actual % of STI	Maximum possible % of STI	Actual achievement	Actual % of STI	Maximum possible % of STI
Safety – per million man hours (20% weighting of the total 58% weighting of Evander Mines)							
RIFR	50	1.89	0.00	3.81	1.89	0.00	2.77
LTIFR	50	3.09	0.00	3.81	3.09	0.00	2.77
Gold production – ounces (50% weighting of the total 58% weighting of Evander Mines)							
Underground production	20.6	40,175	0.87	11.20	40,175oz	0.63	8.15
Elikhulu	29.4	50,573	7.83	7.83	50,573oz	5.69	5.69
Total	50.0	90,748	8.70	19.03	90,748oz	6.32	13.84
AISC – ZAR/kg (30% weighting of the total 58% weighting of Evander Mines)							
Underground production	12.3	863,359	2.34	6.72	863,359	1.70	4.89
Elikhulu	17.7	530,083	1.63	4.70	530,083	1.19	3.41
Total	30.0	677,655	3.97	11.42	677,655	2.89	8.30
Total production parameter STI			12.67	38.07		9.21	27.61
Production stretch ¹			0.80	7.60		0.60	5.50
Total production parameter STI including stretch achievement			13.47	45.67		9.81	33.11
Total production KPI achievement (Barberton Mines and Evander Mines)			21.49	79.20		15.60	57.60
Total personal KPI achievement			44.00	44.00		32.00	32.00
Total STI 2023 financial year			65.49	123.20		47.61	89.60

¹ Stretch production parameter.

² Based on operations' budgeted weighted contribution to Group profit after tax.

Stretch performance (performance above 100% of target) = stretch percentage on a linear sliding scale from 100% achievement onwards, limited to a maximum additional percentage of 5% in excess of on-target performance percentage (i.e. limited to 105% of target performance). Performance in excess of 100% of target will be multiplied by a factor, as per the table below, up to a maximum achievable percentage of 140% of the gold production parameter.

Gold production stretch % achieved	Factor applied to 100% achievement	Adjusted gold production %
101	1.08	108.0
102	1.16	116.0
103	1.24	124.0
104	1.32	132.0
105	1.40	140.0

REMUNERATION REPORT continued

Therefore, for a 5% outperformance of production targets, the chief executive officer could earn an additional 13.2% of his TGP, and the financial director could earn an additional 9.6% of his TGP as per the table below.

	Production parameter split %	% of TGP at on-target performance	% of TGP at maximum stretch performance	Maximum achievable STI % (140% of production)	Variance %
Chief executive officer					
Production	50	33.0	46.2	46.2	13.2
Cost	30	19.8	19.8	19.8	–
Safety	20	13.2	13.2	13.2	–
Financial director					
Production	50	24.0	33.6	33.6	9.6
Cost	30	14.4	14.4	14.4	–
Safety	20	9.6	9.6	9.6	–

The chief executive officer could receive a maximum of 123.2% compared to 110%, for on-target performance and the financial director a maximum of 89.6% compared to 80% for on-target performance. Stretch achievements are weighted based on the specific business unit's performance compared to the total budgeted performance for each operating company within the Group. The detailed stretch parameter achievement for the chief executive officer and the financial director is disclosed in the tables below.

Chief executive director – 2023 financial year

Ounces	Budget production	Actual production	Variance %	Achievement %	Weighted allocation %
Barberton Mines – underground and surface	83,302	64,586	78	0.0	0.0
BTRP	17,965	19,875	111	13.2	1.0
Barberton Mines total	101,267	84,461	83		1.0
Evander Mines – underground and surface	42,793	40,175	94	0.0	0.0
Elikhulu	50,269	50,573	101	2.6	0.8
Evander Mines total	93,062	90,748	98		0.8
Group total	194,329	175,209	90		1.80

Financial director – 2023 financial year

Ounces	Budget production	Actual production	Variance %	Achievement %	Weighted allocation %
Barberton Mines – underground and surface	83,302	64,586	78	0.0	0.0
BTRP	17,965	19,875	111	9.6	0.7
Barberton Mines total	101,267	84,461	83		0.7
Evander Mines – underground and surface	42,793	40,175	94	0.0	0.0
Elikhulu	50,269	50,573	101	1.9	0.6
Evander Mines total	93,062	90,748	98		0.6
Group total	194,329	175,209	90		1.30

Conclusion

The chief executive officer qualified for a 2023 financial year STI incentive equal to 65.49% of his TGP, equal to ZAR4,855,991 (US\$259,540), which was paid in the 2024 financial year. The financial director qualified for a 2023 financial year STI incentive equal to 47.61% of his TGP, equal to ZAR3,134,402 (US\$167,525), which was paid in the 2024 financial year.

EXECUTIVE DIRECTORS' LTI ANALYSIS – 2024 FINANCIAL YEAR

Peer group used to benchmark LTI performance

During 2022, Remco requested that six analysts/investors who cover Pan African provide the Company with their independent peer group benchmarking information to enable the committee to identify the peer companies against which these analysts/investors benchmark Pan African. The analysts who provided Remco with their independent peer groups were:

- Berenberg
- BMO
- Edison
- Investec
- Nedbank
- Peel Hunt.

Based on the results received from the investors/analysts, Remco approved a peer group of 21 companies consisting South African and international gold companies, as proxies for investing in gold mining companies.

The peer group is:

South African	
No.	Company name
1	Goldfields
2	Harmony Gold
3	DRD Gold
4	Sibanye Stillwater

International	
No.	Company name
1	AngloGold Ashanti
2	Centamin
3	Endeavour
4	Resolute Mining
5	B2Gold
6	Caledonia Mining
7	Galiano Gold
8	Hochschild
9	Hummingbird Resources
10	Perseus Mining
11	West African Resources
12	Dundee Precious
13	Iamgold
14	New Gold
15	OceanaGold
16	Thor Explorations
17	Wesdome Gold Mines

View from Elikhulu towards the Leslie/Bracken remining site

REMUNERATION REPORT continued

PGLIP D SHARES DIVIDEND CRITERIA (MEASUREMENT DATE – 30 JUNE 2023, PAID IN JULY 2023)

- **ROSF – 50% weighting (calculated as average ROSF over a three-year period)**

Annual ROSF is calculated as follows:

ROSF = Net profit after tax/average shareholder funds (equity and distributable reserves) over the financial year

- **Relative – 20% (average ROSF outperformance of peer group over a three-year period)**

Management requested that Peel Hunt (LSE—AIM nominated adviser and broker) calculate Pan African's ROSF compared to the Remco-approved peer group.

Pan African ROSF	Average peer group ROSF	Measurement criteria achieved
24%	8%	100%

Participants, therefore, qualified for 100% of this portion of the LTI.

- **Absolute – 80% (ROSF equal to or higher than the Group's cost of equity)**

Using BDO's calculated annual cost of equity (per operation, to provide for specific project/operational risk), as a basis for the preceding three financial years, the Group's weighted average cost of equity for each of the preceding three years was calculated. Remco then used this average cost of equity for each of the preceding three years to calculate an arithmetic three-year average cost of equity for the Pan African Group. This benchmark cost of equity rate is then compared to the three-year average ROSF actually earned by the Group over this period.

Pan African ROSF	Group average cost of equity	Measurement criteria achieved
24.2%	18.5%	100%

Participants, therefore, qualified for 100% of this portion of the LTI.

- **TSR – 20% weighting (calculated over a three-year period)**

Shareholders' returns are calculated as follows:

TSR = {(closing 90-day VWAP share price – starting 90-day VWAP share price) + dividends} ÷ starting 90-day VWAP share price

- **Relative – 100% (average TSR outperformance compared to the peer group, over a three-year period)**

Management requested both Peel Hunt (LSE—AIM nominated adviser and broker) and Questco (JSE sponsor) to calculate Pan African's TSR relative to the peer group.

Pan African TSR	Average peer group TSR	Measurement criteria achieved
43%	14%	100%

Participants, therefore, qualified for 100% of this portion of the LTI.

Progress

● Achieved

● Not achieved

- **ESG criteria – 30% weighting**

ESG criteria for the 2023 financial year – conditional PGLIP D shares vesting:

ESG PERFORMANCE SCORECARD 2023					
No.	Project	Category	Progress	Comments	Progress
1	Successful commissioning of Evander Mines' water treatment plant with operational performance in line with the feasibility study	Environmental	Project was commissioned in March 2023 and reached steady-state production in May 2023, consistent with the production capacity detailed in the feasibility study	Successful commissioning of Evander Mines' water treatment plant with operational performance consistent with the feasibility study	●
2	Commencement of construction of Barberton Mines' solar plant by June 2023	Environmental	Final approval of engineering, procurement and construction (EPC) agreement completed in March 2023, and board approval on 6 April 2023, with construction commencing in June 2023	Construction of Barberton Mines' solar plant commenced by June 2023	●
3	Feasibility study on agri-solar projects for Evander Mines' and Barberton Mines' plants	Social	Feasibility study was completed in May 2023	Feasibility study on agri-solar projects for Evander Mines' and Barberton Mines' solar plants	●
4	Successful handover of the Ngwane and Sheba (formerly Kaapvalle) Schools to the Department of Basic Education by Barberton Mines	Social	Ngwane phase 3 – 100% completed and handed over in June 2023 Sheba phase 3 – 100% completed and handed over in June 2023	Successful handover of the Ngwane and Sheba Schools to the Department of Basic Education by Barberton Mines	●
5	Addressing gaps identified in the PwC Inc. ESG readiness review report 2022	Governance	PwC Inc. recommendations on addressing the ESG assurance gaps were implemented in 2023	Addressing gaps identified in the PwC Inc. ESG readiness review report 2022	●
6	TCFD report 2023	Governance, environmental	TCFD report 2023 completed and released in September 2023	Issuing of initial TCFD report 2023	●
7	Climate change targets for 2030 as per the RMB Sustainability Bond Performance Targets	Environmental, social	Climate change target – renewable energy mix of 5% achieved for the 2023 year	Climate change targets for 2030 as per the RMB Sustainability Bond Performance Targets	●
8	Appoint an ITRB consisting of members from independent, credible tailings companies as per the GISTM requirements	Governance	The ITRB was appointed in 2023	Appointed an ITRB consisting of members from independent, credible tailings companies as per the GISTM requirements	●
9	Commission a formal compliance audit to gauge compliance of the TSFs in relation to the GISTM, taking into consideration the individual ages of the TSFs and the legal framework at the time of construction and periods of operation	Governance	Compliance audit completed in 2023	Commissioned a formal compliance audit to gauge compliance of the TSFs in relation to the GISTM, taking into consideration the individual ages of the TSFs and the legal framework at the time of construction and periods of operation	●

At 30 June 2023, all of the above-mentioned ESG measurement criteria were fulfilled. Therefore, the participants achieved 100% of the measurement criteria for this portion of the LTI.

Conclusion

This summary demonstrates that Pan African achieved 100% of the measurement criteria (ROSF – 50%, TSR – 20%, ESG – 30%).

REMUNERATION REPORT continued

PGLIP D SHARE DIVIDEND CALCULATION

Based on the previous assessment of the qualifying criteria for the PGLIP D shares dividend, the following calculation was approved by Remco:

(PAR Gold shares x Pan African closing 90-day VWAP¹) x percentage of dividend calculation criteria achieved = possible dividend
Therefore: 1 share x (ZAR3.60¹ x 100%) = ZAR3.60 per share

¹ Based on Pan African's 90-day VWAP share price, as independently calculated by Questco Corporate Advisory.

Therefore, the participants qualify for a dividend of ZAR3.60 per share, before withholding taxation, based on the fulfilment of the conditions pertinent to the dividend calculation.

Dividend calculation formula result for PGLIP D shares:

Employee	PGLIP D shares	Dividend per share ¹	Pre-tax dividend	Post-tax dividend ¹
Cobus Loots	2,848,556	ZAR3.60	ZAR10,254,802	ZAR8,203,841
Deon Louw	2,335,468	ZAR3.60	ZAR8,407,685	ZAR6,726,148
Total	5,184,024		ZAR18,662,487	ZAR14,929,989

¹ Paid during the 2024 financial year.

PGLIP E SHARES DIVIDEND CRITERIA (MEASUREMENT DATE – 30 JUNE 2024, PAID IN JULY 2024)

- ROSF – 50% weighting (calculated as average ROSF over a three-year period)

Annual ROSF is calculated as follows:

ROSF = Net profit after tax/average shareholder funds (equity and distributable reserves) over the financial year

- **Relative – 20% (average ROSF outperformance of peer group over a three-year period)**

Management requested that Peel Hunt (LSE—AIM nominated adviser and broker) calculate Pan African's ROSF compared to the Remco-approved peer group.

Pan African ROSF	Average peer group ROSF	Measurement criteria achieved
22%	6%	100%

Participants, therefore, qualified for 100% of this portion of the LTI.

- **Absolute – 80% (ROSF equal to or higher than the Group's cost of equity)**

Using BDO's calculated annual cost of equity (per operation, to provide for specific project/operational risk), the Group's weighted average cost of equity for each of the preceding three years was calculated. Remco then used this average cost of equity for each of the preceding three years to calculate an arithmetic three-year average cost of equity for the Pan African Group. This benchmark cost of equity rate is then compared to the three-year average ROSF actually earned by the Group over this period.

Pan African ROSF	Group average cost of equity	Measurement criteria achieved
22%	18.3%	100%

Participants, therefore, qualified for 100% of this portion of the LTI.

- **TSR – 20% weighting (calculated over a three-year period)**

Shareholders' returns are calculated as follows:

TSR = ((closing 90-day VWAP share price – starting 90-day VWAP share price) + dividends) ÷ starting 90-day VWAP share price

- **Absolute – 100% (average TSR outperformance compared to the peer group over a three-year period)**

Management requested both Peel Hunt (LSE—AIM nominated adviser and broker) and Questco (JSE sponsor) to calculate Pan African's TSR versus a relative peer group.

Pan African TSR	Average peer group TSR	Measurement criteria achieved
35%	13%	100%

Participants, therefore, qualified for 100% of this portion of the LTI.

Progress

● Achieved

● Not achieved

- **ESG criteria – 30% weighting**

ESG criteria for the 2024 financial year – conditional PGLIP E shares vesting:

ESG PERFORMANCE SCORECARD 2024					
No.	Project	Category	Progress	Comments	Progress
1	Barberton Mines' solar plant producing first power by June 2024 the MTR project	Environmental	The Group's decarbonisation strategy is aligned with the SBLF framework of 15% renewable energy mix by 2027	Mechanical commissioning on target. First power and grid connection forecast during July 2024	●
2	Achieving the land in the process of rehabilitation targets for the MTR project as per the RMB Sustainability Bond Performance Targets for 2024	Environmental	The MTR project to achieve land in the process of rehabilitation of 8% for 2024 as detailed in the SBLF framework	The MTR project achieved a total of 122.3ha or 9.4% of the land in the process of rehabilitation	●
3	Commence construction of the Sturdee Energy power purchase agreement Bela-Bela solar plant by June 2024	Environmental	The Group's decarbonisation strategy for a 30% renewable energy mix by 2030	Power purchase agreement concluded successfully	●
4	Construction and commissioning of the arsenic treatment plant at the Fairview BIOX® plant by June 2024	Environmental	Barberton Mines' land rehabilitation strategy to reduce the environmental impact of on-site pollutants	Plant was commissioned and is operating successfully	●
5	Achieving the safety targets for the Group's TRIFR, as per the RMB Sustainability Bond Performance Targets, for 2024	Social	Achieving a Group TRIFR of 8.50% for 2024	Group TRIFR recorded at 6.52% thereby achieving the 2024 target	●
6	Successful handover of science and technology laboratory schools to the Department of Basic Education by Evander Mines by June 2024	Social	Implementation of Evander Mines' SLP 2023, for compliance with social licence to operate	Handover of both projects in November 2023	●
7	Implementation of a formal health and wellness programme at Barberton Mines – phase 1	Social	Wellness programmes, with specific emphasis on: KPI 1 – Human resources: Awareness and education on lifestyle diseases in 40% of the workforce. KPI 2 – Social: Increase the number of physically active employees from the baseline number by 25% by promoting the sporting codes of soccer, running and aerobics	KPI 1 – 40% achieved KPI 2 – 25% achieved	●
8	PwC Inc. assurance certificate for 16 KPIs in sustainable development report 2024 disclosures	Governance	Corporate governance in ESG reporting	16 ESG disclosures were planned for assurance, for which limited assurance has been provided	●
9	Scheduling the GISTM recommendations with the implementation of high-risk findings from the TSF audit report	Governance	Tailings management safety and compliance	No high-risk outstanding items, identified from the review of the Group's TSFs are at risk of failure – the Group is following GISTM principle 4.7	●

At 30 June 2024, only seven of the nine above-mentioned ESG measurement criteria were fulfilled, resulting in the participants only achieving 77.8% of this portion of the LTI.

Conclusion

This summary demonstrates that Pan African achieved 93.33% of the measurement criteria (ROSF – 50%, TSR – 20%, ESG – 23.33%).

REMUNERATION REPORT continued

PGLIP E SHARE DIVIDEND CALCULATION

Based on the previous assessment of the qualifying criteria for the PGLIP E shares dividend, the following calculation was approved by Remco:

(PAR Gold shares x Pan African closing 90-day VWAP¹) x percentage of dividend calculation criteria achieved = possible dividend
Therefore: 1 share x (ZAR5.47¹ x 93.33%) = ZAR5.11 per share

¹ Based on Pan African's 90-day VWAP share price, as independently calculated by Questco Corporate Advisory.

Therefore, the participants qualify for a dividend of **ZAR5.11** per share, before withholding taxation, based on the fulfilment of the conditions pertinent to the dividend calculation.

Dividend calculation formula result for PGLIP E shares:

Employee	PGLIP E shares	Dividend per share ¹	Pre-tax dividend	Post-tax dividend ¹
Cobus Loots	2,337,972	ZAR5.11	ZAR11,947,037	ZAR9,557,630
Deon Louw	1,916,851	ZAR5.11	ZAR9,795,109	ZAR7,836,087
Total	4,254,823		ZAR21,742,146	ZAR17,393,717

* Paid during the 2025 financial year.

LOOKING FORWARD

PGLIP F shares dividend criteria (Measurement date – 30 June 2025)

- **ROSF – 50% weighting (calculated as average ROSF over a three-year period)¹**
Annual ROSF is calculated as follows:

ROSF = Net profit after tax/average shareholder funds (equity and distributable reserves) over the financial year

- **Relative – 20% (average ROSF outperformance of peer group over a three-year period)**
- **Absolute – 80% (ROSF equal to or higher than the Group's cost of equity).**

¹ Adjusted for major projects not yet generating profits at Remco's discretion.

- **TSR – 20% weighting (calculated over a three-year period)**
Shareholders' returns are calculated as follows:

TSR = {(closing 90-day VWAP share price – starting 90-day VWAP share price) + dividends} ÷ starting 90-day VWAP share price

- **Relative – 100% (average TSR outperformance of peer group over a three-year period)**

- **ESG criteria – 30% weighting**

Predetermined ESG performance criteria established by Remco for each measurement period.

ESG criteria for the 2025 financial year – conditional PGLIP F shares vesting:

No.	Project	Category	Details
1	Commence construction on phase 2 of Evander Mines', water treatment plant by June 2025	Environmental	Water stewardship is achieved through the sustainable and efficient utilisation of water resources for operations and the environment.
2	Achieving the land rehabilitation targets for the MTR project as per the sustainability bond performance targets	Environmental	Target – 102ha for 2025 from a baseline of 0ha in 2023 The MTR project is to achieve land rehabilitation of 16% by 2025, as detailed in the SBLF framework
3	Completion of the feasibility studies for the MTR project and Evander Mines' phase 2 solar projects. Selection of an EPC contractor. Board decision for the advancement of at least one of the solar projects by June 2025	Environmental	The Group's decarbonisation strategy is aligned to the SBLF framework of 15% renewable energy mix by 2027
4	Achieve the Group's renewable energy mix penalty threshold level of 5% for 2025 as per the RMB Sustainability Bond performance targets	Environmental	Implementation of the Group's renewable energy solar projects to meet the renewable energy mix of 15% by 2027
5	Achieving the safety targets for the Group's TRIFR as per the RMB Sustainability Bond Performance Targets for 2025	Social	Achieving a Group TRIFR of 7.75% for 2025 from a baseline of 8.95% in 2022
6	Submission of SLPs from Barberton Mines, Evander Mines and the MTR project operations to the DMRE, including consultation with relevant stakeholders	Social	Social licence to operate and sustainable development initiatives for communities and stakeholders
7	Implementation of a formal health and wellness programme at Barberton Mines, Evander Mines and the MTR project – phase 2	Social	KPI 1 – Human resources: Awareness of and education on lifestyle diseases for at least 50% of the workforce KPI 2 – Social: Increase the number of physically active employees from the baseline number by 10% by promoting the sporting codes of soccer, running and others KPI 3 – Health: Create baseline data to identify employees with multiple co-morbidities that impact employee wellness and productivity and implement initiatives to manage these conditions
8	Successful implementation of the Equator Principles action plan by June 2025 for RMB funding requirements	Governance	Environmental compliance reporting requirements for RMB
9	Successful implementation of the remediation action plan for the Soweto Cluster for 2025	Governance	Tailings and environmental remediation for managing and mitigating ESG reputation risk

REMUNERATION REPORT continued

PGLIP G SHARES DIVIDEND CRITERIA (MEASUREMENT DATE – 30 JUNE 2026)

- ROSF – 50% weighting (calculated as average ROSF over a three-year period)¹

Annual ROSF is calculated as follows:

ROSF = Net profit after tax/average shareholder funds (equity and distributable reserves) over the financial year

- Relative – 20% (average ROSF outperformance of peer group over a three-year period)
- Absolute – 80% (ROSF equal to or higher than the Group's cost of equity).

¹ Adjusted for major projects not yet generating profits at Remco's discretion.

- TSR – 20% weighting (calculated over a three-year period)

Shareholders' returns are calculated as follows:

TSR = {(closing 90-day VWAP share price – starting 90-day VWAP share price) + dividends} ÷ starting 90-day VWAP share price

- Relative – 100% (average TSR outperformance of peer group over a three-year period)

- ESG criteria – 30% weighting

As per predetermined ESG performance criteria established by Remco for each measurement period.

PGLIP H SHARES DIVIDEND CRITERIA (MEASUREMENT DATE – 2025 FINANCIAL YEAR)

Subject to the recommendation of Remco, the board approved an additional once-off tranche under the PGLIP for the successful completion of the MTR project. Measurement in the 2025 financial year. Measurement criteria for this tranche are as follows:

Deliverable	Measurement	Weighting %
Commissioning the MTR project on schedule	Fully commissioned by no later than 28 February 2025, independently confirmed by the senior debt banker's technical advisers (The Minerals Corporation (TMC))	30
Commissioned the MTR project within the approved capital budget	Commissioned at or below ZAR2.503 billion (taking into account expenditure provided for in the original base case financial model but not expenditure of a preliminary nature, such as acquisition and establishment costs, excluded from the original base case financial model). <i>The maximum weighting of 60% is achieved if the project is delivered at ZAR100 million or more below the approved capital budget of ZAR2.503 billion</i>	Up to 60
The MTR project performing in line with bankable feasibility study (BFS)	Tonnage throughput – plant to achieve 90% of designed nameplate throughput capacity (in ktpm) at steady-state (within any three-month continuous period within six months of the base case threshold tests (BCTT) inception date)	10
Safety	<ul style="list-style-type: none"> • TIFR =/ < 8.0 per million man hours (33.33% weighting) • LTIFR =/ < 3.0 per million man hours (33.33% weighting) • RIFR =/ < 1.0 per million man hours (33.33% weighting) 	10
Cash cost per kilogramme (as per RCF agreement definition)	In line with BFS, taking into account inflationary increases from the base date of the BFS	10
Grade, recoveries and gold	Recoveries, grade and gold production – >85% reconciliation of gold produced to mine planning model, over the three-month BCTT period in accordance with BCTT parameters of the senior debt financing, as determined by TMC	10
Total		Up to 130

Based on the measurement criteria above, Remco will propose a final dividend to the board for approval once the project has been fully commissioned.

EXECUTIVE DIRECTORS' REMUNERATION DISCLOSURE

Executive directors' remuneration¹

US\$ thousand	Basic remuneration	Allowance	Leave payment	Retention ³ payment	Total remuneration	Incentives ¹	PGLIP ⁴	Total single figure remuneration
2024								
Cobus Loots	412	10	–	–	422	260	548	1,230
Deon Louw	374	–	–	–	374	168	449	991
Total	786	10	–	–	796	428	997	2,221

US\$ thousand	Basic remuneration	Allowance	Leave payment	Retention ³ payment	Total remuneration	Incentives ²	PGLIP ⁴	Total single figure remuneration
2023								
Cobus Loots	407	10	10	250	677	350	1,043	2,070
Deon Louw	370	–	–	222	592	226	855	1,673
Total	777	10	10	472	1,269	576	1,898	3,743

¹ These incentives, paid in the 2024 financial year, relate to the 2023 financial year's annual STI achievement, consistent with the approved qualifying criteria.

² These incentives, paid in the 2023 financial year, relate to the 2022 financial year annual STI achievement, consistent with the approved qualifying criteria.

³ Retention payments made in accordance with the employees' employment contracts. Refer to **page 183**.

⁴ LTI payments are made per the PGLIP's rules. PGLIP C shares payment – 2023 financial year, PGLIP D shares payment – 2024 financial year.

* Prescribed officers' remuneration is disclosed in **note 38** to the financial statements.

REMUNERATION REPORT continued**EXECUTIVE DIRECTORS' LTI SCHEME DISCLOSURE**

The executive directors' LTI schemes are cash-settled. Based on independent actuarial valuations, these option costs are accrued annually.

Payment occurs when qualification criteria are fulfilled and dividends are declared.

Shares purchased

Executive directors	Effective date	Opening balance	Issued	Number of shares exercised and repurchased		Closing balance
				Forfeited		
2024						
Cobus Loots						
PGLIP ¹						
– PAR Gold D shares ²	1 July 2020	2,848,556	–	(2,848,556)	–	–
– PAR Gold E shares ³	1 July 2021	2,337,972	–	–	–	2,337,972
– PAR Gold F shares	1 July 2022	2,190,419	–	–	–	2,190,419
– PAR Gold G shares	1 July 2023	–	2,711,080	–	–	2,711,080
– PAR Gold H shares ⁴	1 July 2023	–	2,845,841	–	–	2,845,841
Deon Louw						
PGLIP ¹						
– PAR Gold D shares ²	1 July 2020	2,335,468	–	(2,335,468)	–	–
– PAR Gold E shares ³	1 July 2021	1,916,851	–	–	–	1,916,851
– PAR Gold F shares	1 July 2022	1,795,876	–	–	–	1,795,876
– PAR Gold G shares	1 July 2023	–	2,222,754	–	–	2,222,754
– PAR Gold H shares ⁴	1 July 2023	–	2,138,805	–	–	2,138,805
2023						
Cobus Loots						
PGLIP ¹						
– PAR Gold D shares ²	1 July 2020	2,848,556	–	–	–	2,848,556 ²
– PAR Gold E shares	1 July 2021	2,337,972	–	–	–	2,337,972
– PAR Gold F shares	1 July 2022	–	2,190,419	–	–	2,190,419
Deon Louw						
PGLIP ¹						
– PAR Gold D shares ²	1 July 2020	2,335,468	–	–	–	2,335,468 ²
– PAR Gold E shares	1 July 2021	1,916,851	–	–	–	1,916,851
– PAR Gold F shares	1 July 2022	–	1,795,876	–	–	1,795,876

¹ These are cash-settled shares issued under the PGLIP. These shares receive dividends only if the specified measurement criteria are fulfilled at the end of a three-year measurement period.

² These shares were repurchased for a nominal value during the 2024 financial year.

³ These shares will be repurchased for a nominal value during the 2025 financial year.

⁴ Subject to the recommendation of Remco, the board approved an additional tranche under the PGLIP for the successful completion of the MTR project for measurement in the 2025 financial year.

SUMMARY OF KEY CONTRACTUAL ARRANGEMENTS FOR THE CHIEF EXECUTIVE OFFICER AND FINANCIAL DIRECTOR

	Chief executive officer	Financial director
Contract duration	Employed on a permanent basis from 1 July 2022	Current contract extended to 30 September 2024
Retention payment	<ul style="list-style-type: none"> 120% x 50% of TGP payable at inception, 120% x 50% of TGP payable at the end of three years (30 June 2025) The employee is not allowed to resign within the first 12 months from the inception of his employment contract 	<ul style="list-style-type: none"> 120% x 50% of TGP payable at inception of contract and the amount payable at the end of the two-year employment contract will be based on the following formula: ((employee's TGP on 30 June 2024 x 120% x 50%) x 1/3) Should the contract be extended for a third year, the amount payable at the end of the three-year employment contract will be based on the following formula: ((employee's TGP on 30 June 2024 x 120% x 50%) x 3/3) The employee is prohibited from resigning within the first 12 months of the employment contract's inception
STI	A maximum of 110% of annual TGP	A maximum of 80% of annual TGP
LTI – PGLIP	Acquires PAR Gold shares	Acquires PAR Gold shares
Minimum shareholding in Pan African	<ul style="list-style-type: none"> Remco reviewed the employee's shareholding during the current reporting period and concluded that the employee maintained an adequate shareholding as at 30 June 2024, comprising: <ul style="list-style-type: none"> – 5,896,248 indirect beneficial ordinary shares – 1,573,982 direct beneficial ordinary shares – 314,280 contracts for differences 	<ul style="list-style-type: none"> Remco reviewed the employee's shareholding during the current reporting period and concluded that the employee maintained an adequate shareholding as at 30 June 2024, comprising: <ul style="list-style-type: none"> – 245,209 indirect beneficial ordinary shares – 4,728,254 direct beneficial ordinary shares

ANNUAL FINANCIAL STATEMENTS

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STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the 2024 integrated annual report and the financial statements in accordance with applicable laws and regulations.

Company law requires the directors to prepare financial statements for each reporting period. Under that law, the directors have prepared the Group and Company financial statements in accordance with UK-adopted International Accounting Standards. In preparing the Group and Company financial statements, the directors have also complied with IFRS[®] Accounting Standards as issued by the IASB.

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group and the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- state whether applicable UK-adopted International Accounting Standards and IFRS Accounting Standards as issued by the IASB have been followed, subject to any material departures disclosed and explained in the financial statements
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The directors are responsible for safeguarding the assets of the Group and Company and hence are taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions, disclose with reasonable accuracy, at any time, the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are responsible for the maintenance and integrity of the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

DIRECTORS' CONFIRMATIONS

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the Group's and Company's auditors are unaware
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Group's and Company's auditors are aware of that information.

Keith Spencer
Chairman

Cobus Loots
Chief executive officer

11 September 2024

Deon Louw
Financial director

CHIEF EXECUTIVE OFFICER'S AND FINANCIAL DIRECTOR'S RESPONSIBILITY STATEMENT

Each of the directors, whose names are stated below, hereby confirm to the best of their knowledge that:

- the Company is in compliance with the provisions of the Companies Act 2006, specifically relating to its incorporation and is operating in conformity with its articles of association and relevant constitutional documents
- the financial statements, set out on **pages 186 to 277**, prepared in accordance with applicable UK-adopted International Accounting Standards and IFRS Accounting Standards, give a true and fair view of the assets, liabilities, financial position, profit or loss and cash flows of the Group and the Company
- to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the financial statements false or misleading
- internal financial controls have been put in place to ensure that material information relating to the issuer and its subsidiaries has been provided to effectively prepare the financial statements of the Group

- the internal controls are adequate and effective and can be relied upon in compiling the financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls
- where we are not satisfied, we have disclosed to the audit and risk committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls and have remediated the deficiencies
- we are not aware of any fraud involving directors.

Cobus Loots
Chief executive officer

Deon Louw
Financial director

11 September 2024

CERTIFICATE OF THE COMPANY SECRETARY

I hereby certify that Pan African Resources PLC (Pan African) has lodged with the Registrar of Companies for England and Wales all such returns as are required of a public company in terms of the Companies Act 2006. All such returns are true, correct and up to date.

St James's Corporate Services Limited
Company secretary

11 September 2024

DIRECTORS' REPORT

The directors present the integrated annual report and the audited financial statements for the reporting period ended 30 June 2024.

PRINCIPAL ACTIVITIES

Pan African is incorporated in the UK and registered in England and Wales under the Companies Act 2006. Pan African is a public company limited by shares with the registration number 3937466. The Company has a dual primary listing on the Main Board of the JSE Limited (JSE) and the London Stock Exchange (LSE) AIM Market (AIM). The Company also has a sponsored Level 1 American Depository Receipt (ADR) programme in the United States of America (USA) through the Bank of New York Mellon and a secondary listing on the A2X Market (A2X) exchange. In addition, Pan African Resources Funding Company Limited (Funding Company) issued listed notes on the JSE Debt Board in the previous reporting period (refer to **page 241**).

The nature of the Group's operations and its principal activities relate to gold mining and exploration activities. The Group owns and operates a portfolio of high-quality, low-cost operations and projects located in South Africa and an exploration project in Sudan.

A full review of the activities of the business and of its prospects is contained in the chairman's statement (**page 14**) and chief executive officer's review (**page 74**) that accompany these annual financial statements, with financial and non-financial key performance indicators (KPIs) shown on **pages 72** and **73**.

FINANCIAL RESULTS

The results for the 2024 reporting period are presented in the Group statement of profit or loss and other comprehensive income on **page 201**. The key features of these results can be found in the financial director's review on **page 86**. Pan African has elected earnings per share and headline earnings per share as its key performance metrics for trading purposes.

OPERATIONAL REVIEW

The operations are reviewed in detail in the operational performance review on **page 96**.

HISTORICAL DIVIDENDS

At the annual general meeting (AGM) of the shareholders held on 24 November 2023, a final dividend of ZA 18.00000 cents per share equating to 0.76239 pence per share (US 0.95491 cents per share) was approved.

During the current reporting period, the Financial Reporting Council (FRC) carried out a review of the Group's integrated annual report and financial statements for the period ended 30 June 2023 in accordance with Part 2 of the FRC Corporate Reporting Review Operating Procedures¹. As part of the review, 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 and not on functional currency amounts. It came to their attention that the foreign currency translation reserve does not form part of the Company's undistributable reserves, despite not being realised, and as such cannot be included as undistributable reserves when carrying out the net assets test. This means that dividends paid in respect of the years ended 30 June 2019, 2020, 2021, 2022 and 2023 (together relevant dividends) and the repurchase of ordinary shares by the Company between 1 April and 9 May 2022 have been made otherwise than in accordance with the Companies Act 2006.

The consequences of the relevant distributions 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 cancellation of share premium was confirmed by the Court on 2 July 2024 and took effect on 18 July 2024. The share capital reduction required (among other actions) a special resolution being passed by shareholders at a general meeting held on 10 June 2024.

RISK MANAGEMENT

A separate risk committee is not considered necessary, as this role is fulfilled by the board, its subcommittees and executive management. The identification and management of critical risks is a strategic focus area for executive management, reviewed monthly and, together with action plans, reported regularly to the board. The Group's risk management and key business risks are documented within our risks and opportunities section on **page 48** and disclosed in **note 37** of the financial statements.

INTERNAL CONTROL

The board is responsible for maintaining a sound system of internal controls to safeguard shareholders' investments and Group assets. The directors monitor the operation of internal controls. The objective of the system is to safeguard the Group assets, ensure proper accounting records are maintained and that the financial information used within the business and for publication is reliable. Any such system of internal control can only provide reasonable, but not absolute, assurance against material misstatement or loss. Internal financial control procedures undertaken by the board include:

- reviewing monthly financial reports and monitoring performance
- reviewing internal audit reports and follow-up action of weaknesses identified by these reports
- reviewing the competency and experience of senior management staff
- prior approval of all significant expenditure, including all major investment decisions
- reviewing and debating Group policies.

The board has reviewed the operation and effectiveness of the Group's system of internal controls for the 2024 reporting period and the period up to the date of approval of the financial statements, including remediation actions proposed in light of

the restatement of the prior reporting period financial statements to prevent a recurrence, and is satisfied that there has been no material breakdown in the Group's system of internal controls for the review period.

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 producing assets. 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% decrease in forecast production. The Group's forecasts based on the board-approved budgets (with production in line with production guidance announced) demonstrate it will have sufficient liquidity headroom to meet its obligations, under both scenarios, in the ordinary course of business (refer to **note 43**), and will comply with financial covenants for the 24 months from the date of approval of the financial statements; 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 for the foreseeable future. Accordingly, the Group continues to adopt the going concern basis of accounting in preparation of the 30 June 2024 financial statements.

DIRECTORS

There were no changes to the board during the reporting period under review.

The directors for the current reporting period are:

- | | |
|---------------------------|---|
| • Mr KC Spencer | <i>Independent non-executive chairman</i> |
| • Mr JAJ Loots | <i>Chief executive officer</i> |
| • Mr GP Louw ¹ | <i>Financial director</i> |
| • Mrs D Earp | <i>Independent non-executive director</i> |
| • Mr TF Mosololi | <i>Independent non-executive director</i> |
| • Mrs YN Themba | <i>Independent non-executive director</i> |
| • Mr CDS Needham | <i>Independent non-executive director</i> |

¹ As announced on the Stock Exchange News Service (SENS) on 29 July 2024, the Group's financial director, Deon Louw, informed the Company of his intention to retire with effect from 30 September 2024. He will, however, continue as a consultant to the Group. Marileen Kok will succeed Deon Louw as Group financial director and will be appointed to the Company's board of directors.

The Company has directors' and public officers' liability insurance in place that provides insurance cover in the event of a claim or legal action. The insurance cover was in place throughout the reporting period and remains in place.

DIRECTORS' REMUNERATION AND SHAREHOLDING

Details of the directors' remuneration and shareholding are set out in **note 38** to the financial statements.

DIRECTORS' INTERESTS IN CONTRACTS

No material contracts in which directors have an interest were entered into during the reporting period.

COMPANY SECRETARY

St James's Corporate Services Limited is the company secretary. The business and postal addresses are set out on the back page.

LITIGATION AND CLAIMS

Evander Mines terminated the contract mining agreement (CMA) with its 8 Shaft 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.

EVENTS AFTER THE REPORTING PERIOD

As mentioned in the historical dividends section on the previous page, the reduction of share premium was confirmed by the Court on 2 July 2024 and took effect on 18 July 2024 (refer to **note 44**).

There were no other events that could have a material impact on the financial results of the Group after 30 June 2024 up to the date on which the Group financial statements for the reporting period ended 30 June 2024 were authorised for issue.

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP's (PwC) appointment as external auditor was approved by shareholders at the Company's AGM on 24 November 2023. Kevin McGhee was the designated audit partner for the reporting period ended 30 June 2024.

APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

The board of directors hereby approves the integrated annual report, strategic report, directors' report and associated annual financial statements.

On behalf of the board

Cobus Loots
Chief executive officer

11 September 2024

¹ The FRC noted that their review is based solely on the integrated annual report and financial statements and does not benefit from detailed knowledge of Pan African's business, or an understanding of the underlying transactions entered into, but that it is, however, conducted by staff of the FRC who have an understanding of the relevant legal and accounting framework. The FRC correspondence provides no assurance that Pan African's integrated annual report and financial statements for the period ended 30 June 2023 are correct in all material respects; the FRC's role is not to verify the information provided but to consider compliance with reporting requirements.

AUDIT AND RISK COMMITTEE REPORT

INTRODUCTION

The principal purpose of the audit and risk committee is to assist the board in fulfilling its corporate governance and oversight responsibilities to ensure the integrity of the Group's financial and corporate reporting while ensuring adequate systems of internal control and risk management are in place and are operating effectively. The functions of a risk committee at a Group level also fall within the ambit of the audit and risk committee.

The committee has both reporting responsibilities to the shareholders and the board and is accountable to them. It operates in line with a documented charter and complies with all relevant legislation, regulation and governance codes and executes its duties in terms of the requirements of the governance codes in the UK (for AIM) and South Africa, and through adopting the King IV Report on Corporate Governance for South Africa, 2016™ (King IV™) as its code of corporate governance.

The performance of the audit and risk committee is evaluated against its charter on an annual basis and a self-evaluation of the committee's effectiveness is performed by the members and reviewed by the board.

The directors were appointed to the committee at the AGM on 24 November 2023. In terms of King IV™, all three members of the audit and risk committee are independent non-executive directors.

At 30 June 2024, the audit and risk committee comprised three independent non-executive directors.

The independent non-executive directors of the audit and risk committee at the date of approval of this report were:

- Dawn Earp (chairperson of the audit and risk committee)
- Thabo Mosololi
- Charles Needham.

Details on the number of meetings held and attendance by members are included on **page 146** of the corporate governance report.

All the members of the audit and risk committee are considered by the board to have an independent and objective mindset. The board believes that the audit and risk committee members collectively have the necessary skills to carry out their duties effectively and with due care. In cases where circumstances and issues arise, which are deemed outside of the scope of expertise of the audit and risk committee members, independent services and advice from professional bodies and service providers are sourced.

AUDIT AND RISK COMMITTEE RESPONSIBILITIES AND DUTIES

The audit and risk committee fulfils its responsibilities and duties as set out in its charter. The functions of the audit and risk committee include:

- reviewing the interim and annual financial statements, challenging the consistency and appropriateness of accounting principles, policies and practices that have been applied in the preparation, measurement and disclosures in the financial reports, culminating in a recommendation to the board for approval

- reviewing the integrity of the integrated annual report by ensuring its content is reliable and includes all relevant operational, financial and other non-financial information, risks and other relevant factors culminating in a recommendation to the board for approval
- reviewing the sustainable development, climate change and Mineral Resources and Mineral Reserves reports for consistency with information in the integrated annual report
- considering significant judgements and estimates applied in the preparation of the interim results and annual financial statements
- oversight of whistle-blowing procedures
- monitoring the integrity of formal announcements relating to the Group's financial performance and reviewing significant financial and other reporting judgements
- reviewing the external audit reports
- reviewing the effectiveness of the external audit function
- assessing the external auditors' independence, specifying guidelines for, and authorising if applicable, the award of non-audit services to the external auditors
- approving the audit fees in respect of the annual external audit
- making recommendations to the board on the appointment, reappointment or change of the Group's external auditors. Such changes are subject to shareholder approval at the Company's AGM
- reviewing the effectiveness of the internal audit function
- reviewing the internal audit management reports with, when relevant, recommendations being made to the board
- approving the internal audit plan
- ensuring that a coordinated approach to all assurance activities is in place
- monitoring the Group's compliance with legal and regulatory requirements including listings requirements
- ensuring that effective procedures are in place relating to the Group's whistle-blowing and anti-corruption policies
- evaluating the appropriateness and effectiveness of risk management, internal controls and governance processes including information technology governance
- reviewing the chief executive officer's and financial director's responsibility statement in terms of paragraph 3.84(K) of the JSE Listings Requirements
- dealing with concerns relating to accounting and tax practices, significant accounting transactions including impairments, internal audit, the audit or content of financial statements and internal financial controls, including assessing the adequacy of the remedial actions proposed in light of the restatement of the prior reporting period financial statements
- evaluating the performance of the financial director and the finance department
- reviewing the adequacy of the Group's risk management process, policies, mitigating controls and risk register
- reviewing the adequacy of the Group's insurance cover
- reviewing the governance of information and technology and the effectiveness of the Group's information systems
- reviewing the Group's going concern status to determine the appropriateness of the Group's financial statements being presented on a going concern basis, together with the solvency and liquidity assessment as part of the dividend recommendation to the board.

EXTERNAL AUDITORS

The committee is responsible for recommending the appointment or reappointment of a firm of external auditors to the board that, in turn, will recommend the appointment to shareholders. The committee is responsible for determining that the designated appointee firm and signing registered auditor have the necessary independence, experience, qualifications and skills and that the audit fee is adequate.

Kevin McGhee was the designated audit partner for the 2024 reporting period.

PwC's appointment as external auditors for the 2024 reporting period was approved by the shareholders at the Company's previous AGM held on 24 November 2023.

The committee satisfied itself that the external auditors are independent as defined by the Companies Act 2006 and the standards stipulated by the auditing profession. The committee received the quality information from the firm regarding the individual auditor, their quality process, their JSE accreditation and the regulator's inspection letters. The audit and risk committee held meetings with the external auditors, without the presence of management, and the chairperson of the audit and risk committee independently met with the external auditors as required during the financial year.

The audit and risk committee, in consultation with executive management, agreed to the terms of engagement. The audit fee for the external audit has been considered and approved for the 2024 reporting period, taking into consideration such factors as the timing of the audit, the extent of the work required and the scope.

The committee monitors the external auditors' performance and the effectiveness of the audit process as provided in the terms of engagement and in respect of audit scope and approach. The committee reviewed and approved the annual audit plan at its meeting in June 2024 including the proposed scope, materiality levels and significant risk areas.

It was established that the approach was appropriate to be responsive to regulatory changes and organisational risks and other applicable requirements.

Through the review of external audit reports, and interactions with the external audit team, the audit and risk committee is satisfied with the quality of the external audit performed for the reporting period.

EXTERNAL AUDITORS' INDEPENDENCE

The committee has a policy on the nature and extent of non-audit services which is reviewed regularly. The policy allows for limited other services as well as the provision of reporting accountant services in relation to capital market transactions.

The external auditors' independence is impacted by non-audit services that are provided to the client.

Pan African has put measures in place in order to prevent the impairment of the external auditors' independence, namely:

- Disallowance of certain services that may cause impairment of their independence such as providing internal audit services
- All non-audit services provided by the external auditors are preapproved by the executive committee (Exco) and the audit and risk committee
- Appropriate disclosure of all non-audit services provided by the external auditors.

The approval of non-audit services by the external auditors only occurs when there is certainty that these services will not cause any impairment to the independence of the external auditors.

Audit fees amounting to US\$462 thousand (2023: US\$437 thousand), were incurred for the current reporting period. Non-audit fees for sustainability assurances rendered amounted to US\$129 thousand. The non-audit fee related to the current and previous reporting period. Refer to **note 11** for the disclosure of the audit and non-audit fees.

FINANCIAL REPORTING

The principal role of the audit and risk committee in relation to financial reporting is reviewing, with senior management and the external auditors, the integrated annual report, financial results announcements and other publications to ensure statutory and regulatory compliance.

The committee has evaluated the consolidated and separate financial statements for the reporting period ended 30 June 2024 and, based on the information provided to the committee, considers that the consolidated and separate financial statements comply, in all material respects, with the requirements of the Companies Act 2006, UK-adopted International Accounting Standards and IFRS Accounting Standards. The consolidated and separate financial statements were subsequently recommended to the board for approval. The audit and risk committee makes its recommendation based on a comprehensive review conducted by the executive directors and other senior management.

Furthermore, the committee is satisfied with the extent of the Group's compliance with the King IV™ principles. Ongoing compliance continuously assessed and improved on.

The committee reviewed the annual financial statements and the non-financial information in the integrated annual report and web-based information and concluded that the key risks have been appropriately reported on.

The Company has established appropriate financial reporting procedures and the committee confirms that such procedures are operating sufficiently.

No instances of fraud involving the directors occurred during the current reporting period.

AUDIT AND RISK COMMITTEE REPORT continued

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Significant judgements, assumptions and estimates made by management are detailed in the notes to the consolidated and separate financial statements. Position papers were presented to the audit and risk committee by management during the course of the reporting period detailing management's critical and other significant accounting judgements and estimates. These were reviewed by the audit and risk committee and included, but were not limited to, the following areas:

Critical accounting judgements, assumptions and estimates	Audit and risk committee response
<p>Impairment assessment of goodwill and cash-generating units (CGUs)</p> <p>In accordance with IAS 36: <i>Impairment of Assets</i>, goodwill is tested for impairment annually or earlier where an indicator of impairment becomes apparent.</p> <p>The values of mining operations are sensitive to a range of attributes unique to each asset. Management is required to apply judgement in the key underlying assumptions and estimation of:</p> <ul style="list-style-type: none"> Mineral Resources and Mineral Reserves Commodity prices Foreign exchange rates Discount rates Operating costs, capital expenditure and other operating factors. 	<p>The committee monitors the impairment review process, including the identification of impairment indicators. The committee has reviewed the judgements and inputs used in the valuation of the recoverable amount, together with the identification of CGUs.</p> <p>Goodwill relating to Barberton Mines' underground operations is assessed at each reporting date for impairment in accordance with IAS 36, and the committee is satisfied that there are no indications of impairment.</p> <p>The committee is also satisfied that there is no indication of impairment indicating impairment of other CGUs.</p>
<p>Other significant accounting judgements, assumptions and estimates</p> <p>Going concern basis of accounting</p>	<p>The committee has reviewed the forecast net debt levels, headroom on existing facilities and compliance with debt covenants. The going concern analysis covered the period 1 July 2024 to 30 June 2026, and considered a range of downside sensitivities, including the impact of lower commodity prices and reduced production levels.</p> <p>The committee concluded that it was appropriate to adopt going concern as a basis for the preparation of the financial statements.</p>
<p>Deferred tax</p>	<p>The committee has reviewed management's judgement applied in the determination of the future expected deferred tax rate for the Group's gold mining entities based on the approved budgets for the Group.</p> <p>The committee considered the key assumptions consistent with the assumptions discussed in the impairment of goodwill section, applied in the determination of the future expected deferred tax rate, to be reasonable.</p>
<p>Rehabilitation and decommissioning obligation</p>	<p>The committee reviewed the estimate for the environmental and decommissioning obligation, which was based on the work of external consultants and internal experts.</p> <p>The committee considered the disclosure of the rehabilitation and decommissioning obligation in the financial statements and the changes in assumptions and other drivers of the movement in the obligation and concluded that the recognised obligation was appropriate.</p>
<p>Revenue from contracts with customers</p>	<p>The committee reviewed management's judgement applied in accounting for the forward sale contract entered into with Rand Merchant Bank, a division of FirstRand Bank Limited (RMB).</p> <p>The committee considered the recognition, measurement and related disclosures and concluded these to be in compliance with UK-adopted International Accounting Standards and IFRS Accounting Standards.</p>
<p>Financial guarantees</p>	<p>The committee reviewed management's judgements and estimates applied in recognising financial guarantees in the Company's separate financial statements.</p> <p>The committee considered the valuation methodology and inputs applied in measuring the fair value on initial recognition and subsequent 12-month expected credit allowance. The committee considered these to be reasonable.</p>

SIGNIFICANT ISSUES CONSIDERED BY THE AUDIT AND RISK COMMITTEE

During the current reporting period, the committee reviewed the significant accounting issues below:

Significant issues	Audit and risk committee response
<p>Timing of revenue recognition in respect of gold sales</p>	<p>The committee reviewed management's reassessment in respect of the timing of revenue recognition, indicating that control passes on settlement with the customer as opposed to on delivery to Rand Refinery.</p> <p>The committee, in applying IFRS 15: <i>Revenue from Contracts with Customers</i>, satisfied itself that revenue should only be recognised on settlement as opposed to on delivery to Rand Refinery. The committee reviewed the presentation and disclosures, provided throughout the financial statements, in respect of the prior period error and resultant restatement, and viewed these to be appropriate.</p>
<p>Measurement of the Mogale Gold and Mogale Soweto Cluster environmental rehabilitation obligation</p>	<p>The committee reviewed the presentation and disclosures, provided throughout the financial statements, in respect of the prior period error and resultant restatement, and viewed these to be appropriate.</p>

INTERNAL AUDITOR

The committee performs an oversight role of the internal audit function, which is outsourced to a third party, by approval of the internal audit plan and review of the internal auditor's findings on a regular basis. The committee has satisfied itself that the internal audit function is independent and has the necessary resources, standing and authority to discharge its duties. The head of internal audit has direct access to the chairperson of the audit and risk committee, and the internal auditor is invited to attend each audit and risk committee meeting.

The committee reviewed the proposed 2024 internal audit plan and assessed whether the plan addressed the key areas of risk for the Group. The committee approved the plan having discussed the scope of work in relationship to the Group's risks.

The committee assesses the work of internal audit on a regular basis through receipt of reports on the progress of the internal audit plan. The committee met with the head of internal audit on two occasions, which enabled further evaluation of the work performed.

COMMITTEE REMUNERATION

Audit and risk committee members are remunerated in the same way as members of other board subcommittees. The fees are reviewed annually by the remuneration committee (Remco). The remuneration report, which includes the remuneration policy and the implementation report, is tabled for endorsement by the shareholders at the AGM. No retirement fund contributions are made by the Group to or on behalf of non-executive directors.

Refer to **page 264** for disclosure of remuneration to audit and risk committee members.

SUBSIDIARY COMPANIES

The functions of the audit and risk committee are also performed for each subsidiary company of the Pan African Group.

FINANCIAL DIRECTOR

As announced on SENS on 29 July 2024, the Group's financial director, Deon Louw, informed the Company of his intention to retire with effect from 30 September 2024. He will, however, continue as a consultant to the Group. Marileen Kok will succeed Deon Louw

as Group financial director and will be appointed to the Company's board of directors.

The committee assessed and is satisfied that Marileen Kok has the appropriate skills, expertise and experience, for the role of financial director, as required by the JSE Listings Requirements and AIM Rules.

The committee considered the functioning of the Company's finance department and believes that it functions effectively, with the required controls and systems in place.

RISK MANAGEMENT

Risk management is the responsibility of the board and is integral to the achievement of the Group's objectives.

Refer to our primary risks and opportunities section on **page 48** where the risk management approach and process are discussed further.

The board, through the audit and risk committee, fulfils its responsibility in reviewing the effectiveness of the Group's risk management approach and internal controls through the review of reports submitted over the course of the reporting period covering the risk management process and control environment, specifically in-depth reviews of the Group's risk registers and review of internal audit reports.

The committee is satisfied that there was no material breakdown in the internal accounting controls during the reporting period under review.

I would like to extend my appreciation to my fellow committee members, management and the external and internal auditors for their work and support throughout the reporting period.

On behalf of the audit and risk committee

Dawn Earp

Chairperson of the audit and risk committee

11 September 2024

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PAN AFRICAN RESOURCES PLC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

In our opinion, Pan African Resources PLC's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 30 June 2024 and of the group's and company's profit and the group's and company's cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the 2024 Integrated Annual Report (the "Annual Report"), which comprise: the group and the company statements of financial position as at 30 June 2024; the group and the company statements of profit or loss and other comprehensive income, the group and the company statements of cash flows, and the group and the company statements of changes in equity for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

SEPARATE OPINION IN RELATION TO IFRSs AS ISSUED BY THE IASB

As explained in note 2 to the financial statements, the group and company, in addition to applying UK-adopted international accounting standards, have also applied international financial reporting standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

In our opinion, the group and company financial statements have been properly prepared in accordance with IFRSs as issued by the IASB.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to other listed entities of public interest, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in note 11 to the financial statements, we have provided no non-audit services to the company or its controlled undertakings in the period under audit.

OUR AUDIT APPROACH

Overview

Audit scope

- Our group audit included full scope audits at four components and an audit of specific account balances at a further six other components.
- Taken together, the components at which audit work was performed accounted for 100% of group revenue, 98% of the group's absolute profit before tax and 99% of group total assets.

Key audit matters

- Goodwill impairment assessment and impairment indicator assessment of property, plant and equipment (group)
- Carrying value of investments in subsidiaries and receivables from group companies (company)

Materiality

- Overall group materiality: US\$5.0 million (2023: US\$4.3 million) based on 5% of average profit before tax for the past 3 years (2023: 5% of profit before tax).
- Overall company materiality: US\$1.5 million (2023: US\$1.4 million) based on approximately 1% of total assets.
- Performance materiality: US\$3.8 million (2023: US\$3.2 million) (group) and US\$1.1 million (2023: US\$1.1 million) (company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

The key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
<p>Goodwill impairment assessment and impairment indicator assessment of property, plant and equipment (group)</p> <p>Impairment assessments require significant judgement and there is the risk that the valuation of the assets may be incorrect, and any potential impairment charge or reversal miscalculated. As such, this was a key area of focus for our audit due to the material nature of the respective balances.</p> <p>The Group has goodwill of US\$16.7 million and property, plant and equipment of US\$567.6 million as at 30 June 2024, primarily contained in four cash generating units ("CGUs").</p> <p>The Barberton Mines' underground operations CGU has the total goodwill balance of US\$16.7 million allocated to it.</p> <p>The Barberton Mines' underground operations CGU has been assessed for impairment using a fair value less costs of disposal model which is based on future cash flow forecasts using life of mine reserve and production estimates approved by the internal competent person. Management has concluded that the recoverable amount of the Barberton Mines' underground operations CGU is greater than the carrying amount of the associated net assets, therefore no impairment charge has been recognised, albeit the assessment remains sensitive to certain key assumptions such as the long-term gold price.</p> <p>In addition, management has performed an assessment of indicators of impairment and impairment reversal for the other CGUs. Management has determined that there were no indicators of impairment or impairment reversal in any of the other CGUs, having considered factors such as long-term gold prices and life of mine reserves. Refer to notes 16 and 17 to the financial statements.</p>	<p>In assessing the carrying value of the Barberton Mines' underground operations CGU, we evaluated management's future cash flow forecasts and the process by which they were drawn up, including checking the mathematical accuracy of their cash flow model. We agreed future capital and operating expenditure to the latest board approved budget and the latest approved reserves and resources statement, forecast life of mine production plan and capital expenditure budget.</p> <p>We assessed the reasonableness of management's future forecasts of capital and operating expenses included in the cash flow forecasts in light of the historical accuracy of such forecasts and the current operational results.</p> <p>We note that the reserves and resources statement is prepared internally, and we assessed the competent person's qualifications, professional standing and experience and concluded that they are appropriately qualified and experienced.</p> <p>We used our valuation experts to assist us in evaluating the appropriateness of key market related assumptions in management's valuation model, including gold prices, and foreign exchange, inflation and discount rates. We have also ensured that the impact of climate change has been considered.</p> <p>We performed sensitivity analyses around the key assumptions within the cash flow forecasts using a range of discount rates and lower long-term gold prices and exchange rates based on what, in our view, a market participant may apply.</p> <p>We examined the related disclosures in notes 16 and 17 of the financial statements, including the sensitivities provided with respect to the Barberton Mines' underground operations CGU.</p> <p>Based on our analysis, we consider management's impairment assessment and conclusions relating to the recoverable amount of goodwill, as well as the associated disclosures, to be reasonable.</p> <p>We also consider management's conclusions that there were no indicators of impairment or impairment reversal for any of the other CGUs to be reasonable.</p>

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PAN AFRICAN RESOURCES PLC continued

Key audit matter	How our audit addressed the key audit matter
<p>Carrying value of investments in subsidiaries and receivables from group companies (company)</p> <p>As at 30 June 2024, the company holds investments in subsidiaries amounting to \$87.6 million, comprising shares and long-term funding balances for which the directors do not intend to demand repayment in the foreseeable future, as well as short-term receivables from group companies of \$51.7 million.</p> <p>In assessing the carrying value of the assets, management considered whether the underlying net assets of the investments support the carrying amount, the nature of the underlying assets and whether other facts and circumstances could also be indicative of impairment. Management has also performed an assessment of the expected credit losses of the receivables from group companies, which also impacts the carrying value.</p> <p>Based on management's assessment, management has concluded that no impairment is required in relation to the carrying value of investments in subsidiaries and receivables from group companies. Management has also concluded that no expected credit losses against the receivables from group companies are required. Refer to notes 20 and 39 to the financial statements.</p>	<p>In respect of investments in subsidiaries and receivables from group companies, we evaluated and challenged management's assessment of the carrying values.</p> <p>We independently performed an assessment of internal and external factors, including considering the market capitalisation of the group with reference to the carrying value of investments in subsidiaries and receivables from group companies.</p> <p>As a result of our work, we are satisfied that the carrying value of the company's investments in subsidiaries and receivables from group companies is appropriate as at 30 June 2024.</p>

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the company, the accounting processes and controls, and the industry in which they operate.

The group's assets and operations are primarily located within two mine sites in South Africa. Financial reporting is undertaken at the head office in Johannesburg, South Africa.

In establishing the overall approach to the group audit, we determined the type of work that needed to be performed at each component by us, as the group audit team, or by our component audit team in South Africa operating under our instruction. In determining our audit scope, we considered our overall assessment of risk and materiality, as well as components with specific inherent risks and the overall coverage obtained over each material line item in the group financial statements.

We identified four reporting units which, in our view, required an audit of their complete financial information, either due to their size or risk characteristics. This included the two main operating subsidiaries in South Africa, as well as the group's finance company and the parent company. In addition, we performed an audit of specific account balances over six other components in the group.

Audit work was performed by our component auditors in South Africa and we determined the level of involvement we needed to have in the audit work for each component to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the group financial statements as a whole. Our oversight procedures included the issuance of formal written instructions setting out the work to be performed at each component, regular communication throughout the audit cycle including calls through video conferencing, participation in key meetings and review of component auditor work papers. In addition, members of the group audit team visited the component audit team and the head office and local operations in South Africa.

Taken together, the components at which audit work was performed accounted for 100% of group revenue, 98% of the group's absolute profit before tax and 99% of group total assets. This, together with the additional procedures performed centrally by the group audit team, including testing the consolidation process and review of the annual report and financial statements, gave us the evidence we needed for our opinion on the financial statements as a whole.

The impact of climate risk on our audit

In planning our work, including identifying areas of audit risk and determining an appropriate audit response, we were mindful of the increased focus on the risk of impact of climate change on companies and their financial reporting. As part of our audit, we made enquiries of management to understand its processes to assess the extent of the potential impact of climate change on the group and its financial statements. We used our knowledge of the group to consider the completeness of the risk assessment performed by management, giving consideration to both physical and transition risks, and management's own public reporting and announcements. This included consideration of the group's renewable energy target for 2027, by which time it is targeting 15% of its energy use to be sourced from renewable sources.

Whilst the impact is uncertain, we particularly considered the impact of both physical and transition risks arising due to climate change, as well as the climate targets announced by the group on the recoverable value of the group's property, plant and equipment. There were no indications that the useful lives had been impacted by climate change, and no indicators of impairment were identified by management as disclosed in note 16.

We also read the disclosures made in relation to climate change in the other information within the Annual Report, and considered their consistency with the financial statements and our knowledge from our audit. This included reading the group's Non-Financial and Sustainability Information Statement.

Our procedures did not identify any material impact in the context of our audit of the financial statements as a whole, or our key audit matters for the year ended 30 June 2024.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements – GROUP	Financial statements – COMPANY
Overall materiality	US\$5.0 million (2023: US\$4.3 million).	US\$1.5 million (2023: US\$1.4 million).
How we determined it	5% of average profit before tax for the past 3 years (2023: 5% of profit before tax)	Approximately 1% of total assets
Rationale for benchmark applied	We believe that average profit before tax of the past 3 years is appropriate as an earnings metric is the primary measure used by shareholders in assessing the performance of the group. The adoption of a multi-year average benchmark for materiality in a change to the prior year basis responds to longer term trends in commodity markets and reduces volatility in the measure year-on-year.	For the company, we determined our materiality based on total assets, which is considered more relevant than a performance-related measure as the company is an investment holding company for the group.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was between US\$0.3 million and US\$4.5 million. Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2023: 75%) of overall materiality, amounting to US\$3.8 million (2023: US\$3.2 million) for the group financial statements and US\$1.1 million (2023: US\$1.1 million) for the company financial statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls – and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above US\$251,000 (group audit) (2023: US\$214,000) and US\$73,000 (company audit) (2023: US\$71,000) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

CONCLUSIONS RELATING TO GOING CONCERN

Our evaluation of the directors' assessment of the group's and the company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining the directors' assessment of going concern, including evaluation of the cash flow forecasts for the group for the going concern period, which supports their use of the going concern basis of accounting for the group and the company;
- Testing the integrity of the forecast model, including the mathematical accuracy;
- Holding discussions with management and reviewing the key assumptions in the forecast model, such as the gold price and exchange rates, which we have compared against consensus prices and rates from external sources to verify the reasonability, and forecasted production, and operational and capital expenditure, which we have agreed to the group budget;
- Consideration of the historical accuracy of management's forecasting;
- Critically evaluating management's downside sensitivities and agreeing that these represent severe but plausible downside scenarios;
- Obtaining an understanding of the group's existing debt facilities and the debt capacity of the group, and its ability to comply with debt covenants, over the going concern period; and
- Reviewing the disclosure provided in the Directors' report and note 43 to the financial statements, and concurring that this is sufficient to inform members about the directors' going concern assessment.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PAN AFRICAN RESOURCES PLC continued

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

REPORTING ON OTHER INFORMATION

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 30 June 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to compliance with environmental regulations and health and safety regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the UK Companies Act 2006 and applicable South African tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls),

and determined that the principal risks were related to management bias in key accounting estimates and posting inappropriate journal entries to manipulate results. The group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the group engagement team and/or component auditors included:

- Understanding and evaluating the design and implementation of controls designed to prevent and detect irregularities and fraud;
- Enquiries of management, those charged with governance and those responsible for legal and compliance matters, including the group's in-house legal function and internal audit, to identify actual and potential litigation and claims and any known or suspected instances of non-compliance with laws and regulations and fraud;
- Enquiry of staff in the group's tax function to identify any instances of non-compliance with laws and regulations;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing internal audit reports;
- Assessment of matters reported in the group's whistleblowing process and the results of management's investigation of such matters, where appropriate;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Challenging assumptions and judgements made by management in respect of significant accounting judgements and estimates, and assessing these judgements and estimates for management bias; and
- Identifying and testing journal entries based on our risk assessment, in particular any journal entries posted with unusual account combinations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

OTHER REQUIRED REPORTING

COMPANIES ACT 2006 EXCEPTION REPORTING

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Kevin McGhee

(Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

11 September 2024

STATEMENTS OF FINANCIAL POSITION

as at 30 June

US\$ thousand	Notes	GROUP			COMPANY	
		2024	Restated* 2023	Restated* 2022	2024	2023
ASSETS						
Non-current assets						
Property, plant and equipment	16	567,588	395,247	355,802	-	-
Goodwill	17	16,685	16,117	18,642	-	-
Intangible assets	18	365	265	281	-	-
Deferred tax assets	34	631	428	2,074	394	309
Long-term inventory	22	12,263	12,120	189	-	-
Investments	19	3,373	-	1,127	3,373	-
Investments in subsidiaries	20	-	-	-	87,646	83,555
Environmental rehabilitation obligation fund	21	24,773	21,627	23,024	-	-
Total non-current assets		625,678	445,804	401,139	91,413	83,864
Current assets						
Inventory	22	16,431	13,917	15,116	-	-
Trade and other receivables	23	15,175	8,462	9,323	98	90
Current tax assets	34	2,455	1,322	725	-	188
Receivables from Group companies	39	-	-	-	51,731	61,050
Loan receivable		-	-	271	-	-
Derivative financial asset		-	451	686	-	-
Cash and cash equivalents	24	26,332	34,771	26,993	2,851	2,435
Total current assets		60,393	58,923	53,114	54,680	63,763
Total assets		686,071	504,727	454,253	146,093	147,627
EQUITY AND LIABILITIES						
Share capital	25	38,002	38,002	38,002	38,002	38,002
Share premium		235,063	235,063	235,063	235,063	235,063
Retained earnings		364,657	303,190	262,247	37,766	47,239
Reserves	26	(272,505)	(283,772)	(242,956)	(169,249)	(173,980)
Equity attributable to owners of the Company		365,217	292,483	292,356	141,582	146,324
Non-controlling interests	20	(1,114)	(527)	(171)	-	-
Total equity		364,103	291,956	292,185	141,582	146,324
Non-current liabilities						
Environmental rehabilitation obligation	27	19,688	16,741	8,603	-	-
Borrowings	28	123,056	42,485	33,293	-	-
Lease liabilities	30	2,158	2,849	3,795	-	-
Contract liability	9	-	7,081	-	-	-
Financial liability	31	374	-	-	-	-
Share-based payment obligations	32	6,475	1,884	4,022	29	-
Deferred tax liabilities	34	85,353	64,345	53,366	-	-
Total non-current liabilities		237,104	135,385	103,079	29	-
Current liabilities						
Trade and other payables	33	66,388	52,072	50,224	2,197	1,303
Borrowings	28	4,729	10,868	1,319	-	-
Lease liabilities	30	791	634	553	-	-
Contract liability	9	7,330	10,621	-	-	-
Financial liability	31	329	-	-	-	-
Share-based payment obligations	32	4,494	2,404	5,559	16	-
Financial guarantees	29	-	-	-	1,471	-
Derivative financial liability		5	55	-	-	-
Current tax liabilities	34	798	732	1,334	798	-
Total current liabilities		84,864	77,386	58,989	4,482	1,303
Total equity and liabilities		686,071	504,727	454,253	146,093	147,627

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

The above statements of financial position should be read in conjunction with the accompanying notes.

The annual financial statements on pages 186 to 277 were approved by the board of directors and authorised for issue on 11 September 2024 and were signed on its behalf by:

Cobus Loots
Chief executive officer

Deon Louw
Financial director

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the reporting period ended 30 June

US\$ thousand	Notes	GROUP		COMPANY	
		2024	Restated* 2023	2024	2023
Revenue	9	373,796	319,892	21,657	17,550
Cost of production	10	(242,427)	(219,287)	-	-
Gross profit		131,369	100,605	21,657	17,550
Other income	11	4,106	5,906	234	255
Other expenses	11	(14,481)	(11,373)	(8,968)	(4,758)
Royalty costs		(1,687)	(956)	-	-
Income before finance income and finance costs		119,307	94,182	12,923	13,047
Finance income	13	1,884	1,139	146	99
Finance costs	13	(11,784)	(10,255)	-	(1)
Profit before tax		109,407	85,066	13,069	13,145
Income tax expense	34	(30,581)	(24,550)	(1,315)	(316)
Profit for the period		78,826	60,516	11,754	12,829
Other comprehensive income/(loss)					
Items that may be reclassified to profit or loss					
Foreign currency translation gain/(loss)	26	11,623	(40,973)	4,731	(23,140)
Items that may not be reclassified to profit or loss					
Fair value adjustment on investment at fair value through other comprehensive income	19	-	1,563	-	1,563
Tax thereon		-	(1,360)	-	(1,360)
Other comprehensive income/(loss) for the period, net of tax	26	11,623	(40,770)	4,731	(22,937)
Total comprehensive income/(loss) for the period		90,449	19,746	16,485	(10,108)
Profit/(loss) attributable to:					
Owners of the Company		78,826	60,516		
Non-controlling interests		79,378	60,918	(552)	(402)
Total comprehensive income/(loss) attributable to:		90,449	19,746		
Owners of the Company		91,036	20,102		
Non-controlling interests		(587)	(356)		
Basic and diluted earnings per share (US cents)	14	4.14	3.18		

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

The above statements of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

STATEMENTS OF CASH FLOWS

for the reporting period ended 30 June

US\$ thousand	Notes	GROUP		COMPANY	
		2024	2023	2024	2023
Cash flows from operating activities					
Net cash from operating activities before dividend, tax, royalties and net finance costs	36.1	134,310	132,941	17,780	13,389
Dividend paid	15	(21,227)	(23,168)	(21,227)	(23,168)
Reciprocal dividend received		2,925	3,193	-	-
Income tax paid	36.2	(13,007)	(6,521)	(422)	(883)
Royalties paid	36.3	(2,469)	(1,194)	-	-
Securities transfer tax paid		-	(7)	-	-
Finance costs paid		(11,565)	(6,254)	-	(1)
Finance income received		1,834	1,133	146	99
Net cash from/(used in) operating activities		90,801	100,123	(3,723)	(10,564)
Cash flows from investing activities					
Purchase of property, plant and equipment		(166,241)	(112,709)	-	-
Proceeds from disposal of property, plant and equipment		141	160	-	-
Additions to other intangible assets	18	-	(113)	-	-
Consideration for assets acquired, net of cash acquired		-	(2,939)	-	-
Repayment of long-term loans receivable		-	255	-	-
Receipts from environmental rehabilitation obligation fund	21	-	130	-	-
Payment for investment	19	(3,280)	-	(3,280)	-
Proceeds from disposal of investment	19	-	2,485	-	2,485
Increase in investments in subsidiaries	20	-	-	-	(12)
Advances of loans to subsidiaries		-	-	(24,159)	(32,547)
Repayment of loans to subsidiaries		-	-	31,315	40,239
Net cash (used in)/from investing activities		(169,380)	(112,731)	3,876	10,165
Cash flows from financing activities					
Proceeds from borrowings	36.4	114,198	94,705	-	-
Repayment of borrowings	36.4	(42,854)	(69,276)	-	-
Fees paid on borrowings	36.4	(1,445)	-	-	-
Repayment of lease liabilities	36.4	(638)	(562)	-	-
Repayment of other liabilities	31	(281)	-	-	-
Net cash from financing activities		68,980	24,867	-	-
Net (decrease)/increase in cash and cash equivalents		(9,599)	12,259	153	(399)
Cash and cash equivalents at the beginning of the period					
		34,771	26,993	2,435	2,457
Effect of foreign exchange rate changes		1,160	(4,481)	263	377
Cash and cash equivalents at the end of the period	24	26,332	34,771	2,851	2,435

The above statements of cash flows should be read in conjunction with the accompanying notes.

STATEMENTS OF CHANGES IN EQUITY

for the reporting period ended 30 June

US\$ thousand	GROUP						
	Share capital	Share premium	Reserves	Retained earnings	Equity attributable to the owners of the Company	Non-controlling interests	Total equity
Balance as at 1 July 2022, as previously reported	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 ¹	-	-	-	(23,168)	(23,168)	-	(23,168)
Reciprocal dividend – PAR Gold ²	-	-	-	3,193	3,193	-	3,193
Balance as at 30 June 2023 (restated)	38,002	235,063	(283,772)	303,190	292,483	(527)	291,956
Balance as at 30 June 2023, as previously reported	38,002	235,063	(283,946)	306,004	295,123	(527)	294,596
Correction of errors*	-	-	174	(2,814)	(2,640)	-	(2,640)
Balance as at 30 June 2023 (restated)	38,002	235,063	(283,772)	303,190	292,483	(527)	291,956
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 ¹	-	-	-	(21,227)	(21,227)	-	(21,227)
Reciprocal dividend – PAR Gold ²	-	-	-	2,925	2,925	-	2,925
Reclassification of foreign currency translation reserve ³	-	-	(391)	391	-	-	-
Balance as at 30 June 2024	38,002	235,063	(272,505)	364,657	365,217	(1,114)	364,103
Notes	25		26				

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

¹ Refer to note 15.² 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.³ The reclassification relates to the foreign currency translation reserve previously recognised on the Sudan foreign operation. Refer to note 26 for further details.

US\$ thousand	COMPANY				
	Share capital	Share premium	Reserves	Retained earnings	Total equity
Balance as at 1 July 2022	38,002	235,063	(151,043)	57,578	179,600
Total comprehensive loss	-	-	(22,937)	12,829	(10,108)
Profit for the period	-	-	-	12,829	12,829
Other comprehensive loss	-	-	(22,937)	-	(22,937)
Dividends paid ¹	-	-	-	(23,168)	(23,168)
Balance as at 30 June 2023	38,002	235,063	(173,980)	47,239	146,324
Total comprehensive income	-	-	4,731	11,754	16,485
Profit for the period	-	-	-	11,754	11,754
Other comprehensive income	-	-	4,731	-	4,731
Dividends paid ¹	-	-	-	(21,227)	(21,227)
Balance as at 30 June 2024	38,002	235,063	(169,249)	37,766	141,582
Notes	25		26		

¹ Refer to note 15.

The above statements of changes in equity should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

for the reporting period ended 30 June

1. GENERAL INFORMATION

Pan African Resources PLC (the Company) is incorporated in the UK and registered in England and Wales under the Companies Act 2006 with the registration number 3937466. The Company has a dual primary listing on the JSE and the UK's AIM. The Company's shares can also be traded on its Level 1 ADR programme in the USA and on the A2X Market exchange as a secondary exchange in South Africa. In addition, Funding Company issued listed domestic medium-term notes (DMTN) on the JSE Debt Board in the previous reporting period (page 241). The consolidated financial statements comprise the Company and its subsidiaries (together referred to as the Group). The nature of the Group's operations and its principal activities relate to commodity mining and exploration activities.

2. STATEMENT OF COMPLIANCE

The financial statements for both the Group and the Company have been prepared in accordance with UK-adopted International Accounting Standards (UK-IAS) and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. The financial statements have also been prepared in accordance with International Financial Reporting Standards as issued by the IASB. As applied to the Group and the Company, there are no material differences between UK-IAS and IFRS as issued by the IASB.

Furthermore, these have been prepared in accordance with the SAICA Financial Reporting Practices Committee, Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the JSE Listings Requirements.

3. BASIS OF PREPARATION

The financial statements have been prepared on a going concern basis (refer to note 43) and on the historical cost basis, except for financial assets at fair value through profit or loss (the environmental rehabilitation obligation fund and derivative financial instruments) and fair value through other comprehensive income (equity investments) which are stated at fair value. The accounting policies, inclusive of judgements and estimates, have been consistently applied for the reporting periods presented and comply with IFRS Accounting Standards.

Functional and presentation currency

The financial statements are presented in US\$ and all values are rounded to the nearest thousand (US\$'000), except where otherwise indicated.

The individual financial results of each Group company are maintained in their functional currencies, which are determined by reference to the primary economic environment in which the Company operates. The Company and its South African subsidiaries have determined their functional currency as the South African rand. The subsidiary in Sudan has determined its functional currency as the South African rand (refer to note 26 for further details).

4. CHANGES IN MATERIAL ACCOUNTING POLICIES

4.1 Material accounting policy information

The Group adopted *Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)* from 1 July 2023. Although the amendments did not result in changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the policy information disclosed in note 5: Material accounting policies (2023: Significant accounting policies) and throughout the financial statements in line with the amendments.

4.2 Deferred tax related to assets and liabilities arising from a single transaction

The Group adopted *Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendment to IAS 12)* from 1 July 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences

i.e. leases and decommissioning liabilities. For leases and decommissioning liabilities, an entity is required to recognise the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, an entity applies the amendments to transactions that occur on or after the beginning of the earliest period presented.

The amendment had no impact on the Group, as it previously recognised a separate deferred tax asset and deferred tax liability on leases and decommissioning liabilities.

5. MATERIAL ACCOUNTING POLICIES

5.1 Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the Group financial statements from the date on which control commences until the date on which control ceases.

Transactions eliminated on consolidation

Intra-Group transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred assets.

Non-controlling interests

Non-controlling interests are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Subsequently, the carrying amount of the non-controlling interests is the amount of the interest at initial recognition plus its share of subsequent changes in equity.

5.2 Foreign currency

Foreign transactions

Foreign currency transactions by Group companies are recognised in the functional currency of the Company at the rate of exchange ruling on the date of the transaction.

At each reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange ruling at the reporting date. Gains or losses arising on translation of monetary items are recognised in profit or loss.

Non-monetary assets and liabilities are measured in terms of historical cost in a foreign currency and are translated using the exchange rates at the dates of the initial transactions.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated at the exchange rate at the reporting date. The income and expenses of foreign operations are translated at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve, except to the extent that the translation difference is allocated to non-controlling interests. Foreign exchange gains and losses arising from a monetary receivable from, or payable to, a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of the net investment in a foreign operation and are recognised in other comprehensive income and presented in the foreign currency translation reserve.

Translation to presentation currency

The Group's assets and liabilities are translated into the presentation currency (US\$) of the Group at the rate of exchange prevailing at the reporting date. Income and expense items are translated at the exchange rate prevailing at the date of the significant transaction or the average rate for the period. The exchange differences arising on translation for consolidation are recognised in other comprehensive income.

5.3 Impairment of non-financial assets

At each reporting date, the Group assesses the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets are impaired. If any such indication exists, the asset's or CGU's recoverable

amount is estimated as the higher of its value in use or fair value less costs of disposal. An asset with an indefinite useful life, for example goodwill, is not subject to amortisation and is tested at the reporting date for impairment.

Impairment losses are immediately recognised as an expense in profit or loss whenever the carrying amount of an asset or its CGU exceeds its recoverable amount.

An impairment loss in respect of goodwill is not reversed. For other assets, a reversal of an impairment loss is recognised in profit or loss. When an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised on the asset or CGU.

5.4 Financial assets

Classification, recognition and measurement

The Group's financial assets are classified into the following measurement categories: instruments measured at amortised cost, instruments measured at fair value through other comprehensive income and instruments measured at fair value through profit or loss.

Financial assets are classified as measured at amortised cost only if the asset is held within a business model whose objective is to collect the contractual cash flows and contractual terms of the asset give rise to cash flows that are solely payments of principal and interest.

The Group has elected to measure equity instruments at fair value through other comprehensive income as this better reflects the strategic nature of the Group's equity investments.

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described previously are measured at fair value through profit or loss including all derivative financial assets and the environmental rehabilitation obligation fund.

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus transaction costs that are directly attributable to its acquisition.

Transaction costs for an item at fair value through profit or loss are expensed. A trade receivable without a significant financing component is initially measured at the transaction price.

Financial assets at amortised cost are subsequently measured using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Equity investments at fair value through other comprehensive income are subsequently measured at fair value. Other net gains and losses are recognised in other comprehensive income and never reclassified to profit or loss.

Financial assets at fair value through profit or loss are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Impairment

The Group recognises loss allowances for expected credit losses (ECLs) on a financial asset measured at amortised cost. The Group recognises ECLs based on lifetime default events for financial assets, except those that have not experienced a significant increase in credit risk, which are measured using 12-month default events. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience, informed credit assessment and includes forward-looking information.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk. Credit losses are measured as the difference between the cash flows due in accordance with the contract and the cash flows the Group expects to receive. A financial asset is 'credit-impaired' when one or more events that have a detrimental adverse impact on the estimated future cash flows of a financial asset have occurred.

NOTES TO THE FINANCIAL STATEMENTS continued

for the reporting period ended 30 June

5. MATERIAL ACCOUNTING POLICIES continued**5.4 Financial assets** continued
Derecognition

Financial assets are derecognised when the right to receive cash flows from the asset has expired, or the right to receive cash flows has been transferred together with substantially all the risks and rewards of ownership, or the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

5.5 Financial liabilities**Classification, recognition and measurement**

Financial liabilities are classified and accounted for as debt according to the substance of the contractual arrangements entered into.

Financial liabilities are classified and measured at amortised cost or fair value through profit or loss. A financial liability is classified at fair value through profit or loss if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Borrowings and trade and other payables are initially recognised at fair value net of directly attributable transaction costs, except for derivative instruments which are initially recognised at fair value. Financial liabilities at fair value through profit or loss are measured at fair value, and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains or losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition

Financial liabilities are derecognised when the associated obligation has been

discharged, cancelled or has expired. A substantial modification of the terms of a financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the extinguished financial liability and the consideration paid is recognised in profit or loss. The terms of a financial liability are considered substantially different if the present value of the cash flows under the new terms (including any fees paid net of fees received) differs at least 10% from the present value of the financial liability's cash flows using the original effective interest rate and term.

The gains or losses on non-substantial modifications are recognised as part of finance costs or income. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any cost or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified financial liability.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented on the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability.

5.6 Financial guarantees

Financial guarantee contracts are initially recognised at fair value using lifetime ECLs. They 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. Financial guarantees are amortised on a straight-line basis over the period that the borrowing facilities are available.

Where a guarantee in relation to a loan or other payable of a subsidiary is provided by the Company for no compensation, the fair value is accounted for as a contribution and recognised as part of the cost of the investment.

5.7 Fair value measurement

Fair value is determined based on observable market data (in the case of listed investments, the market share price) or discounted cash flow models (and other valuation techniques) using assumptions considered to be reasonable and consistent with those that would be applied by a market participant. Where discounted cash flows are used, the resulting fair value measurements are considered to be at Level 3 in the fair value hierarchy as defined in IFRS 13: *Fair Value Measurement* as they depend to a significant extent on unobservable valuation inputs.

The determination of assumptions used in assessing the fair value of identifiable assets and liabilities is subjective and the use of different valuation assumptions could have a significant impact on financial results. In particular, expected future cash flows, which are used in discounted cash flow models, are inherently uncertain and could materially change over time. They are significantly affected by several factors including Mineral Resources and Mineral Reserves, together with economic factors such as commodity prices, exchange rates, discount rates and estimates of production costs and future capital expenditure.

5.8 Other accounting policies

Further material accounting policies are disclosed within their respective notes.

6. JUDGEMENTS AND ESTIMATES

The preparation of the financial statements in accordance with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that may materially affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses.

These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances, historical experience, current and expected future economic conditions and other factors. Actual results may differ from the amounts included in the financial statements.

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

Significant judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- **Note 9:** Revenue
- **Note 16:** Property, plant and equipment.

Significant assumptions and estimates

Information about other assumptions and estimation uncertainties at 30 June 2024 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next reporting period is included in the following notes:

- **Note 17:** Goodwill
- **Note 34:** Tax expense
- **Note 16:** Property, plant and equipment
- **Note 27:** Environmental rehabilitation obligation
- **Note 29:** Financial guarantees.

Information about other judgements, assumptions and estimation uncertainties is included in the following notes:

- **Note 30:** Leases
- **Note 32:** Share-based payment obligations.

7. RECENT ACCOUNTING DEVELOPMENTS**7.1 New standards, interpretations and amendments effective for the first time as at 30 June 2024**

The following amendments became effective during the current reporting period, which are applicable to the Group:

Title	Impact	Annual period beginning on or after
Narrow scope amendments to IAS 1: <i>Presentation of Financial Statements</i> , Practice Statement 2 and IAS 8: <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> ¹	Refer to note 4.1 .	1 January 2023
Amendments to IAS 12: <i>Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i> ¹	Refer to note 4.2 .	1 January 2023

The following standard and amendment became effective during the current reporting period, which are not applicable to the Group:

- IFRS 17: *Insurance Contracts*
- International Tax Reform-Pillar Two Model Rules – amendments to IAS 12.

NOTES TO THE FINANCIAL STATEMENTS continued

for the reporting period ended 30 June

7. RECENT ACCOUNTING DEVELOPMENTS continued**7.2 New standards, interpretations and amendments issued but not yet effective as at 30 June 2024**

The following standards and amendments applicable to the Group, which were in issue and not yet effective as at 30 June 2024, have not been early adopted by the Group:

Title	Impact	Annual period beginning on or after
Amendment to IAS 1: <i>Presentation of Financial Statements on Classification of Liabilities as Current or Non-current</i> ¹	The amendment clarifies that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. A number of requirements are required to be met in conjunction with this amendment.	1 January 2024
Amendment to IAS 1: <i>Presentation of Financial Statements on Non-current Liabilities with Covenants</i> ¹	The amendment clarifies that only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current, with additional guidance to explain how an entity should disclose information in the notes to understand the risk that non-current liabilities with covenants could become repayable within 12 months.	1 January 2024
Amendment to IFRS 9: <i>Financial Instruments</i> and IFRS 7: <i>Financial Instruments: Disclosures on Classification and Measurement of Financial Instruments</i> ¹	These amendments: <ul style="list-style-type: none"> clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest criterion add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environmental, social and governance (ESG) targets) make updates to the disclosures for equity instruments designated at fair value through other comprehensive income. 	1 January 2026
IFRS 18: <i>Presentation and Disclosure in Financial Statements</i> ²	This standard replaces IAS 1: <i>Presentation of Financial Statements</i> . It carries forward many requirements from IAS 1 unchanged. <p>IFRS 18 introduces three sets of new requirements to improve companies' reporting of financial performance and provide investors with a better basis for analysing and comparing companies:</p> <ul style="list-style-type: none"> improved comparability in the statement of profit or loss through the introduction of three defined categories for income and expenses (operating, investing and financing) to improve the structure of the statement, and a requirement for all companies to provide new defined subtotals, including operating profit enhanced transparency of management-defined performance measures with a requirement for companies to disclose explanations of those company-specific measures that are related to the statement more useful grouping of information in the financial statements through enhanced guidance on how to organise information and whether to provide it in the primary financial statements or in the notes, as well as a requirement for companies to provide more transparency about operating expenses. 	1 January 2027
IFRS 19: <i>Subsidiaries without Public Accountability Disclosures</i> ³	<ul style="list-style-type: none"> IFRS 19 permits eligible subsidiaries to use IFRS Accounting Standards with reduced disclosures. Applying IFRS 19 will reduce the costs of preparing subsidiaries' financial statements while maintaining the usefulness of the information for users of their financial statements. Subsidiaries are eligible to apply IFRS 19 if they do not have public accountability and their parent company applies IFRS Accounting Standards in their consolidated financial statements A subsidiary does not have public accountability if it does not have equities or debt listed on a stock exchange and does not hold assets in a fiduciary capacity for a broad group of outsiders. 	1 January 2027

¹ None of the above amendments are expected to have a material impact on the Group and Company.

² The impact of the new standard is pervasive. Management is currently assessing the aspects of financial statement presentation and disclosure that will be affected. This standard has not yet been endorsed by the UK Endorsement Board.

³ Management is currently assessing earlier adoption of this voluntary standard for eligible subsidiaries within the Group. This standard has not yet been endorsed by the UK Endorsement Board.

7.3 IBOR reform

A fundamental reform of major interest rate benchmarks was undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'IBOR reform'). The Group has exposure to the Johannesburg Interbank Average Rate (JIBAR). During the 2022 reporting period, the South African Reserve Bank indicated its intention to move away from JIBAR and has identified a successor in the South African Rand Overnight Index Average Rate (ZARONIA). The new ZARONIA rate was published for observation during 2022 and was endorsed as a successor rate in 2023. The formal announcement of the cessation of JIBAR as a reference rate is expected in 2025, allowing the ZARONIA market a period to develop. The cessation date of the JIBAR as a reference rate is expected to be after 2025. Accordingly, there is uncertainty surrounding the exact timing and manner in which the transition would occur and how this would affect various financial instruments issued and held by the Group. Funding Company currently monitors the Group's transition to ZARONIA and evaluates the extent to which contracts reference JIBAR, whether such contracts will need to be amended as a result of IBOR reform and how to manage communication about IBOR reform with counterparties.

8. SEGMENT ANALYSIS**Accounting policy**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, which is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Pan African 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:

Mining operations

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

- Barberton Mines including the Barberton Tailings Retreatment Plant (BTRP) located in Barberton
- Evander Mines (the Elikhulu Tailings Retreatment Plant (Elikhulu), underground 8 Shaft pillar, 24, 25 and 26 Level project, Egoli project and surface sources) located in Evander

- Mogale Tailings Retreatment project (MTR project): The MTR project located in the Mogale district; a plant is being constructed to process gold tailings deposits of Mogale Gold Proprietary Limited (Mogale Gold) and Mintails SA Soweto Cluster Proprietary Limited (MSC)
- Solar projects currently consist of the solar plant located at Evander Mines, the ongoing construction of a solar plant at Barberton Mines and the extension of Evander Mines' solar plant.

Other operations

- Exploration assets consist of five prospecting concessions (or exploration licences) in north-eastern Sudan (the Block 12 concessions), covering an area of almost 1,100km² and located approximately 70km north-west of Port Sudan
- Agricultural ESG projects mainly comprise the Group's Barberton Blueberries project (Barberton Blue Proprietary Limited (Barberton Blue)), 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 management services company which renders services to the Group and is located in Johannesburg
- Funding Company is the centralised treasury function of the Group located in Johannesburg.

NOTES TO THE FINANCIAL STATEMENTS continued

for the reporting period ended 30 June

8. SEGMENT ANALYSIS continued

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

US\$ thousand	Notes	2024					2024					Group total
		Barberton Mines	Evander Mines	Solar projects	MTR project	Mining operations	Exploration assets	Agricultural ESG projects	Corporate	Funding Company		
Revenue	9	185,163	188,074	-	-	373,237	-	559	-	-	373,796	
Cost of production	10	(117,536)	(102,454)	(448)	-	(220,438)	-	(743)	-	-	(221,181)	
Depreciation and amortisation	16	(8,496)	(12,008)	(462)	(19)	(20,985)	-	(261)	-	-	(21,246)	
Gross profit/(loss)		59,131	73,612	(910)	(19)	131,814	-	(445)	-	-	131,369	
Other income ¹	11	1,447	2,538	-	165	4,150	260	1	(393)	88	4,106	
Other expenses ¹	11	(4,967)	(1,914)	(30)	(132)	(7,043)	(1,814)	(178)	(5,195)	(251)	(14,481)	
Royalty costs	36.3	(1,319)	(368)	-	-	(1,687)	-	-	-	-	(1,687)	
Income/(loss) before finance income and finance costs		54,292	73,868	(940)	14	127,234	(1,554)	(622)	(5,588)	(163)	119,307	
Finance income ¹	13	3	6	5	18	32	-	6	203	1,643	1,884	
Finance costs ¹	13	(373)	(2,528)	-	(1,085)	(3,986)	-	-	(29)	(7,769)	(11,784)	
Profit/(loss) before tax		53,922	71,346	(935)	(1,053)	123,280	(1,554)	(616)	(5,414)	(6,289)	109,407	
Income tax expense	34	(14,239)	(14,429)	3	-	(28,665)	-	-	(1,911)	(5)	(30,581)	
Profit/(loss) for the period excluding intra-Group transactions		39,683	56,917	(932)	(1,053)	94,615	(1,554)	(616)	(7,325)	(6,294)	(78,826)	
Revenue		-	-	1,661	-	1,661	-	-	15,916	-	17,577	
Cost of production		-	(1,661)	-	-	(1,661)	-	-	-	-	(1,661)	
Elimination of dividends received from/(paid to) fellow Group companies		-	-	-	-	-	-	-	(15,916)	-	(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	-	
Profit/(loss) after tax including intra-Group transactions		38,756	48,015	11	(1,053)	85,729	(1,714)	(1,323)	(6,399)	2,533	78,826	
Segment assets (total assets excluding goodwill)		152,921	352,275	22,636	104,555	632,387	3,683	2,868	8,178	22,270	669,386	
Segment liabilities		56,373	100,538	1,468	23,340	181,719	17	62	12,333	127,837	321,968	
Net assets (excluding goodwill)²		96,548	251,737	21,168	81,215	450,668	3,666	2,806	(4,155)	(105,567)	347,418	
Goodwill	17	16,685	-	-	-	16,685	-	-	-	-	16,685	
Capital expenditure ³		21,961	70,642	10,318	68,654	171,575	156	66	608	-	172,405	
Reconciliation of adjusted EBITDA⁴												
Income/(loss) before tax, finance income and finance costs		54,292	73,868	(940)	14	127,254	(1,554)	(622)	(5,588)	(163)	119,307	
<i>Excluding: depreciation and amortisation included in gross profit</i>	16	8,496	12,008	462	19	20,985	-	261	-	-	21,246	
<i>Excluding: other depreciation and amortisation</i>	16	-	-	-	-	-	380	13	268	-	661	
Adjusted EBITDA⁴		62,788	85,876	(478)	33	148,219	(1,174)	(348)	(5,320)	(163)	141,214	

¹ Other expenses and income exclude intra-Group management fees. Finance income and finance costs exclude intra-Group interest.² The segment assets and liabilities above exclude intra-Group balances.³ Capital expenditure comprises additions to property, plant and equipment, mineral rights, exploration and intangible assets.⁴ Adjusted EBITDA comprises earnings before interest, tax, depreciation and amortisation.

NOTES TO THE FINANCIAL STATEMENTS continued

for the reporting period ended 30 June

8. SEGMENT ANALYSIS continued

US\$ thousand	Notes	Restated* 2023					Restated* 2023				
		Barberton Mines	Evander Mines	Solar projects	MTR project	Mining operations	Exploration assets	Agricultural ESG projects	Corporate	Funding Company	Group total
Revenue	9	154,889	164,697	–	–	319,586	–	306	–	–	319,892
Cost of production	10	(106,929)	(91,052)	(238)	–	(198,219)	–	(669)	–	–	(198,888)
Depreciation and amortisation	16	(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	11	1,021	3,283	–	395	4,699	17	–	486	704	5,906
Other expenses ¹	11	(1,812)	(721)	(12)	(665)	(3,210)	(767)	(131)	(6,912)	(353)	(11,373)
Royalty costs	36.3	(599)	(357)	–	–	(956)	–	–	–	–	(956)
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 ¹	13	2	7	2	135	146	–	–	117	876	1,139
Finance costs ¹	13	(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)/benefit	34	(9,323)	(14,446)	(137)	(7)	(23,913)	–	–	(487)	(150)	(24,550)
Profit/(loss) for the period excluding intra-Group transactions		28,013	48,724	(1,435)	(882)	74,420	(750)	(707)	(6,836)	(5,611)	60,516
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)²		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 expenditure³		20,391	79,889	2,251	8,806	111,337	872	400	350	–	112,959
Reconciliation of adjusted EBITDA⁴											
Net income/(loss) before tax, finance income and finance costs		37,764	64,945	(722)	(273)	101,714	(750)	(707)	(6,426)	351	94,182
<i>Excluding: depreciation and amortisation included in gross profit</i>	16	8,806	10,905	472	3	20,186	–	213	–	–	20,399
<i>Excluding: other depreciation and amortisation</i>	16	–	–	–	–	–	178	14	312	–	504
Adjusted EBITDA⁴		46,570	75,850	(250)	(270)	121,900	(572)	(480)	(6,114)	351	115,085

* Refer to note 40.

¹ Other expenses and income exclude intra-Group management fees. Finance income and finance costs exclude intra-Group interest.² The segment assets and liabilities above exclude intra-Group balances.³ Capital expenditure comprises additions to property, plant and equipment, mineral rights, exploration and intangible assets.⁴ Adjusted EBITDA comprises earnings before interest, tax, depreciation and amortisation.

NOTES TO THE FINANCIAL STATEMENTS continued

for the reporting period ended 30 June

9. REVENUE**Accounting policy****Revenue from contracts with customers****Sale of precious metals**

The Group sells precious metals, mainly gold, into the market through commodity trading transactions with financial institutions. Revenue from precious metal sales is recognised when the Group satisfies its performance obligations under its contracts with financial institutions, by transferring such metals to the financial institutions' control. Transfer of control is at a point in time when risk and title to the metals pass to the customer, being the date of settlement.

Revenue is recognised based on the current prevailing gold price and ounces settled with financial institutions. There is no element of financing as payment is received on settlement.

Revenue from the sale of slag is recognised at a point in time when the product is delivered to the customer and at the prevailing rate at the transaction date.

Sale of blueberries

The Group sells blueberries in the market through Berryworld South Africa on consignment. The blueberries are subject to a quality review by the purchaser, and the price is determined based on the quality and grade in line with the prevailing market price. Revenue is recognised at a point in time based on the prevailing market price and the quantities delivered. There is no element of financing as payment is received shortly after delivery.

Management fees

The Company has entered into service level agreements with its subsidiaries, whereby its directors and employees provide management services to subsidiaries in the Group. These services are recovered based on time spent managing the subsidiaries (input method) and the fees are recognised in profit or loss as revenue when the services are rendered.

Other revenue**Dividend received**

The dividend from a subsidiary is recognised as revenue of the Company at a point in time which is when the Company's right, as shareholder, to receive payment has been established.

Disaggregation of revenue

US\$ thousand	GROUP		COMPANY	
	2024	Restated* 2023	2024	2023
Revenue from contracts with customers				
Gold revenue	372,589	319,108	–	–
Silver revenue	648	478	–	–
Blueberries revenue ¹	559	306	–	–
Management fees	–	–	8,688	4,646
Other revenue				
Dividend received from subsidiary	–	–	12,969	12,904
Total revenue	373,796	319,892	21,657	17,550

* Refer to **note 40**.

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

9. REVENUE continued**Contract liability**

The Group entered into a forward sale contract in the previous reporting period, with RMB, whereby 4,846oz of gold would 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 in the previous reporting period. The advance has been recognised as a contract liability. Revenue is recognised monthly on a straight-line basis. 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.

Significant judgement

The forward sale contract is structured through a combination of put options and call options with the same strike price and time to expiry to create an offsetting synthetic forward position. As such, the derivative funding structure is priced as straight forwards, as opposed to using an option pricing model, in line with the principle of put-call parity as confirmed by RMB.

IFRS 9: *Financial Instruments* indicates that a written option to sell a non-financial item (which is readily convertible to cash) that can be settled net in cash or another financial instrument is within the scope of IFRS 9. Management's view is that the instrument, although partially structured with written options, is not a written option per se, but rather a synthetic forward derivative instrument. The profile of the combined structure as well as the pricing methodology applied by RMB reaffirm this.

As such, the Group has accounted for the forward sale contract in accordance with IFRS 15: *Revenue from Contracts with Customers*, which has resulted in the recognition of a contract liability, as opposed to IFRS 9, given that the scoping requirements in IFRS 9 are not considered to be met.

US\$ thousand	GROUP		COMPANY	
	2024	2023	2024	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)	–	–
Balance as at 30 June	7,330	17,702	–	–
Less: current portion	(7,330)	(10,621)	–	–
Non-current portion	–	7,081	–	–

10. COST OF PRODUCTION

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

US\$ thousand	Note	GROUP		COMPANY	
		2024	Restated* 2023	2024	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 ¹		(9,589)	(9,029)	–	–
Realisation costs		(1,038)	(2,845)	–	–
Security		(7,157)	(5,605)	–	–
Fuel costs ²		(1,941)	(43)	–	–
Cost of production before depreciation and amortisation		(221,183)	(198,888)	–	–
Depreciation and amortisation	16	(21,244)	(20,399)	–	–
Total cost of production		(242,427)	(219,287)	–	–

* Refer to **note 40**.

¹ 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).

² 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.

NOTES TO THE FINANCIAL STATEMENTS continued

for the reporting period ended 30 June

11. OTHER INCOME/(EXPENSES)

US\$ thousand	Notes	GROUP		COMPANY	
		2024	Restated* 2023	2024	2023
Other income					
Gain on foreign exchange		252	284	–	255
Gain arising from realised derivatives		27	347	–	–
Change in estimate on environmental rehabilitation obligation	27	62	888	–	–
Fair value gain on environmental rehabilitation obligation funds	21	2,319	1,936	–	–
Amortised financial guarantee	29	–	–	234	–
Insurance compensation		–	675	–	–
South African Revenue Service (SARS) diesel refunds		546	428	–	–
Consulting fees		56	223	–	–
Other ¹		844	1,125	–	–
Total other income		4,106	5,906	234	255
Other expenses					
Loss on foreign exchange		(78)	–	(65)	–
Loss arising from unrealised derivatives		(151)	(209)	–	–
Loss arising from realised derivatives		(56)	(111)	–	–
Expenses relating to short-term leases		–	(53)	–	–
Expenses relating to leases of low-value assets		–	(6)	–	–
Non-mining depreciation and amortisation	16	(661)	(504)	–	–
Loss on disposal of plant and equipment		(106)	–	–	–
ECL allowance	29, 37	(6)	(220)	(561)	–
Non-executive directors' emoluments	38	(339)	(334)	(339)	(334)
Executive directors' emoluments	38	(1,224)	(1,845)	(1,224)	(1,845)
Cash-settled share-based payment expense	32	(5,313)	(894)	(4,035)	(678)
Auditors' remuneration ²		(462)	(423)	(243)	(229)
Non-audit fees for sustainability assurance services rendered		(129)	(14)	–	–
Salaries corporate office		(786)	(3,477)	(1,558)	(1,042)
Investor and public relations costs		(419)	(226)	(190)	(93)
Travel costs		(203)	(279)	(55)	(12)
Office costs		(200)	(310)	–	–
Business development costs		(64)	(87)	–	–
Consulting fees		(666)	(665)	(108)	(51)
Legal fees		(274)	(200)	(156)	(62)
Corporate social expenditure		(2,334)	(1,486)	–	–
Other ¹		(1,010)	(30)	(434)	(412)
Total other expenses		(14,481)	(11,373)	(8,968)	(4,758)
Net other expenses		(10,375)	(5,467)	(8,734)	(4,503)

* Refer to note 40.

¹ Other comprises a diverse array of income and expenses that are individually and collectively immaterial in nature and amount.² All audit fees are paid locally in South Africa with the exception of the PwC UK audit fee of US\$196,482 (2023: US\$152,000). An amount of US\$43 thousand relates to the non-audit fees for sustainability services rendered in the previous reporting period. Details of the Company's policy on the use of the statutory auditors' non-audit services and the safeguards to ensure their independence and objectivity are disclosed in the audit and risk committee report on pages 190 to 193.**12. EMPLOYEE COSTS AND COMPLEMENT**

US\$ thousand	GROUP		COMPANY	
	2024	2023	2024	2023
Salaries and wages (short-term employee benefits) included in profit or loss	60,711	56,362	2,782	2,887
Included in employee costs above are contributions to the defined contribution plans	5,258	3,987	49	18
Included in employee costs above are contributions to the Unemployment Insurance Fund	142	133	28	28
Salaries and wages capitalised to property, plant and equipment	11,255	4,075	–	–

Number of employees	GROUP			
	2024 Average	2024 Closing	2023 Average	2023 Closing
PAR PLC	11	12	6	7
Corporate	16	16	17	17
Barberton Blue	22	22	27	25
MTR project	15	59	2	6
Evander Mines	260	260	247	247
Barberton Mines	2,271	2,331	2,005	2,167
Total number of employees	2,595	2,700	2,304	2,469

The majority of employees are required to be members of either the Barberton Pension Umbrella Fund, the Sentinel Retirement Fund, the Mine Workers Provident Fund or the Alexander Forbes Group Provident Fund. These are defined contribution funds which are registered under and governed by the South African Pension Funds Act, 24 of 1956, as amended. The assets of the schemes are held separately from those of the Group in independent funds and they are under the control of the fund trustees. This cost represents the employer's contributions payable to the respective schemes by the Group and Company at rates specified in the rules of each scheme.

NOTES TO THE FINANCIAL STATEMENTS continued

for the reporting period ended 30 June

13. FINANCE (COSTS)/INCOME

In calculating finance income and costs, the effective interest rate is applied to the gross carrying amount of the asset or to the amortised cost of the liability.

US\$ thousand	Notes	GROUP		COMPANY	
		2024	Restated* 2023	2024	Restated* 2023
Finance income					
Finance income in respect of:					
– Cash and cash equivalents		1,824	991	139	99
– Loans receivable		–	8	–	–
– Attorney's trust account		–	134	–	–
– SARS	36.2	60	6	7	–
Total finance income		1,884	1,139	146	99
Finance costs					
Finance costs in respect of:					
– Borrowings	28	(11,637)	(6,351)	–	–
– Borrowing costs capitalised	28	3,792	–	–	–
– Modification loss on borrowings	28	–	(995)	–	–
– Lease liabilities	30	(286)	(389)	–	–
– Environmental rehabilitation obligation	27	(2,161)	(1,830)	–	–
– Contract liability	9	(1,301)	(629)	–	–
– Suppliers		(84)	(61)	–	(1)
– Financial liability	31	(107)	–	–	–
Total finance costs		(11,784)	(10,255)	–	(1)
Net finance (costs)/income		(9,900)	(9,116)	146	98

* Refer to note 40.

14. EARNINGS PER SHARE

Basic and diluted earnings per share is based on the Group's profit or loss for the period attributable to owners of the Company, divided by the weighted average number of shares outstanding during the reporting period. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding on the assumption that all potentially dilutive ordinary shares are converted to ordinary shares. There was no dilutive impact on the weighted average number of shares in issue during the current or previous reporting period.

Reconciliation of weighted average number of ordinary shares

Number of shares in issue in thousands	GROUP	
	2024	2023
Ordinary shares in issue	2,222,862	2,222,862
Treasury shares	(306,358)	(306,358)
Ordinary shares outstanding	1,916,504	1,916,504
Weighted average number of ordinary shares outstanding at the end of the reporting period	1,916,504	1,916,504

14. EARNINGS PER SHARE continued**Basic earnings per share**

The calculation of basic and diluted earnings per ordinary share is based on the following:

US\$ thousand	GROUP	
	2024	Restated* 2023
Profit attributable to owners of the Company	79,378	60,918
Basic and diluted earnings per share (US cents)	4.14	3.18

* Refer to note 40.

Headline earnings per share

Headline earnings per share is based on the Group's headline earnings, determined in accordance with SAICA Circular 1/2023 which forms part of the JSE Listings Requirements, divided by the weighted average number of shares outstanding during the reporting period.

The reconciliation between earnings and headline earnings is as follows:

US\$ thousand	GROUP	
	2024	Restated* 2023
Profit attributable to owners of the Parent	79,378	60,918
Adjusted for:		
Loss on disposal of plant and equipment	106	–
Tax effect on loss on disposal of plant and equipment	–	–
Insurance compensation	–	(675)
Headline earnings	79,484	60,243
Headline and diluted headline earnings per share (US cents)	4.15	3.14

* Refer to note 40.

Net asset and tangible net asset value

US cents	GROUP	
	2024	Restated* 2023
Net asset value	364,103	291,956
Net asset value per share¹	19.00	15.23
Tangible net asset value	299,816	229,440
Tangible net asset value per share²	15.64	11.97

* Refer to note 40.

¹ Net assets equates to the total assets less total liabilities.² Tangible net assets represent total assets less total liabilities, mineral rights, goodwill, mining properties, exploration assets and intangible assets.

The net asset and tangible net asset value per share is calculated by dividing the net asset and tangible net asset value by the number of ordinary shares outstanding at the end of the reporting period. This information is not required by IFRS Accounting Standards but is presented as additional information to the users of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS continued

for the reporting period ended 30 June

15. DIVIDENDS**Dividends declared and paid**

The board has proposed a final dividend of ZAR489.0 million for the 2024 reporting period (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) and will be declared on interim accounts (as defined in section 838 of the 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 interim accounts as at 31 July 2024 include the effect of the capital reduction (refer to **note 44**) that became effective on 18 July 2024 and was also approved by the board on 11 September 2024. The interim accounts are available on the Company's website at <https://www.panafricanresources.com>. The dividend is subject to approval by shareholders at the AGM, which is convened for 21 November 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.

In light of the robust results for the current reporting period and the favourable financial prospects for the operations in the 2025 reporting period, the board has applied its discretion and has proposed a dividend in excess of the Company's dividend policy guidelines, which provide for a 40% to 50% payout ratio of free cash flow.

A final dividend of ZA 18.00000 cents per share equating to US 0.95592 cents per share (0.75219 pence per share) was approved for the 2023 reporting period at the AGM held on 23 November 2023. The dividend was paid on 12 December 2023.

Dividend withholding tax is a tax withheld on dividends paid to shareholders that are subject to this tax at a rate applicable in terms of legislative requirements. The Group withholds dividend tax on behalf of its shareholders, as a representative taxpayer, at the applicable rate on dividends paid. Amounts withheld are not recognised as part of the Group's tax expense but rather as part of the dividend paid, recognised in equity.

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 and not on functional currency amounts. 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 Companies Act 2006.

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 premium was confirmed by the Court on 2 July 2024 and took effect on 18 July 2024. Refer to **note 44** for further information.

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.

16. PROPERTY, PLANT AND EQUIPMENT**Accounting policy**

Property, plant and equipment comprise all properties, plant and equipment, mineral rights and mining properties, exploration assets, right-of-use assets (refer below), capital under construction and bearer plants. These assets (excluding exploration assets and capital under construction) are initially measured at cost whereafter they are measured at cost less accumulated depreciation and accumulated impairment losses. Exploration assets and capital under construction are initially measured at cost, whereafter they are measured at cost less accumulated impairment losses.

Costs include expenditure that is directly attributable to the acquisition or construction of the asset, borrowing costs capitalised, as well as the costs of dismantling and removing an asset and restoring the site on which it is located. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Exploration and evaluation costs are expensed in the year in which they are incurred until they result in projects that the Group evaluates as being technically or commercially feasible, have sufficient resources to complete development and can demonstrate that the projects will generate future economic benefits.

16. PROPERTY, PLANT AND EQUIPMENT continued**Accounting policy** continued

Exploration assets consist of the costs of acquiring rights and activities associated with converting a Mineral Resource to a Mineral Reserve. The process thereof includes drilling, sampling and other processes necessary to evaluate the technical feasibility and commercial viability of a Mineral Resource to prove whether a Mineral Reserve exists. Exploration assets also include geological, geochemical and geophysical studies associated with prospective projects and tangible assets which comprise property, plant and equipment used for exploratory activities. Costs are capitalised to the extent that they are a directly attributable exploration expenditure and classified as a separate class of assets on a project-by-project basis. Once a Mineral Reserve is determined, or the project is ready for development, the asset attributable to the Mineral Reserve or project is tested for impairment and then reclassified to the appropriate class of assets. Depreciation commences when the assets are available for use.

The blueberry plants are recognised as bearer plants as they are used in the supply of agricultural produce (blueberries) and are expected to bear produce for more than one period and have a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.

Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using appropriate methods over their estimated useful lives, and is generally recognised in profit or loss. Land and capital under construction are not depreciated.

Mining rights and mining property, plant and machinery, shafts and exploration assets are depreciated over the estimated life-of-mine to their residual values using the units-of-production method based on estimated Proven and Probable Mineral Reserves.

Buildings and infrastructure and items of plant and machinery for which consumption is not linked to production are depreciated to their residual values at varying rates on a straight-line basis over their estimated useful lives or the life-of-mine, whichever is shorter. The estimated useful lives may vary between five and 20 years.

Other non-mining assets are depreciated on the straight-line basis over their expected useful lives which may vary between three and 10 years.

Right-of-use assets are depreciated on a straight-line basis from the lease commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term in which case they are depreciated over the useful life of the underlying asset.

Bearer plants are depreciated on a straight-line basis over their estimated useful lives, being 10 years.

When capital under construction assets are capable of operating in the manner as intended by management, they are transferred to the appropriate asset class and depreciated in line with their respective asset class.

Right-of-use assets

The Group recognises a right-of-use asset and a corresponding lease liability at each lease commencement date with respect to all lease arrangements in which it is the lessee. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and accumulated impairment losses. The Group assesses right-of-use assets for impairment when such indicators exist and right-of-use assets are adjusted for certain remeasurements of the lease liability.

Derecognition

Any gain or loss on the derecognition of an item of property, plant and equipment (calculated as the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Significant accounting judgements**Impairment and impairment reversals**

The Group assesses at each reporting date whether there are any indicators that its assets and CGUs may be impaired or 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 if operating and economic changes are significant and impact the performance potential of an asset or CGU, and are therefore an indication of an impairment loss or an impairment reversal.

NOTES TO THE FINANCIAL STATEMENTS continued

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16. PROPERTY, PLANT AND EQUIPMENT continued**Significant accounting judgements** continued**Cash-generating units**

The Group defines a CGU as the smallest identifiable group of assets that generate cash flows largely independent of cash flows from other assets or a group of assets. The allocation of assets to a CGU requires judgement.

The Group's CGUs have been determined as follows:

- **Barberton Mines' underground operations:** Underground operations (Fairview, Sheba and Consort) are reliant on the Fairview BIOX® plant for processing and these operations have been grouped together as a single CGU
- **BTRP:** The BTRP has the ability to treat and smelt gold independently of the Fairview BIOX® plant and is independent of the underground operations resulting in the BTRP representing a single CGU
- **Egoli project:** A drilling programme and feasibility study were completed in September and November 2017, respectively. Dewatering in accordance with the phased development approach has commenced. The Egoli project will be developed as a project independent of Evander Mines' underground operations resulting in the project representing a separate CGU
- **Elikhulu:** The surface mining operation has been constructed in a manner such that it is independent of Evander Mines' underground operations resulting in Elikhulu being determined as a single CGU
- **Evander Mines' underground operations:** This CGU includes 7 Shaft, 8 Shaft and the run-of-mine circuit at the Kinross metallurgical plant and 8 Shaft pillar mining, which are independent of Elikhulu and the Egoli project, resulting in them representing a single CGU
- **Agricultural ESG projects:** This CGU comprises Barberton Blue as well as other small-scale agricultural projects in Barberton Mines' host community areas
- **Solar projects:** Currently consist of the solar plant located at Evander Mines, the ongoing construction of a solar plant at Barberton Mines and the extension of Evander Mines' solar plant
- **MTR project:** This CGU comprises MTR, Mogale Gold and MSC in which the construction of the tailings retreatment plant has commenced
- **Sudan:** This CGU consists of exploration assets and five prospecting concessions (or exploration licences) in north-eastern Sudan.

Significant assumptions and estimates**Depreciation – units-of-production method**

The calculation of the units-of-production rate of depreciation could be affected if actual production in the future varies significantly from current forecast production. This would generally arise when there are significant changes in any of the factors or assumptions used in estimating Mineral Reserves and Mineral Resources. These factors include:

- changes in Mineral Reserves and Mineral Resources
- the grade of Mineral Reserves and Mineral Resources
- differences between actual commodity prices and commodity price assumptions
- unforeseen operational issues at mine sites including planned extraction efficiencies
- changes in capital, operating, mining processing and reclamation costs, discount rates and foreign exchange rates.

16. PROPERTY, PLANT AND EQUIPMENT continued**Significant assumptions and estimates** continued**Cash flow projections and key assumptions**

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

Cash flow projections are based on financial forecasts and life-of-mine plans incorporating key assumptions (refer to **page 109**) as detailed below:

- **Mineral Resources and Mineral Reserves:** Mineral Reserves and, where considered appropriate, Mineral Resources, are reflected within 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 to convert to Mineral Reserves. Refer to the abridged Mineral Resources and Mineral Reserves report on **pages 106 to 119** or our website at: <https://www.panafricanresources.com/operations-at-a-glance-2/mineral-resource-mineral-reserve-2/> for further disclosure of the Group's Mineral Resources and Mineral Reserves and life-of-mine plans
- **Commodity prices:** Commodity prices are based on the latest internal forecasts, benchmarked with 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 or hedging arrangements 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 risk associated therewith.

Impairment considerations

There was no change in the composition of the Group's CGUs. No impairment indicators were identified in the Group's CGUs for impairment testing in the current and previous reporting periods.

The Sudan exploration project is located in the Red Sea State of Sudan, near the key coastal city of Port Sudan. This area is not affected by the conflict, and the assets remain unscathed.

All of the Group's assets situated in Sudan, including the fire assay multi-element analytical laboratory, are currently guarded. The return of the expatriate workforce was initiated during August 2023 to resume exploration activities. The carrying amount of the Group's investment in the Sudan exploration project to date, including the acquisition of the exploration concessions and other assets, amounts to approximately US\$5.0 million.

NOTES TO THE FINANCIAL STATEMENTS continued

for the reporting period ended 30 June

16. PROPERTY, PLANT AND EQUIPMENT continued

US\$ thousand	Land ¹	Mineral rights and mining property	Exploration assets – other ²	Exploration assets – Sudan	Leasehold improve- ments	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 ³	Shafts and exploration	Bearer plants	Other ⁴	Total
GROUP														
Cost														
Balance as at 1 July 2022	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)
Balance as at 30 June 2023	5,004	35,005	24,955	1,569	1,069	86,592	755	274,133	4,159	22,068	179,974	1,051	750	637,084
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 ⁵	–	–	–	–	–	(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
Balance as at 30 June 2024	5,180	36,237	25,833	1,590	1,004	101,162	782	268,214	4,305	156,640	178,350	1,147	1,094	781,538
Accumulated depreciation and accumulated impairment losses														
Balance as at 1 July 2022	–	(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
Balance as at 30 June 2023	–	(17,530)	–	–	(85)	(39,750)	(496)	(140,666)	(1,793)	–	(40,859)	(123)	(535)	(241,837)
Depreciation	–	(473)	–	–	(173)	(3,970)	(159)	(12,625)	(520)	–	(3,675)	(106)	(123)	(21,824)
Disposals	–	–	–	–	–	–	–	10	–	–	–	–	–	10
Transfers	–	–	–	–	–	–	–	31	–	–	–	–	–	31
Derecognition ⁵	–	–	–	–	–	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)
Balance as at 30 June 2024	–	(18,633)	–	–	(255)	(37,155)	(677)	(126,055)	(2,391)	–	(27,868)	(236)	(680)	(213,950)
Carrying amount														
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
As at 30 June 2024	5,180	17,604	25,833	1,590	749	64,007	105	142,159	1,914	156,640	150,482	911	414	567,588

¹ 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.² 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.³ Capital under construction represents ongoing capital projects within the Group.⁴ Other assets include computer equipment and furniture and fittings.⁵ Items of property, plant and equipment which are fully depreciated were derecognised as they are no longer in use.Refer to **note 28** for property, plant and equipment pledged as security for the Group's senior debt.

NOTES TO THE FINANCIAL STATEMENTS continued

for the reporting period ended 30 June

16. PROPERTY, PLANT AND EQUIPMENT continued

Reconciliation of depreciation and amortisation as included in cost of production:

US\$ thousand	GROUP	
	2024	2023
Depreciation on property, plant and equipment	(21,824)	(20,813)
Amortisation of intangible assets	(81)	(90)
Add back: other depreciation and amortisation	661	504
Total depreciation and amortisation included in cost of production	(21,244)	(20,399)

17. GOODWILL**Accounting policy**

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

Impairment

The Group tests its goodwill annually for impairment or more frequently if events or circumstances indicate a potential impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

Impairment losses are allocated firstly to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

US\$ thousand	GROUP		COMPANY	
	2024	2023	2024	2023
Goodwill ¹	16,685	16,117	–	–

¹ The movement is due to the translation at the closing rate of ZAR18.19 (2023: ZAR18.83).

The Group's goodwill was historically recognised on the acquisition of Barberton Mines in July 2007 and was allocated to Barberton Mines' mining operations' CGU from which the expected benefit from the business combination would arise.

Barberton Mines' impairment assessment was performed and no impairment of the goodwill was identified.

Impairment assessment and assumptions

The Group determines the recoverable amounts of goodwill by calculating the fair value less costs of disposal from the discounted life-of-mine model cash flows of Barberton Mines' CGU. The fair value was categorised as Level 3 as the valuation technique depends to a significant extent on unobservable valuation inputs. The Group prepares cash flow projections derived from the most recent financial forecasts approved by management. Fair value less cost to sell is derived by discounting future South African rand denominated cash flows of the CGU on a nominal basis using the following key assumptions.

	2024	2023
Nominal discount rate (post-tax) (%)	15.8	16.4
Gold price (ZAR/kg) – initial year ¹	1,250,000	1,139,656
Long-term cost inflation (%)	5.1	5.1
Life-of-mine (years)	20	20

¹ The forecast nominal gold price used in the discounted life-of-mine cash flow model for impairment testing purposes is determined for each year by management's best estimate of future gold prices, based on historical and market data from both internal and external sources. In determining the forecast gold price for each year, management used consensus forecast prices and forward US\$/ZAR exchange rates from various market sources.

The estimated recoverable amount of the CGU exceeds its carrying amount by approximately US\$46.2 million (2023: US\$10.3 million).

17. GOODWILL continued**Sensitivity analysis**

There is a degree of uncertainty associated with the estimation of the long-term gold price forecast and other assumptions. To provide for this risk, management has estimated reasonable scenarios and sensitivities as follows:

	Unit	Sensitivity	Adjusted inputs	(Decrease)/ increase in recoverable amount US\$ thousand	Resultant goodwill impairment US\$ thousand
2024					
Gold price – initial year	ZAR/kg	5% decrease in US\$ gold price	1,187,500	(40,370)	–
Nominal post-tax discount rate	%	1% point increase in discount rate	16.80	(10,525)	–
South African rand	US\$/ZAR	5% stronger	16.74	(40,370)	–
South African rand	US\$/ZAR	3% weaker	18.15	22,468	–
2023					
Gold price – initial year	ZAR/kg	5% decrease in US\$ gold price	1,082,673	(27,334)	16,117
Nominal post-tax discount rate	%	1% point increase in discount rate	17.40	(4,850)	–
South African rand	US\$/ZAR	5% stronger	17.39	(27,334)	16,117
South African rand	US\$/ZAR	3% weaker	18.85	15,754	–

18. INTANGIBLE ASSETS**Accounting policy**

Intangible assets comprise software costs and are measured at cost less accumulated amortisation and accumulated impairment losses. These intangible assets are amortised over their estimated useful lives, usually between three and five years, or the duration of the licences.

US\$ thousand	GROUP		COMPANY	
	2024	2023	2024	2023
Software costs				
Balance as at 1 July	265	281	–	–
Cost	1,215	1,282	–	–
Accumulated amortisation	(926)	(973)	–	–
Accumulated impairment losses	(24)	(28)	–	–
Additions	169	113	–	–
Amortisation	(81)	(90)	–	–
Foreign currency translation reserve movement	12	(39)	–	–
Balance as at 30 June	365	265	–	–
Cost	1,290	1,215	–	–
Accumulated amortisation	(901)	(926)	–	–
Accumulated impairment losses	(24)	(24)	–	–

Intangible assets no longer in use amounting to US\$141,000 (2023: US\$nil) were derecognised during the reporting period.

No changes were made to the useful lives of the intangible assets based on the review in the current and previous reporting periods.

No indicators of impairment were present in the current or previous reporting period and therefore no impairment loss was recognised.

NOTES TO THE FINANCIAL STATEMENTS continued

for the reporting period ended 30 June

19. INVESTMENTS**Accounting policy**

Investments in equity interests are measured at fair value through other comprehensive income. Refer to **note 5.4** for the policy addressing financial assets measured at fair value through other comprehensive income.

US\$ thousand	GROUP		COMPANY	
	2024	2023	2024	2023
Tennant Consolidated Mining Group Proprietary Limited (TCMG) ¹	3,373	–	3,373	–
MC Mining Limited (MC Mining) ²	–	–	–	–
	3,373	–	3,373	–

The registered addresses of the investments are:

- **TCMG:** Level 3/16 Ventnor Ave, West Perth, WA 60005, Australia
- **MC Mining:** Suite 8, 7 The Esplanade, Mt Pleasant WA 6153, Australia.

Movement in investments

US\$ thousand	GROUP		COMPANY	
	2024	2023	2024	2023
Balance as at 1 July	–	1,127	–	1,127
Acquisition of investment in TCMG ³	3,280	–	3,280	–
Fair value adjustment through other comprehensive income ³	–	1,563	–	1,563
Disposal of investment in MC Mining	–	(2,485)	–	(2,485)
Foreign currency translation reserve movement	93	(205)	93	(205)
Total investments	3,373	–	3,373	–

¹ TCMG is a gold and copper-focused resource company with an exploration portfolio of tenements located in Western Australia. The Company acquired 33,333 of TCMG's issued share capital on 4 April 2024, representing an 8% shareholding.

² During the previous reporting period, the Company disposed of its investment in MC Mining for an amount of US\$2.5 million. The Company previously held 15,432,581 of MC Mining's issued share capital representing a 9.3% shareholding. MC Mining is an emerging coal exploration, development and mining company operating in South Africa.

³ The fair value of the investment in TCMG was not substantially different to its carrying amount at the reporting date, and as such, no fair value adjustment was recognised (refer to **note 37**).

20. INVESTMENTS IN SUBSIDIARIES**Accounting policy**

The Company, in its separate financial statements, measures investments in subsidiaries at cost less accumulated impairment losses, if any.

The subsidiaries listed in the following table are incorporated in South Africa, which is also their principal place of business except for Pan African Resources Minerals DMCC which is registered in Dubai and Pan African Resources Minerals Co. Limited which is registered in Sudan.

The registered address of the Company is 2nd Floor, 107 Cheapside, London, EC2V 6DN. The registered address of the Company's South African subsidiaries is The Firs Building, 2nd Floor, Office 204, corner Biermann and Cradock Avenues, Rosebank, Johannesburg, 2196.

The registered address of the Dubai company is Dubai Multi Commodities Centre, DMCC Business Centre, AG Tower, Dubai. The registered address of the Sudan company is House No 8, Block No 5, Khartoum 2, Khartoum.

20. INVESTMENTS IN SUBSIDIARIES continued

The Company has investments in the following subsidiaries:

Principal activity	Statutory holding			Effective holding of the Company	COMPANY	
	2024	2023	%		Carrying amount US\$ thousand	
	%	%	%		2024	2023
South Africa						
Barberton Mines Proprietary Limited (Barberton Mines) ¹	Gold mining	100.00	95.00	100.00	–	–
Evander Gold Mines Proprietary Limited (Evander Gold Mines) ¹	Gold mining	100.00	100.00	100.00	–	–
Evander Gold Mining Proprietary Limited (Evander Mines)	Gold mining	100.00	100.00	100.00	–	–
Mogale Tailings Retreatment Proprietary Limited (MTR) ²	Gold mining	100.00	100.00	100.00	1,166	–
Mogale Gold Proprietary Limited (Mogale Gold) ²	Gold mining	100.00	100.00	100.00	–	–
Mintails SA Soweto Cluster Proprietary Limited (MSC) ²	Gold mining	100.00	100.00	100.00	–	–
Mogale Clay Proprietary Limited (Mogale Clay)	Clay mining	70.00	–	70.00	–	–
Pan African Resources Funding Company Limited (Funding Company) ³	Treasury services	100.00	100.00	100.00	–	–
Pan African Resources SA Holdings Proprietary Limited (PAR SA Holdings) ⁴	Holding company	100.00	100.00	100.00	85,315	82,416
Pan African Resources Management Services Company Proprietary Limited (PAR Management Services) ⁵	Administration services	100.00	100.00	100.00	1,100	1,062
Concrete Rose Trading Proprietary Limited (Concrete Rose) ⁶	B-BBEE company	100.00	100.00	100.00	–	–
PAR Gold Proprietary Limited (PAR Gold) ⁷	Investing	49.90	49.90	100.00	–	–
Evander Solar Solutions Proprietary Limited (Evander Solar Solutions) ⁸	Solar plant	100.00	100.00	100.00	–	–
Barberton Blue Proprietary Limited (Barberton Blue)	Agricultural ESG project	80.00	80.00	80.00	–	–
Barberton Green Proprietary Limited (Barberton Green)	Agricultural ESG project	100.00	100.00	100.00	–	–
Pan African Resources Properties Proprietary Limited (PAR Properties) ⁹	Property company	100.00	100.00	100.00	58	56
K2015200726 (South Africa) Proprietary Limited	Dormant	–	–	100.00	–	–
Evander Township Limited	Dormant	–	–	100.00	–	–
Other						
Pan African Resources Minerals DMCC ¹⁰	Holding company of the operations in Sudan	80.00	80.00	80.00	22	21
Pan African Resources Minerals Co. Limited ¹⁰	Exploration – Sudan	100.00	100.00	100.00	–	–
Total investments in subsidiaries					87,646	83,555

NOTES TO THE FINANCIAL STATEMENTS continued

for the reporting period ended 30 June

20. INVESTMENTS IN SUBSIDIARIES continued**Movement in investments in subsidiaries**

US\$ thousand	Note	COMPANY	
		2024	2023
Balance as at 1 July		83,555	96,630
Investment in Pan African Resources Minerals DMCC		–	12
Contribution to MTR – financial guarantees	29	1,166	–
Foreign currency translation reserve movement		2,925	(13,087)
Total investments in subsidiaries		87,646	83,555

¹ During the current reporting period, the employee share ownership plan (ESOP) at Barberton Mines dissolved. Previously, employees owned 5% of the issued share capital of Barberton Mines and Evander Mines through an ESOP. During the 2018 reporting period, the Group's South African investments were restructured resulting in Barberton Mines and Elkhulu being transferred to PAR SA Holdings. The ESOP at Evander Mines is being reviewed to ensure compliance with the broad-based black economic empowerment (B-BBEE) share ownership programme requirements. Refer to **note 26**.

² MTR is the Group holding company for the MTR project operations.

³ Funding Company centrally provides treasury services to the Group entities. It was converted to a public company in October 2022 as part of the JSE Debt Listings Requirements.

⁴ PAR SA Holdings is the Group's holding company for the mining investments in Mpumalanga province.

⁵ The purpose of PAR Management Services is to provide management services to the mining operations.

⁶ The Group's B-BBEE transaction was unwound during the 2022 reporting period.

⁷ During the 2016 reporting period, the Group concluded a share buy-back transaction in which 49.9% of PAR Gold's issued share capital was acquired. The transaction translated to a share buy-back for accounting purposes due to Funding Company receiving the majority of the economic benefits of PAR Gold. Following the conclusion of the B-BBEE restructure on 15 January 2018, PAR Gold's shareholders now comprise 49.9% Funding Company and 50.1% K2015200726 Proprietary Limited (K Company), of which 49.5% of the shares held by K Company derive no economic benefit although all the shares are entitled to a voting right. PAR Gold disposed of 130 million shares in the company on 30 May 2018, resulting in its shareholding in the company reducing to 13.8% (2023: 13.8%). Refer to **note 26**.

⁸ The purpose of Evander Solar Solutions is to establish solar plants to provide electricity to the mining operations.

⁹ PAR Properties owns a historical building in Barberton.

¹⁰ Pan African Resources Minerals DMCC, registered in Dubai, is the holding company of Pan African Resources Minerals Co. Limited, registered in Sudan. The Group, through Pan African Resources Minerals Co Limited, secured five prospecting concessions (or exploration licences) in north-eastern Sudan during the 2022 reporting period.

21. ENVIRONMENTAL REHABILITATION OBLIGATION FUND**Accounting policy**

These investments are classified as financial assets at fair value through profit or loss. Refer to **note 5.4** for the policy addressing financial assets measured at fair value through profit or loss.

Funds held in insurance investment products

US\$ thousand	Note	Barberton	Evander	Mogale	Total
		Mines	Mines	Gold	
Balance as at 1 July 2022		3,854	19,170	–	23,024
Acquisitions		–	–	18	18
Drawdowns		(30)	(100)	–	(130)
Fair value gain recognised in profit or loss	11	325	1,611	–	1,936
Foreign currency translation reserve movement		(539)	(2,681)	(1)	(3,221)
Balance as at 30 June 2023		3,610	18,000	17	21,627
Fair value gain recognised in profit or loss	11	377	1,930	12	2,319
Foreign currency translation reserve movement		138	688	1	827
Balance as at 30 June 2024		4,125	20,618	30	24,773

The Group invests in an insurance investment product held by Cenviro Solutions Proprietary Limited (Cenviro Solutions) underwritten by Centriq Insurance Company Limited. Contributions are made in the form of premiums paid to Cenviro Solutions and funds are held in insurance investment products. The insurance policies are held in the respective names of the mining operations, Evander Mines, Barberton Mines and Mogale Gold.

Cenviro Solutions has issued guarantees to the Department of Mineral Resources and Energy (DMRE) in support of the Group's environmental rehabilitation obligation. The Group's environmental rehabilitation obligation is fully funded by the investments held in the investment products.

Refer to **note 27** for details of the environmental rehabilitation obligation.

22. INVENTORY**Accounting policy**

Inventory includes gold at Rand Refinery, consumable stores and the current portion of long-term inventory.

Inventory is measured at the lower of cost, determined on a weighted average basis, and net realisable value. Costs include direct mining costs and mine overheads.

An allowance for obsolete or damaged inventory is maintained by the Group. The level of the allowance for obsolete inventory is equivalent to the value of the difference between the cost of the inventory and its net realisable value or current replacement cost at the reporting date. Movement in this allowance is recognised in profit or loss in cost of production.

US\$ thousand	GROUP		COMPANY	
	2024	Restated* 2023	2024	2023
Gold at Rand Refinery	6,323	4,350	–	–
Consumables stores	10,115	10,197	–	–
Current portion of long-term inventory	213	78	–	–
Allowance for obsolete inventory	(220)	(708)	–	–
Current inventory	16,431	13,917	–	–
Long-term inventory ¹	12,263	12,120	–	–
Total inventory	28,694	26,037	–	–
Inventory recognised in cost of production	33,862	26,446	–	–

* Refer to **note 40**.

¹ Long-term inventory relates to a holding of tailings contained in Barberton Mines' Harper tailings storage facility (TSF), Mogale Gold and MSC.

There was no write-down of inventory to net realisable value or any reversal of write-downs in the current or previous reporting period.

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for the reporting period ended 30 June

23. TRADE AND OTHER RECEIVABLES**Accounting policy**

Trade and other receivables are measured at initial recognition at fair value plus transaction costs. They are subsequently measured at amortised cost, less an allowance for ECLs. Refer to **note 5.4** for the policy addressing financial assets measured at amortised cost.

US\$ thousand	GROUP		COMPANY	
	2024	Restated* 2023	2024	2023
Trade receivables ¹	328	226	–	–
Net other receivables	3,680	2,218	–	–
– Other receivables ²	3,740	2,489	–	–
– Loss allowance	(60)	(271)	–	–
Total financial assets	4,008	2,444	–	–
Prepayments	825	1,315	98	32
Value-added tax (VAT) receivable	10,342	4,703	–	58
Total non-financial assets	11,167	6,018	98	90
Total trade and other receivables	15,175	8,462	98	90

* Refer to **note 40**.

¹ Trade receivables arise from the sale of by-products.

² 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. Refer to **note 37** for further information on credit risk.

Trade receivables have been pledged as security in terms of the Group's senior debt as disclosed in **note 28**.

24. CASH AND CASH EQUIVALENTS**Accounting policy**

Refer to **note 5.4** for the policy addressing financial assets measured at amortised cost.

US\$ thousand	GROUP		COMPANY	
	2024	2023	2024	2023
Cash and cash equivalents	26,332	34,771	2,851	2,435
Restricted cash ¹	(82)	(240)	–	–
Total cash and cash equivalents net of restricted cash	26,250	34,531	2,851	2,435

¹ Restricted cash relates to funds withdrawn from the environmental rehabilitation obligation fund and COVID-19 Temporary Employee Relief Scheme funds.

25. SHARE CAPITAL**Issued share capital**

Number of shares	GROUP		COMPANY	
	2024	2023	2024	2023
Issued number of ordinary shares	2,222,862,046	2,222,862,046	2,222,862,046	2,222,862,046
Reconciliation of the number of shares:				
Number of ordinary shares in issue at the beginning of the reporting period	2,222,862,046	2,222,862,046	2,222,862,046	2,222,862,046
Total number of shares in issue	2,222,862,046	2,222,862,046	2,222,862,046	2,222,862,046
Treasury shares	(306,358,058)	(306,358,058)	(306,358,058)	(306,358,058)
Number of ordinary shares outstanding and fully paid	1,916,503,988	1,916,503,988	1,916,503,988	1,916,503,988

NOTES TO THE FINANCIAL STATEMENTS continued

for the reporting period ended 30 June

26. RESERVES

US\$ thousand	GROUP							
	Foreign currency translation reserve ¹ (Restated*)	Share- based payment reserve ²	Realisation of equity reserve ³	Treasury share reserve ⁴	Merger reserve ⁵	Share buy-back reserve ⁶	Fair value reserve ⁷	Total reserves
Balance as at 1 July 2022	(172,447)	2,612	(18,122)	(24,872)	(21,638)	(3,073)	(5,416)	(242,956)
Fair value adjustment of investment	-	-	-	-	-	-	203	203
Foreign currency translation reserve movement	(41,736)	-	-	-	-	-	717	(41,019)
Balance as at 30 June 2023	(214,183)	2,612	(18,122)	(24,872)	(21,638)	(3,073)	(4,496)	(283,772)
Reclassification of foreign currency translation reserve ⁸	(391)	-	-	-	-	-	-	(391)
Foreign currency translation reserve movement	11,658	-	-	-	-	-	-	11,658
Balance as at 30 June 2024	(202,916)	2,612	(18,122)	(24,872)	(21,638)	(3,073)	(4,496)	(272,505)

* Refer to **note 40**.

¹ The translation reserve comprises all foreign exchange differences arising from the translation of the Group's financial statements to its presentation currency of US\$ and the translation of the financial statements of foreign operations.

² The share-based payment reserve consists of historical costs relating to the equity-settled share-based payment arrangement established by the Company on 1 September 2005 to specific employees, officers, directors and qualifying consultants as approved by the board. On 15 January 2018, the Group concluded a B-BBEE restructuring exercise with Concrete Rose as the Group's new B-BBEE entity (refer to **note 19**). Concrete Rose's issued share capital is held 49.9% by Funding Company and 50.1% by strategic B-BBEE partners through a vendor-financed arrangement. The nature of the restructuring transaction gave Concrete Rose a 22.11% ownership in PAR SA Holdings. The B-BBEE entity's ultimate shareholding in PAR SA Holdings will be determined by reference to the value of PAR SA Holdings and the increase in the vendor loan on expiry of the scheme. On the effective date of the transaction, the implied option in this scheme was valued at US\$608.3 thousand. The incremental value arose due to an extension of the B-BBEE scheme's original term from 31 December 2018 to 31 December 2021, and an increase in the trickle dividend from 5% to 10%. The Group's B-BBEE transaction was unwound during the previous reporting period.

³ The realisation of equity reserve was created in June 2009 through the acquisition of PAR Gold's 26% shareholding in Barberton Mines, in exchange for the issue of new ordinary shares in the Company to PAR Gold.

⁴ The treasury share reserve was created on 7 June 2016. The Group purchased shares in PAR Gold, representing 23.83% or 436.4 million of its issued share capital at the time. The accounting effect of this transaction was similar to that of a share buy-back as the Group acquired shares in a company that held an investment in the Company. On 30 May 2018, PAR Gold publicly disposed of 130 million shares in the Company resulting in its shareholding reducing to 13.8% (2023:13.8%).

⁵ The merger reserve was created through the historical reverse acquisition of Barberton Mines in July 2007.

⁶ As announced on SENS on 12 May 2022, the Company completed its share buy-back programme. All shares purchased under the programme have been cancelled.

⁷ The fair value reserve comprises unrealised gains and losses recognised on financial assets measured at fair value through other comprehensive income.

⁸ During the current reporting period, management established that it had, from inception, incorrectly assessed the Sudanese pound to be the functional currency of the Sudan foreign operation. The foreign operation is assessed as an extension of the Company and as such should apply the same functional currency as the Company, namely the South African rand. The impact of the error was immaterial and corrected in the current reporting period by transferring the foreign currency-related reserve balance to retained earnings.

26. RESERVES continued

US\$ thousand	COMPANY					
	Foreign currency translation reserve ¹	Share- based payment reserve ²	Merger reserve ³	Share buy-back reserve ⁴	Fair value reserve ⁵	Total reserves
Balance as at 1 July 2022	(147,188)	1,481	3,153	(3,073)	(5,416)	(151,043)
Fair value adjustment of investment	-	-	-	-	203	203
Foreign currency translation reserve movement	(23,857)	-	-	-	717	(23,140)
Balance as at 30 June 2023	(171,045)	1,481	3,153	(3,073)	(4,496)	(173,980)
Foreign currency translation reserve movement	4,731	-	-	-	-	4,731
Balance as at 30 June 2024	(166,314)	1,481	3,153	(3,073)	(4,496)	(169,249)

¹ The translation reserve comprises all foreign exchange differences arising from the translation of the Company's financial statements to its presentation currency of US\$.

² The share-based payment reserve consists of historical costs relating to the equity-settled share-based payment arrangement established by the Company on 1 September 2005 to specific employees, officers, directors and qualifying consultants as approved by the board. On 15 January 2018, the Group concluded a B-BBEE restructuring exercise with Concrete Rose as the Group's new B-BBEE entity (refer to **note 19**). Concrete Rose's issued share capital is held 49.9% by Funding Company and 50.1% by strategic B-BBEE partners through a vendor-financed arrangement. The nature of the restructuring transaction gave Concrete Rose a 22.11% ownership in PAR SA Holdings. The B-BBEE entity's ultimate shareholding in PAR SA Holdings will be determined by reference to the value of PAR SA Holdings and the increase in the vendor loan on expiry of the scheme. On the effective date of the transaction, the implied option in this scheme was valued at US\$608.3 thousand. The incremental value arose due to an extension of the B-BBEE scheme's original term from 31 December 2018 to 31 December 2021, and an increase in the trickle dividend from 5% to 10%. The Group's B-BBEE transaction was unwound during the previous reporting period.

³ The merger reserve was created through the historical reverse acquisition of Barberton Mines in July 2007.

⁴ As announced on SENS on 12 May 2022, the Company completed its share buy-back programme. All shares purchased under the programme have been cancelled.

⁵ The fair value reserve comprises gains and losses recognised on financial assets measured at fair value through other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS continued

for the reporting period ended 30 June

27. ENVIRONMENTAL REHABILITATION OBLIGATION**Accounting policy**

An obligation to incur environmental restoration, rehabilitation and decommissioning costs arises when disturbance is caused by the development or ongoing production of a mining asset.

These obligations are based on the mining operations' environmental plans, in compliance with current environmental and regulatory requirements. The obligation is based on the net present value of the estimated cost of restoring the environmental disturbance that has occurred up to the reporting date.

These costs are initially capitalised to property, plant and equipment and are subsequently recognised in profit or loss over the life of the operation through depreciation of the asset and the unwinding of the discount on the obligation.

Annual changes in the obligation consist of finance costs relating to the change in the present value and changes in estimates. Increases due to additional environmental disturbances are capitalised to property, plant and equipment and depreciated over the remaining lives of the mines. However, where no related assets are present, these are recognised in profit or loss.

The estimates are reviewed annually by the Group and are discounted using a risk-free rate that is adjusted to reflect the current market assessments of the time value of money and the risks specific to the obligation.

The Group provides for the present value of decommissioning costs other than rehabilitation costs, if any, when the directors have prepared a detailed plan for closure of the particular operation, the remaining life of which is such that significant changes to the plan are unlikely, and the directors have raised a valid expectation in those affected that it will carry out the closure by starting to implement that plan or announcing its main features to those affected by it.

Significant assumptions and estimates

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 environmental rehabilitation obligation. There is judgement in the assumptions used in determining the estimated obligation which include:

- closure costs, which are determined in accordance with regulatory requirements
- the inflation rate of 6% (2023: 5%), which has been adjusted for a long-term view
- the risk-free rate, which is compounded annually and linked to the life-of-mine
- the life-of-mine and related Mineral Resources and Mineral Reserves. Refer to the unaudited abridged Mineral Resources and Mineral Reserves report on **pages 106 to 119**.

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 amendments is yet to be determined. Given the uncertainty, no obligation has been recognised at the reporting date.

While not a member of the International Council on Mining and Metals (ICMM), the Group is working towards conformance with the Global Industry Standard for Tailings Management (GISTM) as far as reasonably practicable, with respect to its TSFs. The Group is currently progressing with its gap analysis of its tailings governance and management framework, with reference to the ICMM Conformance Protocols for the GISTM.

While this work is ongoing, it is not currently possible to reliably estimate the value of incremental costs required to achieve conformance with the new standard and hence no additional provision has been recognised in this respect.

27. ENVIRONMENTAL REHABILITATION OBLIGATION continued

The movement in the Group's environmental rehabilitation obligation is as follows:

US\$ thousand	Notes	GROUP		COMPANY	
		2024	Restated* 2023	2024	2023
Balance as at 1 July		16,741	8,603	–	–
Acquisition		–	9,728	–	–
Change in estimate – recognised in profit or loss	11	(62)	(888)	–	–
Change in estimate – capitalised long-term inventory		(83)	(530)	–	–
Change in estimate – capitalised to plant and equipment		276	138	–	–
Unwinding of finance costs	13	2,161	1,830	–	–
Foreign currency translation reserve movement		655	(2,140)	–	–
Balance as at 30 June		19,688	16,741	–	–

* Refer to **note 40**.

The movement in the Group's environmental rehabilitation obligation has been impacted by changes noted in the table below, relative to the previous reporting period.

US\$ thousand	2024		2023	
	Period to rehabilitation (years)	Risk-free rate (nominal) %	Period to rehabilitation (years)	Risk-free rate (nominal) %
Barberton Mines (Fairview)	20.00	13.08	20.00	14.26
Barberton Mines (Sheba)	20.00	14.35	20.00	14.26
Barberton Mines (Consort)	9.00	14.87	9.00	14.95
Barberton Mines (BTRP)	8.00	13.08	9.00	14.95
Evander Mines (8 Shaft and Kinross plant)	11.00	14.69	13.00	14.45
Evander Mines (Elikhulu)	10.00	15.62	10.00	15.67
Mogale Gold	16.00	15.73	16.00	17.61
MSC	19.00	14.48	19.00	14.26

28. BORROWINGS

US\$ thousand	Notes	GROUP		COMPANY	
		2024	2023	2024	2023
Revolving credit facility (RCF)	28.1	10,842	10,628	–	–
Term loan	28.2	53,519	–	–	–
Green loan	28.3	19,199	–	–	–
DMTN bond	28.4	44,225	42,725	–	–
Total borrowings		127,785	53,353	–	–
Less: current portion		(4,729)	(10,848)	–	–
Non-current portion		123,056	42,485	–	–
		127,785	53,353	–	–

During the current reporting period, the Group entered into a term and RCF agreement underwritten by RMB, with Nedbank Limited (acting through its Nedbank Corporate and Investment Banking division) as co-financier. The agreement provides for a term loan amounting to ZAR1.3 billion (US\$70.3 million), designated for the funding of the Group's MTR project and a refinance of the existing RCF of ZAR1 billion (US\$54.1 million) with a new repayment date of 30 June 2026.

The new RCF has a three-year term and provides the Group with access to flexible and cost-effective working capital. The term loan has a six-year term, with quarterly repayments commencing two years after the financial close date. The financial close date for this agreement for both facilities became effective on 31 July 2023.

The term and RCF agreement was amended during the current reporting period to include a rand-denominated term loan facility (green loan) available to the Group amounting to ZAR350 million (US\$19.2 million) for purposes of financing or refinancing eligible green projects.

NOTES TO THE FINANCIAL STATEMENTS continued

for the reporting period ended 30 June

28. BORROWINGS continued

The terms of this agreement are set out below.

Lenders	Rand Merchant Bank (a division of FirstRand Bank Limited) and Nedbank Limited (acting through its Nedbank Corporate and Investment Banking division)
Borrower	Funding Company
Guarantors	Pan African Resources PLC; Evander Gold Mining Proprietary Limited; Barberton Mines Proprietary Limited; Evander Gold Mines Proprietary Limited; Pan African Resources SA Holdings Proprietary Limited; Mogale Tailings Retreatment Proprietary Limited; Mogale Gold Proprietary Limited, Mintails SA Soweto Cluster Proprietary Limited and Evander Solar Solutions Proprietary Limited
Bonds as security for the facility	The following bonds were registered in favour of the lenders: <ul style="list-style-type: none"> • Mortgage bond B3644/2015 – Barberton Mines/Bowwood and Main No. 40 (RF) Proprietary Limited • Mortgage bond B1163/2016 – Evander Gold Mining/Bowwood and Main No. 40 (RF) Proprietary Limited • Mortgage bond B4673/2015 – Evander Gold Mining/Bowwood and Main No. 40 (RF) Proprietary Limited • Mortgage bond B7829/2015 – Evander Gold Mining/Bowwood and Main No. 40 (RF) Proprietary Limited • General notarial bond BN15110/2015 – Barberton Mines/Bowwood and Main No. 40 (RF) Proprietary Limited • General notarial bond BN15357/2015 – Evander Gold Mining/Bowwood and Main No. 40 (RF) Proprietary Limited • General notarial bond BN20757/2017 – Evander Gold Mining/Bowwood and Main No. 40 (RF) Proprietary Limited • General notarial bond BN20755/2017 – Barberton Mines/Bowwood and Main No. 40 (RF) Proprietary Limited • Special notarial bond BN15563/2015 – Evander Gold Mining/Bowwood and Main No. 40 (RF) Proprietary Limited • Special notarial bond BN15616/2015 – Barberton Mines/Bowwood and Main No. 40 (RF) Proprietary Limited • Special notarial bond BN20758/2017 – Evander Gold Mining/Bowwood and Main No. 40 (RF) Proprietary Limited • Special notarial bond BN20756/201 – Barberton Mines/Bowwood and Main No. 40 (RF) Proprietary Limited • Special notarial bond BN12838/2018 – Evander Gold Mining/Bowwood and Main No. 40 (RF) Proprietary Limited
Ceded rights to the lenders as security for the facilities	<ul style="list-style-type: none"> • Bank accounts • Trade debtors • Insurance proceeds • Immovable property • Shares held in subsidiaries

28.1 Revolving credit facility

The movement on the RCF is as follows:

US\$ thousand	GROUP		COMPANY	
	2024	2023	2024	2023
Balance as at 1 July	10,628	26,192	-	-
Drawdowns	42,796	48,382	-	-
Finance costs incurred	2,005	2,161	-	-
Commitment fees capitalised	91	-	-	-
Non-refundable fees	(303)	-	-	-
Unwinding of non-refundable fees	140	273	-	-
Modification adjustment	-	995	-	-
Repayment of capital	(42,854)	(61,779)	-	-
Repayment of finance costs	(1,836)	(2,181)	-	-
Foreign currency translation reserve movement	175	(3,415)	-	-
Balance as at 30 June	10,842	10,628	-	-
Less: current portion	(66)	(10,628)	-	-
Non-current portion	10,776	-	-	-

28. BORROWINGS continued**28.1 Revolving credit facility** continued

The terms of the RCF are as follows:

Facility amount	ZAR1 billion
Interest rate	Depending on the rollover period based on one-month, three-month or six-month JIBAR
Interest rate margin – Tranche 1 (ZAR600 million)	2.75% as may be adjusted in accordance with the sustainability performance targets and KPIs. The margin was adjusted in the current reporting period to 2.71%
Interest rate margin – Tranche 2 (ZAR400 million)	2.75%
Commitment fee	0.9625% of the aggregate of the available commitment, payable quarterly in arrears
Term of loan	35 months effective from 31 July 2023
Repayment period	Bullet repayment at the final maturity date
Final maturity date	30 June 2026

28.2 Term loan

The movement on the term loan is as follows:

US\$ thousand	GROUP		COMPANY	
	2024	2023	2024	2023
Balance as at 1 July	-	-	-	-
Drawdowns	52,328	-	-	-
Finance costs incurred	3,160	-	-	-
Non-refundable fees	(1,065)	-	-	-
Unwinding of non-refundable fees	165	-	-	-
Repayment of finance costs	(3,185)	-	-	-
Foreign currency translation reserve movement	2,116	-	-	-
Balance as at 30 June	53,519	-	-	-
Less: current portion	(33)	-	-	-
Non-current portion	53,486	-	-	-

The terms of the loan are as follows:

Facility amount	ZAR1.3 billion
Interest rate	Three-month JIBAR
Interest rate margin – Tranche 1 (ZAR780 million)	2.85% as may be adjusted in accordance with the sustainability performance targets and KPIs. The margin was adjusted in the current reporting period to 2.81%
Interest rate margin – Tranche 2 (ZAR520 million)	2.85%
Commitment fee	0.9625% of the aggregate of the available commitment, payable quarterly in arrears
Term of loan	Six years effective from 31 July 2023
Repayment period	Quarterly repayments on 31 March, 30 June, 30 September and 31 December commencing 30 September 2025
Final maturity date	31 July 2029

NOTES TO THE FINANCIAL STATEMENTS continued

for the reporting period ended 30 June

28. BORROWINGS continued**28.3 Green loan**

The movement on the green loan is as follows:

US\$ thousand	GROUP		COMPANY	
	2024	2023	2024	2023
Balance as at 1 July	-	-	-	-
Drawdowns	19,074	-	-	-
Finance costs incurred	89	-	-	-
Non-refundable fees	(56)	-	-	-
Unwinding of non-refundable fees	1	-	-	-
Repayment of finance costs	(80)	-	-	-
Foreign currency translation reserve movement	171	-	-	-
Balance as at 30 June	19,199	-	-	-
Less: current portion	(4,385)	-	-	-
Non-current portion	14,814	-	-	-

The terms of the facility are as follows:

Facility amount	ZAR350 million
Interest rate	Three-month JIBAR
Interest rate margin	2.85%
Interest rate margin benefit	0.1% per annum
Commitment fee	0.9625% of the aggregate of the available commitment, payable quarterly in arrears
Term of loan	Five years effective from June 2024
Repayment period	Quarterly repayments on 31 March, 30 June, 30 September and 31 December commencing 30 September 2024
Final maturity date	31 July 2029

28.4 DMTN bonds

The movement on the DMTN bonds is as follows:

US\$ thousand	GROUP		COMPANY	
	2024	2023	2024	2023
Balance as at 1 July	42,726	-	-	-
Notes issued	-	46,323	-	-
Finance costs incurred	5,145	2,724	-	-
Repayment of finance costs	(5,172)	(2,383)	-	-
Foreign currency translation reserve movement	1,526	(3,938)	-	-
Balance as at 30 June	44,225	42,726	-	-
Less: current portion	(245)	(240)	-	-
Non-current portion	43,980	42,486	-	-

During the previous reporting period, the Group issued two listed bonds to the cumulative value of ZAR800 million (US\$46.3 million) at an exchange rate of US\$/ZAR:17.27.

28. BORROWINGS continued**28.4 DMTN bonds** continued

The terms of the bonds issued under the DMTN programme are as follows:

Debt security code	PARS01	PARS02
ISIN	ZAG000192758	ZAG000192766
Type of debt security	Senior second ranking secured	Senior second ranking secured
Listing	Sustainability segment of the JSE	Sustainability segment of the JSE
Issue date	13 December 2022	13 December 2022
Issue price	100%	100%
Nominal amount per note	ZAR1 million	ZAR1 million
Aggregate nominal amount	ZAR585 million	ZAR215 million
Reference rate	Three-month JIBAR	Three-month JIBAR
Margin	3.60%	3.75%
Interest commencement date	13 December 2022	13 December 2022
Interest payment basis	Floating rate	Floating rate
First interest payment date	13 March 2023	13 March 2023
Interest payment terms	Quarterly	Quarterly
Maturity date	13 December 2025	13 December 2027
Final maturity amount	100%	100%
Guarantors	Pan African Resources PLC; Evander Gold Mining Proprietary Limited; Barberton Mines Proprietary Limited; Evander Gold Mines Proprietary Limited and Pan African Resources SA Holdings Proprietary Limited	Pan African Resources PLC; Evander Gold Mining Proprietary Limited; Barberton Mines Proprietary Limited; Evander Gold Mines Proprietary Limited and Pan African Resources SA Holdings Proprietary Limited
Dealer	Rand Merchant Bank, a division of FirstRand Bank Limited	Rand Merchant Bank, a division of FirstRand Bank Limited

The following KPIs are applicable to the RCF, term loan, green loan and DMTN bonds:

	KPI		
	Renewable energy	Land rehabilitation	Employee safety
Sustainability target met	-3bps margin adjustment per period, commencing 30 June 2023	-2bps margin adjustment per reporting period, commencing 30 June 2024	-1bps margin adjustment per reporting period, commencing 30 June 2023
Penalty threshold level not achieved	+3bps margin adjustment per period, commencing 30 June 2023	+2bps margin adjustment per reporting period, commencing 30 June 2024	+1bps margin adjustment per reporting period, commencing 30 June 2023
KPI reporting	6.1%	9.4%	6.52 per million man hours
Sustainability performance target	Achieved	Achieved	Achieved

Refer to the Group's sustainability-linked finance framework on **page 94** for further information on the respective ESG targets.**Financial covenants**

The financial covenants listed below are in place for the RCF, term loan, green loan and DMTN bonds and are calculated for a 12-month period at each reporting date.

- The debt service cover ratio must be more than 1:3 times
- The net debt-to-equity ratio must be less than 1:1
- The net debt-to-EBITDA ratio must be less than 2:1
- The interest cover ratio must be greater than 4:1.

The financial covenants were met for the current and previous reporting periods. Refer to **note 37** for the covenant calculations.

NOTES TO THE FINANCIAL STATEMENTS continued

for the reporting period ended 30 June

28. BORROWINGS continued**28.5 Credit facilities**

The Group has the following credit facilities, guarantees and derivative trading facilities in place:

US\$ thousand	GROUP		COMPANY	
	2024	2023	2024	2023
RCF	54,975	53,107	-	-
Term facility	71,468	-	-	-
Green loan	19,241	-	-	-
Guarantees¹				
Eskom Holdings SOC Limited	1,278	1,234	-	-
DMRE – Cenviro Solutions insurance investment product	35 963	34,687	-	-
General banking facility²	7,697	7,435	-	-
Pre-settlement splits				
Forward exchange contract limit facility	2,474	2,390	-	-
Precious metals hedging facility	2,199	2,124	-	-
Gold hedging facility	14,843	14,339	-	-
US\$ gold and derivatives trading facilities³	34,157	32,996	-	-
Gold loan facility	15,943	15,401	-	-
Credit cards	163	126	-	-
Other	275	266	275	266
Total credit facilities	260,676	164,105	275	266

¹ The guarantees issued to Eskom Holdings SOC Limited relate to the supply of electricity. The guarantees issued to the DMRE relate to the Group's environmental rehabilitation obligation.

² The Nedbank Limited and RMB general banking facilities are unsecured and were unutilised in the current and previous reporting periods. These facilities, when utilised, bear interest at rates linked to the South African prime interest rate.

³ The US\$ gold and derivative trading facilities are used by the Group for the purpose of trading gold inventory and subsequent conversion of US\$ sales proceeds into rand. The facilities are held at Absa Bank Limited, Nedbank Limited, Rand Merchant Bank Limited and Investec Bank Limited.

The Group has access to the following funding and undrawn facilities as at the reporting date:

US\$ thousand	GROUP		COMPANY	
	2024	2023	2024	2023
General banking facilities	7,697	7,435	-	-
Utilisation of the general banking facilities	-	-	-	-
RCF	54,975	53,107	-	-
Utilisation of the RCF ¹	(10,995)	(10,674)	-	-
Term loan	71,468	-	-	-
Utilisation of the term loan ¹	(54,426)	-	-	-
Green loan	19,241	-	-	-
Utilisation of the green loan ¹	(19,241)	-	-	-
Total available debt facilities	68,719	49,868	-	-

¹ Excludes accrued interest on the facility as at 30 June.

29. FINANCIAL GUARANTEES

The Company acts as a co-guarantor for certain of Funding Company's borrowings. The initial fair value and subsequent measurement is 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.

Significant assumptions and estimates

Determining the fair value on initial recognition of financial guarantees requires the use of significant assumptions and estimates, which include the following:

- An EAD (maximum of ZAR3,250 million accumulating over time) through credit conversion factors ranging between 75% and 100%
- An LGD ranging between 70% and 90% of the EAD
- A PD of less than 5% in any 12-month period.

US\$ thousand	Notes	GROUP		COMPANY	
		2024	2023	2024	2023
Balance as at 1 July		-	-	-	-
Issued during the year	20	-	-	1,166	-
Amortisation	11	-	-	(234)	-
ECL adjustment	11	-	-	561	-
Foreign currency translation reserve movement		-	-	(22)	-
Balance as at 30 June		-	-	1,471	-

No financial guarantees were recognised in the previous reporting period as they were immaterial. There was no indication that the guarantees would be called upon at either reporting date.

The maximum possible exposure is the total amount the Company would have to pay if the guarantee is called on and if none of the other subsidiaries that provided guarantees were able to pay the amount called on. Refer to **note 28** for a summary of the Funding Company's borrowings guaranteed by the Company.

NOTES TO THE FINANCIAL STATEMENTS continued

for the reporting period ended 30 June

30. LEASES**Accounting policy****The Group as a lessee**

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases and leases of low-value assets. For these leases, the Group recognises the lease payments as an expense on a straight-line basis over the term of the lease.

Measurement and recognition

The right-of-use asset is measured at cost, which includes the initial measurement of the corresponding lease liability. Right-of-use assets have been included in property, plant and equipment. Refer to **note 16** for the policy on right-of-use assets.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted by using its incremental borrowing rate. Incremental borrowing rates are determined on initial recognition and based on the aggregate of the JIBAR and the margin applicable to the RCF.

Lease payments included in the measurement of the lease liability are made up of fixed payments and payments arising from extension options reasonably certain to be exercised.

The lease liability is subsequently measured at amortised cost (using the effective interest method). It is remeasured to reflect any reassessment or modification. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit or loss if the right-of-use asset is reduced to zero.

Contracts may contain both lease and non-lease components. The Group has elected to account for any lease and non-lease components as a single lease component in respect of office buildings.

Leased assets may not be used as security for borrowing purposes.

Judgements

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

The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee. No revisions were made to the lease terms determined at inception of the leases.

30. LEASES continued

The movement in the lease liabilities is as follows:

US\$ thousand	GROUP		COMPANY	
	2024	2023	2024	2023
Balance as at 1 July	3,483	4,348	-	-
Additions	-	312	-	-
Reassessment	-	(42)	-	-
Repayments	(924)	(951)	-	-
Finance costs	286	389	-	-
Foreign currency translation reserve movement	104	(573)	-	-
Balance as at 30 June	2,949	3,483	-	-
Less: current portion	(791)	(634)	-	-
Non-current portion	2,158	2,849	-	-

The total cash outflow for leases including low-value assets leases and short-term leases was US\$1.2 million (2023: US\$1.0 million).

31. FINANCIAL LIABILITY

During the current reporting period, the Group entered into an instalment sale agreement with Electro Hydro World CC for the construction, operation and maintenance of a grout plant at Evander Mines' 8 Shaft. The effective date of the agreement was 1 July 2023 with a term of three years.

The movement in the instalment sale obligation is as follows:

US\$ thousand	GROUP		COMPANY	
	2024	2023	2024	2023
Balance as at 1 July	-	-	-	-
Additions	963	-	-	-
Finance costs incurred ¹	107	-	-	-
Repayment of capital	(281)	-	-	-
Repayment of finance costs	(107)	-	-	-
Foreign currency translation reserve movement	21	-	-	-
Balance as at 30 June	703	-	-	-
Less: current portion	(329)	-	-	-
Non-current portion	374	-	-	-

¹ The average effective borrowing rate is 12.75%.

NOTES TO THE FINANCIAL STATEMENTS continued

for the reporting period ended 30 June

32. SHARE-BASED PAYMENT OBLIGATIONS**Accounting policy****Equity-settled share-based payment arrangements**

All equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest. At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with corresponding adjustments to the equity-settled share-based payment reserve (refer to **note 26**).

Cash-settled share-based payment arrangements

The fair value of the amount payable to employees in respect of cash-settled share-based payments is recognised as an expense with a corresponding increase in the liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at the settlement date based on the fair value of the cash-settled share-based payment liability. Any changes in the liability are recognised in profit or loss.

Assumptions and estimates

The determination of the fair value of a cash-settled share-based payment obligation is subject to management applying key assumptions and estimates. The fair value is calculated using actuarial valuations. The following tables provide details regarding the cash-settled share-based payment liabilities and the inputs used in the models.

US\$ thousand	Notes	GROUP		COMPANY	
		2024	2023	2024	2023
Cash-settled share-based payment obligation	32.1	10,965	4,279	45	–
Post-retirement benefits ¹	32.2	4	9	–	–
Balance as at 30 June		10,969	4,288	45	–

¹ All post-retirement benefits are classified as non-current liabilities.

32.1 Cash-settled share-based payment obligation

The reconciliation of the cash-settled share-based payment obligation is as follows:

US\$ thousand	GROUP		COMPANY	
	2024	2023	2024	2023
Balance as at 1 July	4,279	9,563	–	–
Expense recognised in profit or loss	4,142	894	4,035	678
Expense capitalised to plant and equipment	5,206	–	–	–
Payments made	(3,171)	(5,262)	–	(141)
PAR Gold loan ¹	–	–	(3,991)	(537)
Foreign currency translation reserve movement	509	(916)	1	–
Balance as at 30 June	10,965	4,279	45	–
Less: current portion	(4,494)	(2,404)	(16)	–
Non-current portion	6,471	1,875	29	–

¹ The amount of US\$537,000 was previously disclosed as a foreign currency translation reserve adjustment, when it should have been allocated to the PAR Gold loan. The comparative disclosure has been corrected in the current reporting period.

32. SHARE-BASED PAYMENT OBLIGATIONS continued**32.1 Cash-settled share-based payment obligation** continued

The Group recognised cash-settled share-based payment expenses on each scheme as follows:

US\$ thousand	GROUP		COMPANY	
	2024	2023	2024	2023
Group cash-settled share options – Pan African Share Appreciation Bonus Plan (PASABP)	2,389	241	43	141
ESOP transactions	(256)	(40)	–	–
PAR Gold Long-term Incentive Plan (PGLIP)	2,009	693	3,992	537
Total expense recognised in profit or loss	4,142	894	4,035	678

Group cash-settled share options – PASABP

Details of the share options outstanding are as follows:

	2024		2023	
	Weighted average exercise price (ZAR)	Number of options	Weighted average exercise price (ZAR)	Number of options
Outstanding as at 1 July		21,250,089		38,009,138
Granted	3.57	30,291,128	3.85	6,483,231
Exercised	4.69	(4,168,988)	4.03	(14,479,743)
Forfeited	3.23	(2,404,252)	3.27	(8,762,537)
Outstanding as at 30 June		44,967,977		21,250,089
Exercisable as at 30 June		6,094,208		3,131,325

Fair values were calculated using the binomial pricing model with the following key inputs:

	GROUP	
	2024	2023
Weighted average share price (ZAR)	3.47	1.21
Weighted average exercise/strike price (ZAR)	3.46	3.12
Exercise price (ZAR)	1.36 – 5.50	1.36 – 4.42
Expected volatility (%)	41 – 58	46 – 62
Expected life (years)	3 – 6	3 – 6
Weighted average remaining life (years)	4.31	3.87
Risk-free rate (%)	8.8 – 10.1	9.3 – 10.3
Expected dividend yield (%)	3	3

Refer to **page 157** of the remuneration report for further details on the Group's cash-settled share-based payment arrangements.

Expected volatility is impacted by the following factors:

- The historical volatility of the share price over the most recent period that is commensurate with the expected option term (taking into account the remaining contractual life of the scheme and the effect of expected early exercise)
- The length of time an entity's shares have been publicly traded.

Participation in share-based and other long-term incentive (LTI) schemes is restricted to employees as described in the remuneration report. The Group has introduced ESOPs at Barberton Mines and Evander Mines which have been recognised as cash-settled share-based payment arrangements. Refer to **note 35**.

NOTES TO THE FINANCIAL STATEMENTS continued

for the reporting period ended 30 June

32. SHARE-BASED PAYMENT OBLIGATIONS continued**32.1 Cash-settled share-based payment obligation** continued**PAR Gold Long-term Incentive Plan (PGLIP)**

To incentivise and retain the Group's executive directors and corporate senior management, and to align their interests with those of the Group's stakeholders, an LTI was introduced and was in issue at the reporting date. Refer to the remuneration report on pages 157 to 159 for further details of this scheme.

Details of the shares outstanding as at the reporting date and movements during the period are as follows:

	GROUP	
	2024	2023
Number of PAR Gold shares		
PAR Gold B shares¹		
Outstanding as at 1 July	48,700,619	48,700,619
Shares repurchased by PAR Gold	(48,700,619)	–
Shares in issue as at 30 June	–	48,700,619
PAR Gold C shares		
Outstanding as at 1 July	16,160,564	16,160,564
Shares repurchased by PAR Gold	(16,160,564)	–
Shares in issue as at 30 June	–	16,160,564
PAR Gold D shares		
Outstanding as at 1 July	11,259,168	11,259,168
Shares repurchased by PAR Gold	(11,259,168)	–
Shares in issue as at 30 June	–	11,259,168
PAR Gold E shares		
Outstanding as at 1 July	9,785,729	9,785,729
Shares in issue as at 30 June	9,785,729	9,785,729
PAR Gold F shares		
Outstanding as at 1 July	10,109,130	–
Shares acquired by participants	–	10,109,130
Shares in issue as at 30 June	10,109,130	10,109,130
PAR Gold G shares		
Outstanding as at 1 July	–	–
Shares acquired by participants	14,224,848	–
Shares in issue as at 30 June	14,224,848	–
PAR Gold H shares		
Outstanding as at 1 July	–	–
Shares acquired by participants	15,448,697	–
Shares in issue as at 30 June	15,448,697	–

¹ Dividends declared during the reporting period amounted to US\$1.9 million (2023: US\$ 3.5 million).

32. SHARE-BASED PAYMENT OBLIGATIONS continued**32.1 Cash-settled share-based payment obligation** continued**PAR Gold Long-term Incentive Plan (PGLIP)** continued

Fair values were calculated using the Monte Carlo simulation with the following key inputs:

	PAR Gold E shares	PAR Gold F shares	PAR Gold G shares	PAR Gold H shares
Number of shares	9,785,729	10,109,130	14,224,848	15,448,697
Grant date	1 July 2021	1 July 2022	1 July 2023	1 July 2023
Vesting date	1 July 2024	1 July 2025	30 June 2025	30 June 2025
Share price at grant date (based on 90-day volume-weighted average price (VWAP) (ZAR)	3.67	4.19	3.59	3.60
90-day VWAP as at 30 June 2024 (ZAR)	3.59	5.47	5.47	5.47
90-day VWAP as at 30 June 2023 (ZAR)	5.11	3.59	n/a	n/a
Probability of vesting as at 30 June 2024 (%)	100	76	90	90
Probability of vesting as at 30 June 2023 (%)	69	11	n/a	n/a
Fair value per option as at 30 June 2024 (ZAR)	5.11	3.82	3.82	4.92
Fair value per option as at 30 June 2023 (ZAR)	2.88	0.39	n/a	n/a

32.2 Post-employment medical aid benefits

Historically, Barberton Mines and Evander Mines provided retirement benefits by way of medical aid scheme contributions for certain employees. The practice has been discontinued for several years. The net present value of estimated future costs of each company's contributions towards medical aid schemes for these retirees is recognised as a liability. The calculation of the liability for post-retirement medical benefits is performed internally by management using SARS' life expectancy tables as the benefits payable are a fixed amount per pensioner. The liability is reviewed annually with movements therein recognised in profit or loss.

33. TRADE AND OTHER PAYABLES

US\$ thousand	GROUP		COMPANY	
	2024	2023	2024	2023
Trade payables	44,776	36,361	110	139
Other payables	14,532	10,530	245	239
Financial liabilities	59,308	46,891	355	378
Accrual for employee benefits and leave pay liability	6,230	5,132	1,279	925
VAT payable	850	49	563	–
Non-financial liabilities	7,080	5,181	1,842	925
Total trade and other payables	66,388	52,072	2,197	1,303

The fair value of trade and other payables approximates the carrying amount given their short-term nature.

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for the reporting period ended 30 June

34. INCOME TAX**Accounting policy**

The income tax expense comprises current and deferred tax. It is recognised in profit or loss, other comprehensive income or directly in equity.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the period and any adjustment to the tax payable or receivable in respect of previous periods. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred tax

Deferred tax is recognised in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding amounts used for tax purposes. Deferred tax liabilities are recognised for taxable temporary differences, and deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available against which they can be utilised. Deferred tax assets and liabilities are not recognised if the temporary differences arise from goodwill, from the initial recognition (other than a business combination) of other assets and liabilities in a transaction which affects neither tax nor accounting profit and does not give rise to equal taxable and deductible temporary differences. Deferred tax assets and liabilities are not recognised for investments in subsidiaries, to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or parts of the assets to be recovered.

Capital expenditure not deducted is carried forward, to be deducted from future taxable income.

Income tax

US\$ thousand	GROUP		COMPANY	
	2024	Restated* 2023	2024	2023
Income tax expense				
South African normal tax	12,527	5,511	1,388	344
– Current year	12,504	5,525	1,386	341
– Prior year	23	(14)	2	3
Securities transfer tax	14	7	–	–
Deferred tax	18,040	19,032	(73)	(28)
– Current year	16,911	19,043	(73)	(28)
– Prior year	1,129	(11)	–	–
Total income tax expense recognised in profit or loss	30,581	24,550	1,315	316

* Refer to note 40.

34. INCOME TAX continued

%	GROUP		COMPANY	
	2024	Restated* 2023	2024	2023
Tax rate reconciliation				
<i>Effective tax rate</i>				
South African statutory rate	27.0	27.0	27.0	27.0
Tax rate differential ¹	(3.5)	0.1	–	–
Exempt income ²	–	(0.5)	(26.8)	(26.5)
Non-deductible expenses ³	2.3	1.2	9.8	1.9
Accelerated wear and tear	–	0.7	–	–
Under/(over) provision – prior year	1.1	–	–	–
Assessed losses for which no deferred tax asset was recognised	1.1	0.4	–	–
Utilisation of assessed losses for which no deferred tax asset was recognised	–	(0.1)	–	–
Effective tax rate	28.0	28.9	10.0	2.4

* Refer to note 40.

¹ The tax rate differential is the difference between the statutory company tax rate of 27% and the effective gold mining tax rate calculated in terms of the gold mining formula.

² In the Company, exempt income comprises intra-Group dividend received.

³ In the Company, non-deductible expenses mainly comprise share-based payment expenses.

Current tax

US\$ thousand	GROUP		COMPANY	
	2024	Restated* 2023	2024	2023
Current tax asset	2,455	1,322	–	188
Current tax liability	(798)	(732)	(798)	–

* Refer to note 40.

All Group companies are South African tax residents, other than Pan African Resources Minerals Co Limited and Pan African Resources Minerals DMCC.

The current tax asset and liability of the Group and Company relate to SARS.

The Group is not impacted by the *International Tax Reform – Pillar Two Module Rules* (global minimum top-up tax) as its revenue is below the minimum threshold.

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.

%	GROUP	
	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

NOTES TO THE FINANCIAL STATEMENTS continued

for the reporting period ended 30 June

34. INCOME TAX continued**Deferred tax** continued**Sensitivity analysis**

A reasonably possible 1% (2023: 1%) change in the estimated deferred tax rate would have impacted profit for the period as shown below. The analysis assumes that all other variables remain constant.

Impact on profit for the period:

US\$ thousand	As presented	1% increase	1% decrease
2024	78,826	(3,282)	3,282
2023	60,516	(2,569)	2,569

Deferred tax balances at the reporting date are as follows:

US\$ thousand	GROUP		COMPANY	
	2024	Restated* 2023	2024	2023
Deferred tax liabilities				
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)	-	-
Net deferred tax liabilities	85,353	64,345	-	-
Reconciliation of deferred tax liabilities				
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 ¹	-	46	-	-
Foreign currency translation reserve movement	2,785	(7,929)	-	-
Net deferred tax liabilities as at 30 June	85,353	64,345	-	-
Deferred tax assets				
Arising from temporary differences relating to:				
Property, plant and equipment	(27)	(96)	-	-
Other payables ¹	617	408	408	309
Lease liabilities	54	111	-	-
Prepayments	(29)	-	(26)	-
Cash-settled share-based repayment obligation	16	5	12	-
Net deferred tax assets	631	428	394	309
Reconciliation of deferred tax assets				
Net deferred tax assets as at 1 July	428	2,074	309	1,774
Deferred tax recognised in profit or loss	183	(170)	72	28
Deferred tax raised in other comprehensive income	-	(1,360)	-	(1,360)
Transferred to deferred tax liability ¹	-	46	-	-
Foreign currency translation reserve movement	20	(162)	13	(133)
Net deferred tax assets as at 30 June	631	428	394	309

* Refer to **note 40**.¹ Other payables relate to the temporary difference on the accrual for employee benefits and leave pay liability.**34. INCOME TAX** continued**Deferred tax** continued

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

* Refer to **note 40**.

Deferred tax assets have only been recognised, where applicable, on the basis that the individual Group companies will be able to generate future taxable income to utilise current deductible temporary differences.

35. BARBERTON MINES ESOP TRANSACTIONS

The ESOP has been classified as a cash-settled share-based payment transaction as the ESOP agreement provides for the mines to acquire the shares at the end of the agreement.

On 1 June 2015, Barberton Mines entered into an agreement with Barberton Mines BEE Company and the Barberton Mines BEE Trust. The agreement provided that Barberton Mines would issue 5% of its authorised share capital for a consideration of ZAR99.5 million to Barberton Mines BEE Company which is 100% held by the Barberton Mines BEE Trust. The beneficiaries of the Barberton Mines BEE Trust are all Barberton Mines' employees of a Paterson Grading C5 level and below.

The share issue was vendor-financed by Barberton Mines by means of preference shares issued by Barberton Mines BEE Company to Barberton Mines for ZAR99.5 million.

On 31 May 2024, Barberton Mines repurchased 315,790 ordinary shares (representing 5% of the ordinary shareholding in Barberton Mines) from Barberton Mines BEE Company for an amount of ZAR108 million. The value of the shares was higher than the outstanding notional loan on termination date and qualifying employees were entitled to the positive net difference of the fair value, net of applicable tax.

The cash-settled share-based payment is valued by independent actuaries at each reporting date.

Reconciliation of the ESOP liability

US\$ thousand	GROUP		COMPANY	
	2024	2023	2024	2023
Balance as at 1 July	1,034	1,196	-	-
Fair value recognised in profit or loss	785	(40)	-	-
Dividend paid	(1,826)	-	-	-
Foreign currency translation reserve movement	7	(122)	-	-
Balance as at 30 June	-	1,034	-	-
Statement of profit or loss and other comprehensive income				
Cash-settled share-based payment expense recognised in profit or loss	256	130	-	-

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for the reporting period ended 30 June

36. CASH FLOW INFORMATION**36.1 Cash flow from operating activities**

US\$ thousand	Notes	GROUP		COMPANY	
		2024	Restated* 2023	2024	2023
Profit before tax		109,407	85,066	13,069	13,145
Adjusted for:		23,771	24,873	3,889	580
Cash-settled share-based payment expenses	11	4,142	894	4,035	678
Finance income	13	(1,884)	(1,139)	(146)	(99)
Finance costs	13	11,784	10,255	–	1
Loss on disposal of plant and equipment	11	106	–	–	–
Royalty costs	36.3	1,687	956	–	–
Unrealised loss and prior period fair value reversals on derivative contracts	11	403	209	–	–
Change in estimate of the environmental rehabilitation obligation	11	(62)	(888)	–	–
Contract liability recognised as revenue	9	(11,991)	(4,381)	–	–
Fair value gain on environmental rehabilitation obligation fund	11	(2,319)	(1,936)	–	–
Depreciation and amortisation	16	21,905	20,903	–	–
Operating cash flows before working capital changes		133,178	109,939	16,958	13,725
Working capital		4,303	6,664	822	(195)
Increase in inventories		(1,777)	(840)	–	–
Increase in trade and other receivables		(6,058)	(401)	(64)	(48)
Increase/(decrease) in trade and other payables		12,138	7,905	886	(147)
Settlement of cash-settled share-based payment obligation		(3,171)	(5,262)	–	(141)
Contract liability – advanced consideration received		–	21,600	–	–
Net cash from operating activities before dividend, tax, royalties and net finance costs		134,310	132,941	17,780	13,389

36.2 Income tax paid

US\$ thousand	GROUP		COMPANY	
	2024	Restated* 2023	2024	2023
Income tax expense recognised in profit or loss	30,581	24,550	1,315	316
Less: deferred tax expense	(18,040)	(19,032)	72	28
Less: security transfer tax	(14)	(7)	–	–
	12,527	5,511	1,387	344
Current tax (receivable)/payable as at 1 July	(167)	836	(188)	366
Current tax receivable/(payable) as at 30 June	493	167	(798)	188
Accrued finance costs	(3)	–	(7)	–
Finance costs paid	3	(1)	–	–
Accrued finance income	(60)	(6)	–	–
Finance income received	7	–	7	–
Foreign currency translation reserve movement	207	14	21	(15)
Income tax paid during the reporting period	13,007	6,521	422	883

* Refer to note 40.

36. CASH FLOW INFORMATION continued**36.3 Royalty costs paid**

US\$ thousand	GROUP		COMPANY	
	2024	Restated* 2023	2024	2023
Royalty costs payable/(receivable) as at 1 July	(423)	(253)	–	–
Royalty costs receivable/(payable) as at 30 June	1,180	423	–	–
Royalty costs recognised in profit or loss	1,687	956	–	–
Foreign currency translation reserve movement	25	68	–	–
Royalty costs paid during the reporting period	2,469	1,194	–	–

* Refer to note 40.

36.4 Reconciliation of liabilities arising from financing activities

US\$ thousand	GROUP			
	Borrowings	Lease liabilities	Financial liability	Total
Opening balance as at 1 July 2022	34,612	4,348	–	38,960
Changes from financing cash flows	25,429	(562)	–	24,867
Proceeds from borrowings	94,705	–	–	94,705
Repayment of borrowings	(69,276)	–	–	(69,276)
Repayment of lease liabilities	–	(562)	–	(562)
Other changes	(6,688)	(303)	–	(6,991)
Finance costs incurred	5,463	389	–	5,852
Finance costs paid	(5,252)	(389)	–	(5,641)
Non-refundable fees	273	–	–	273
Modification loss on borrowings	995	–	–	995
New leases	–	312	–	312
Reassessment of leases	–	(42)	–	(42)
Foreign currency translation reserve movement	(8,167)	(573)	–	(8,740)
Balance as at 30 June 2023	53,353	3,483	–	56,836
Changes from financing cash flows	71,344	(638)	682	71,388
Proceeds from borrowings	114,198	–	963	115,161
Repayment of borrowings	(42,854)	–	–	(42,854)
Repayment of lease liabilities	–	(638)	(281)	(919)
Other changes	3,088	104	21	3,213
Finance costs incurred	10,399	286	107	10,792
Finance costs paid	(10,273)	(286)	(107)	(10,666)
Non-refundable fees	(1,027)	–	–	(1,027)
Foreign currency translation reserve movement	3,989	104	21	4,114
Balance as at 30 June 2024	127,785	2,949	703	131,437

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37. FINANCIAL RISK MANAGEMENT**37.1 Capital management**

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the sustainable return to shareholders through the optimisation of the debt and equity ratios. The Group's overall strategy remained unchanged from the previous reporting period.

US\$ thousand	Notes	GROUP	
		2024	Restated* 2023
Components of capital and financial covenants			
Cash and cash equivalents	24	(26,332)	(34,771)
RCF	28	10,842	10,628
Term facility	28	53,519	–
Green loan	28	19,199	–
DMTN bonds	28	44,225	42,725
Add: net derivative financial liability/(asset)		5	(396)
Lease liabilities	30	2,949	3,483
Financial liability	31	703	–
Restricted cash	24	82	240
Facility arranging fees adjustment ¹		1,214	46
Net debt ¹		106,406	21,955
Total equity		364,103	291,956
Net debt-to-equity ratio		0.29	0.08
Finance costs paid			
RCF		1,836	2,181
Term facility		3,185	–
Green loan		80	–
Redink facility		–	688
DMTN bonds		5,172	2,383
General banking facility		1,292	1,002
Finance costs – interest-bearing facilities		11,565	6,254
Adjusted EBITDA ²		141,214	115,085
Fair value gain on derivatives		180	(26)
Net adjusted EBITDA		141,394	115,059
Interest cover ratio		12.2	18.4
Net debt		106,406	21,955
Net adjusted EBITDA ³		141,394	114,984
Net debt-to-net adjusted EBITDA		0.8	0.2
Net adjusted EBITDA ³		141,394	115,059
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)
Free cash flow		43,878	55,091
Finance costs on interest-bearing facilities		11,565	6,253
Obligatory debt principal repayments		–	1,125
Debt service obligation		11,565	7,378
Debt service cover ratio		3.8	7.5

* Refer to note 40.

¹ The Group's net debt excludes the unaccrued refinancing modification and unaccrued facilities' arranging fees.² Adjusted EBITDA represents earnings before interest, tax, depreciation and amortisation and impairment losses.³ Net adjusted EBITDA is the adjusted EBITDA excluding realised and unrealised gains and losses on financial instruments.

Refer to note 28 for a summary of the financial covenant limits.

37. FINANCIAL RISK MANAGEMENT continued**37.2 Categories of financial instruments**

US\$ thousand	Notes	GROUP		COMPANY	
		2024	Restated* 2023	2024	2023
Financial assets					
At amortised cost					
Cash and cash equivalents	24	26,332	34,771	2,851	2,435
Receivables from Group companies		–	–	51,731	61,050
Trade and other receivables	23	4,008	2,444	–	–
At fair value through other comprehensive income					
Investment	19	3,373	–	3,373	–
At fair value through profit or loss					
Environmental rehabilitation obligation fund	21	24,773	21,627	–	–
Derivative financial asset		–	451	–	–
Financial liabilities					
At amortised cost					
Trade and other payables	33	59,308	46,891	355	378
Borrowings	28	127,785	53,353	–	–
Financial liability	31	703	–	–	–
At fair value through profit or loss					
Derivative financial liability		5	55	–	–
Not at fair value or amortised cost					
Financial guarantees	29	–	–	1,471	–

* Refer to note 40.

37.3 Risks arising from financial instruments

The Group seeks to minimise the adverse impact of financial risks by using derivative financial instruments to hedge risk exposure where appropriate. The use of any financial derivatives is approved by the board, which provides guidance on a continuous basis on managing foreign exchange, interest rate, credit and liquidity risk in line with the Group's treasury policy. Exposure limits are reviewed regularly. The Group does not enter into derivative instrument transactions for speculative use.

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for the reporting period ended 30 June

37. FINANCIAL RISK MANAGEMENT continued**37.3 Risks arising from financial instruments****Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk.

The combined maximum credit risk exposure of the Group is as follows:

US\$ thousand	Notes	GROUP	
		2024	Restated* 2023
Trade receivables	23	328	226
Other receivables	23	3,680	2,218
Cash and cash equivalents	24	26,332	34,771
Guarantees to the DMRE and Eskom	28	37,401	35,921

* Refer to **note 40**.

Trade and other receivables

The Group has minimal exposure to credit risk as revenue is recognised and cash received on settlement of gold to financial institutions.

Other receivables are assessed for credit risk, at the reporting date, on an individual debtor basis. Individual companies within the Group consider factors that might impact the credit risk of its debtors such as default risk, payment history and the nature of the counterparty. An ECL allowance for other receivables has been determined using the simplified approach and reflects the short-term maturities of the exposures. The significant decrease in the ECL allowance in the current reporting period is due to a write-off of debtors in Mogale Gold as they are not recoverable.

Movement in the ECL allowance in respect of other receivables is as follows:

US\$ thousand	Notes	GROUP	
		2024	2023
Balance as at 1 July		(271)	(60)
Net remeasurement of loss allowance		(6)	(220)
Amounts written off		219	–
Foreign currency translation reserve movement		(2)	9
Balance as at 30 June	23	(60)	(271)

Cash and cash equivalents

Cash and cash equivalents are held with banks and financial institution counterparties, which are AA- to AA+ rated. Impairment on cash and cash equivalents has been measured on a 12-month ECL basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

Guarantees to the DMRE and Eskom

The guarantees in favour of the DMRE are represented by funds held by Cenviro Solutions in an insurance investment product and are invested in interest-bearing and equity instruments within the insurance product. Cenviro Solutions is a reputable and vetted counterparty which is also underwritten by Centriq Insurance Company Limited. Based on the nature of the counterparty, credit default is considered minimal at the reporting date.

The guarantees in favour of Eskom are represented by funds held by rated South African institutions. The credit risk on liquid funds is considered to be low due to these funds being invested with reputable financial institutions.

37. FINANCIAL RISK MANAGEMENT continued**37.3 Risks arising from financial instruments** continued**Market risk**

The risk is that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, commodity prices and interest rates.

Foreign currency risk

The Group undertakes certain transactions in foreign currencies exposing the Group to foreign exchange rate fluctuations. Exchange rate exposures are managed within approved policy parameters. The Group specifically ensures US\$ gold sale receipts are converted into rand as efficiently as possible.

The closing foreign exchange rate applied to the statement of financial position and the average rate applied to profit or loss are as follows:

Currency rates	GROUP			
	2024		2023	
	Closing rate	Average rate	Closing rate	Average rate
US\$/ZAR exchange rate	18.19	18.71	18.83	17.77

Sensitivity analysis – foreign currency

A movement in the US\$ exchange rate of 10% during the reporting period would have affected the translation of profit after tax, current assets and liabilities as shown below. The analysis assumes that all other variables remain constant.

Impact on profit after tax

US\$ thousand	As presented	10% increase	10% decrease
2024	78,826	(7,166)	(8,758)
2023 (restated)*	60,516	(5,501)	(6,724)

Impact on current assets and liabilities

US\$ thousand	As presented	10% increase	10% decrease
2024			
Current assets	60,393	(5,490)	6,711
Current liabilities	84,864	(7,715)	9,429
2023			
Current assets (restated)*	58,923	(5,357)	6,547
Current liabilities	77,386	(7,035)	8,598

* Refer to **note 40**.

NOTES TO THE FINANCIAL STATEMENTS continued

for the reporting period ended 30 June

37. FINANCIAL RISK MANAGEMENT continued**37.3 Risks arising from financial instruments** continued**Commodity price risk**

The Group is affected by the price volatility of gold. The Group may enter into forward contracts to hedge its exposure to fluctuations in gold prices and exchange rates on specific transactions. The contracts are matched with anticipated future cash flows from gold sales receipts.

Sensitivity analysis – commodity price

A movement in the average rand gold price during the reporting period of 10% on the Group's revenue exposed to this risk would have increased/(decreased) profit or loss by the amounts shown below. The analysis assumes that all other variables remain constant.

	2024	2023
Average gold spot price received (US\$/oz)	2,021	1,836
Average gold spot price received (ZAR/kg)	1,215,827	1,048,823

Impact on profit after tax

US\$ thousand	As presented	10% increase/ (decrease)
2024	78,826	26,732
2023 (restated)*	60,516	22,633

* Refer to note 40.

Interest rate risk

The Group is exposed to interest rate risk as Funding Company, on behalf of the Group, borrows and invests funds at both fixed and floating interest rates. Fluctuations in interest rates impact short-term investment and financing activities giving rise to interest rate risk. In the ordinary course of business, the Group receives cash proceeds from its operations and is required to fund working capital and capital expenditure requirements. Cash is managed to ensure that surplus funds are invested to maximise returns while ensuring that capital is safeguarded to the maximum extent by only investing with reputable financial institutions. Contractual arrangements for committed borrowing facilities are maintained to meet the Group's normal and contingent funding needs.

Sensitivity analysis – interest rate

The Group's borrowings incur interest based on the JIBAR (refer to note 28). A reasonably possible change in interest rates during the reporting period as noted in the table would have increased/decreased equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

37. FINANCIAL RISK MANAGEMENT continued**37.3 Risks arising from financial instruments** continued**Interest rate risk** continued**Sensitivity analysis – interest rate** continued**Impact on finance costs incurred on borrowings**

US\$ thousand	As presented	10% increase/ (decrease)
2024	11,637	752
2023	6,351	635

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the board, but is delegated to executive management, which has an established liquidity risk management framework for the Group's short-term funding and liquidity requirements. This framework involves daily monitoring of the Group's cash position, regular review of cash flow forecasts and maturity profiles of financial assets and liabilities. Liquidity risk is managed by maintaining adequate working capital reserves and borrowing capacity on banking facilities.

The Group expects to meet its obligations from its operating cash flows and the borrowing capacity on its existing banking facilities.

The following table details the Group's undiscounted contractual maturities for its financial liabilities:

US\$ thousand	Notes	Carrying value	Less than six months	Six to 12 months	Year 2	Year 3	Year 4 and longer ¹	Total contractual cash flows
Group								
June 2024								
Trade and other payables	33	59,308	59,308	–	–	–	–	59,308
Borrowings	28	127,785	10,106	11,602	69,800	23,429	51,787	166,724
Lease liabilities	30	2,949	499	510	787	759	929	3,484
Financial liability	31	703	200	200	400	–	–	800
Derivative financial liability		5	5	–	–	–	–	5
June 2023								
Trade and other payables	33	46,891	46,891	–	–	–	–	46,891
Borrowings	28	53,353	2,582	13,210	5,149	34,345	13,514	68,800
Lease liabilities	30	3,483	343	358	799	671	1,420	3,591
Derivative financial liability		55	55	–	–	–	–	55
Company								
June 2024²								
Trade and other payables	33	355	355	–	–	–	–	355
June 2023								
Trade and other payables	33	378	378	–	–	–	–	378

¹ Final repayment date is 31 July 2029.² In respect of financial guarantees, the maximum possible exposure is the total amount the Company would have to pay if the guarantee is called on. Refer to note 28 for a summary of exposure at reporting date.

NOTES TO THE FINANCIAL STATEMENTS continued

for the reporting period ended 30 June

37. FINANCIAL RISK MANAGEMENT continued**37.3 Risks arising from financial instruments** continued**Fair value of financial instruments**

The directors consider the carrying amounts of financial assets and liabilities to 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 determined 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	Notes	Level 1	Level 2	Level 3	Total
2024					
Investment ¹	19	–	–	3,373	3,373
Environmental rehabilitation obligation fund ²	21	–	24,773	–	24,773
Derivative financial liability		–	(5)	–	(5)
2023					
Environmental rehabilitation obligation fund ¹	21	–	21,627	–	21,627
Derivative financial asset		–	451	–	451
Derivative financial liability		–	(55)	–	(55)

¹ 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.

² The environmental rehabilitation obligation fund is treated as Level 2 per the fair value hierarchy 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.

38. DIRECTORS' AND PRESCRIBED OFFICERS' EMOLUMENTS

The key management personnel for which remuneration has been disclosed below are executive directors, non-executive directors and prescribed officers.

US\$ thousand	GROUP		COMPANY	
	2024	2023	2024	2023
Executive directors				
Emoluments	1,224	1,845	1,224	1,845
Executive directors' emoluments	1,224	1,845	1,224	1,845
Non-executive directors				
Emoluments	335	334	335	334
Non-executive directors' emoluments	335	334	335	334
Total directors' emoluments	1,559	2,179	1,559	2,179

Executive directors

US\$ thousand	Basic remuneration	Allowances	Total remuneration	Incentives ¹	PGLIP ²	Total single figure remuneration ⁵
2024						
Mr JAJ Loots	412	10	422	260	548	1,230
Mr GP Louw	374	–	374	168	449	991
Total	786	10	796	428	997	2,221

US\$ thousand	Basic remuneration	Allowances	Leave payout	Retention payment ³	Total remuneration	Incentives ⁴	PGLIP ²	Total single figure remuneration ⁵
2023								
Mr JAJ Loots	407	10	10	250	677	350	1,043	2,070
Mr GP Louw	370	–	–	222	592	226	855	1,673
Total	777	10	10	472	1,269	576	1,898	3,743

¹ These incentives, paid in the 2024 reporting period, relate to the 2023 annual short-term incentive (STI) achievement consistent with the approved qualifying criteria.

² The PGLIP represents share-based payments. Refer to **note 32**.

³ Retention payments are made in accordance with the employees' employment contracts. Refer to **page 183**.

⁴ These incentives, paid in the 2023 reporting period, relate to the 2022 annual STI achievement consistent with the approved qualifying criteria.

⁵ Total remuneration and incentives represent short-term employee benefits.

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for the reporting period ended 30 June

38. DIRECTORS' AND PRESCRIBED OFFICERS' EMOLUMENTS continued**Non-executive directors**

Non-executive directors are entitled to the following emoluments as approved annually by Remco for services rendered, which are based on the subcommittees on which they serve:

US\$ thousand	Mr KC Spencer (Chairman)	Mrs D Earp	Mr TF Mosololi	Mr CDS Needham	Mrs YN Themba	Total
2024						
Board of directors	72	36	36	36	36	216
Remuneration committee	–	–	7	7	11	25
Audit and risk committee	–	15	9	9	–	33
Safety, health, environment and quality (SHEQ) committee	11	7	–	–	–	18
Nomination committee	5	5	5	5	5	25
Social and ethics committee	–	–	11	–	7	18
	88	63	68	57	59	335
2023						
Board of directors	72	36	36	36	36	216
Remuneration committee	–	–	7	7	11	25
Audit and risk committee	–	14	9	9	–	32
SHEQ committee	11	7	–	–	–	18
Nomination committee	5	5	5	5	5	25
Social and ethics committee	–	–	11	–	7	18
	88	62	68	57	59	334

There were no changes to the board of directors in the current or previous reporting period.

No retirement fund contributions are made by the Company on behalf of non-executive directors.

The Group has directors' and public officers' liability insurance in place that provides insurance cover in the event of a claim or legal action. The insurance cover was in place throughout each reporting period and remains in place.

38. DIRECTORS' AND PRESCRIBED OFFICERS' EMOLUMENTS continued**Prescribed officers**

The following payments were made to prescribed officers during the reporting period:

US\$ thousand	2024							Total single figure remune- ration ¹
	Basic remune- ration	Retire- ment fund	Life and disability plan	Allow- ances	Total remune- ration	Incentives	PGLIP	
Mr JD Symington	193	–	–	6	199	56	109	364
Mr H Pretorius	172	23	4	4	203	56	81	340
Mr J Irons	172	6	–	11	189	54	124	367
Mr EB Thorne ²	194	–	–	21	215	56	–	271
Mrs M Kok	168	27	4	–	199	41	89	329
	899	56	8	42	1,005	263	403	1,671

US\$ thousand	2023							Total single figure remune- ration ¹	
	Basic remune- ration	Retire- ment fund	Life and disability plan	Allow- ances	Leave payout	Total remune- ration	Incentives		PGLIP
Mr JD Symington	191	–	–	7	–	198	68	207	473
Mr H Pretorius	170	23	4	4	–	201	56	121	378
Mr J Irons	170	6	–	11	10	197	67	236	500
Mr EB Thorne ²	192	–	–	12	–	204	–	–	204
Mrs M Kok	127	17	3	1	8	156	54	–	210
	850	46	7	35	18	956	245	564	1,765

¹ Total remuneration and incentives represent short-term employee benefits. The PGLIP represents share-based payments.

² Mr EB Thorne resigned effective 31 July 2024.

NOTES TO THE FINANCIAL STATEMENTS continued

for the reporting period ended 30 June

38. DIRECTORS' AND PRESCRIBED OFFICERS' EMOLUMENTS continued**Directors' dealings in shares**

All the shares held by directors are direct beneficial interests.

Reporting period 30 June 2024

Mr JAJ Loots entered into the following Company share transactions:

- On 10 October 2023: LTS Ventures Proprietary Limited, an entity associated with Mr JAJ 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 27 June 2024: disposed of 300,000 ordinary shares of 1 pence each.
- 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 5,000,000 shares pledged as security for the loan and the dividend on these secured shares sacrificed for the loan's tenure.

Mr JAJ 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 (CFDs) at 30 June 2024.

Mr GP 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.
- On 28 June 2024: transferred 2,000,000 ordinary shares from Figit Proprietary Limited, an entity associated with Mr Louw, into his own name, entered into a collar transaction for 2,000,000 ordinary shares of 1 pence each, purchased 728,254 ordinary shares at 1 pence each, and the advance of a loan of ZAR11,122,505 for a term of one year with 2,000,000 shares pledged as security for the loan and the dividend on these secured shares sacrificed for the loan's tenure.

Mr GP 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.

Mr TF Mosololi held 160,000 shares, representing 0.0072% of the Company's issued share capital at 30 June 2024.

Mr KC Spencer held 3,000,000 shares, representing 0.1342% of the total issued shares of the Company at 30 June 2024.

Mr CDS Needham held 25,000 shares, representing 0.001% of the total issued shares of the Company at 30 June 2024.

No dealings in the securities of the Company by the directors took place between the reporting date and the date of approval of the annual financial statements.

38. DIRECTORS' AND PRESCRIBED OFFICERS' EMOLUMENTS continued**Reporting period 30 June 2023**

Mr JAJ Loots entered into the following Company share transactions:

- On 26 May 2023: purchased 200,000 ordinary shares at GBP0.132 and 200,000 CFDs at GBP0.1377.

Mr JAJ Loots held 5,048,504 indirect beneficial shares, representing 0.2271% of the Company's issued share capital, and 1,873,982 direct beneficial shares, representing 0.0843% of the Company's issued share capital and 314,280 CFDs at 30 June 2023.

Mr GP Louw entered into the following Company share transactions:

- On 26 May 2023: purchased 230,000 ordinary shares at VWAP ZAR3.2913.

Mr GP Louw held 3,122,349 indirect beneficial shares, representing 0.1405% of the Company's issued share capital, and 998,112 direct beneficial shares outstanding, representing 0.0445% of the Company's issued share capital at 30 June 2023.

Mr TF Mosololi held 160,000 shares, representing 0.0072% of the Company's issued share capital at 30 June 2023.

Mr KC Spencer held 3,000,000 shares, representing 0.1342% of the total issued shares of the Company at 30 June 2023.

Mr CDS Needham held 25,000 shares, representing 0.001% of the total issued shares of the Company at 30 June 2023.

No dealings in the securities of the Company by the directors took place between the reporting date and the date of approval of the annual financial statements.

Prescribed officers' dealings in shares

All the shares held by prescribed officers are direct beneficial interests.

Reporting period 30 June 2024

Mr JD Symington entered into the following Company share transactions:

- On 9 November 2023: purchased 10,000 ordinary shares at 1 pence each.
- On 10 November 2023: purchased 20,000 ordinary shares at 1 pence each.

Mr JD Symington held 30,000 direct beneficial shares, representing 0.0013% of the Company's issued share capital at 30 June 2024.

Mrs M Kok entered into the following Company share transactions:

- On 7 November 2023: purchased 10,000 ordinary shares at 1 pence each.
- On 9 November 2023: purchased 15,000 ordinary shares at 1 pence each.

Mrs M Kok held 25,000 direct beneficial shares, representing 0.0011% of the Company's issued share capital at 30 June 2024.

Mr EB Thorne entered into the following Company share transactions:

- On 3 November 2023: purchased 6,900 ordinary shares at 1 pence each.
- On 7 November 2023: purchased 10,000 ordinary shares at 1 pence each.

Mr EB Thorne held 6,900 direct beneficial shares, representing 0.0003% of the Company's issued share capital at 30 June 2024.

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for the reporting period ended 30 June

38. DIRECTORS' AND PRESCRIBED OFFICERS' EMOLUMENTS continued**LTI scheme****Shares granted but not yet vested**

These are cash-settled shares issued under the PGLIP scheme. These shares receive dividends only if the specified measurement criteria are fulfilled at the end of a three-year measurement period.

Participants	Total number of shares 1 July 2023	Grant date	Issued during the reporting period	Dividend measurement date	Forfeited/repurchased during the reporting period	Total number of shares 30 June 2024
Mr JAJ Loots						
– PAR Gold E shares	2,337,972	1 July 2021	–	1 July 2024	–	2,337,972
– PAR Gold F shares	2,190,419	1 July 2022	–	1 July 2025	–	2,190,419
– PAR Gold G shares	–	1 July 2023	2,711,080	1 July 2026	–	2,711,080
– PAR Gold H shares	–	1 July 2023	2,845,841	1 July 2026	–	2,845,841
Mr GP Louw						
– PAR Gold E shares	1,916,851	1 July 2021	–	1 July 2024	–	1,916,851
– PAR Gold F shares	1,795,876	1 July 2022	–	1 July 2025	–	1,795,876
– PAR Gold G shares	–	1 July 2023	2,222,754	1 July 2026	–	2,222,754
– PAR Gold H shares	–	1 July 2023	2,138,805	1 July 2026	–	2,138,805
Mr JD Symington						
– PAR Gold E shares	610,492	1 July 2021	–	1 July 2024	–	610,492
– PAR Gold F shares	636,363	1 July 2022	–	1 July 2025	–	636,363
– PAR Gold G shares	–	1 July 2023	787,627	1 July 2026	–	787,627
– PAR Gold H shares	–	1 July 2023	723,431	1 July 2026	–	723,431
Mr H Pretorius						
– PAR Gold E shares	438,791	1 July 2021	–	1 July 2024	–	438,791
– PAR Gold F shares	636,363	1 July 2022	–	1 July 2025	–	636,363
– PAR Gold G shares	–	1 July 2023	787,627	1 July 2026	–	787,627
– PAR Gold H shares	–	1 July 2023	878,451	1 July 2026	–	878,451
Mr J Irons						
– PAR Gold E shares	528,645	1 July 2021	–	1 July 2024	–	528,645
– PAR Gold F shares	540,909	1 July 2022	–	1 July 2025	–	540,909
– PAR Gold G shares	–	1 July 2023	669,483	1 July 2026	–	669,483
– PAR Gold H shares	–	1 July 2023	1,335,246	1 July 2026	–	1,335,246
Mrs M Kok						
– PAR Gold E shares	427,526	1 July 2021	–	1 July 2024	–	427,526
– PAR Gold F shares	413,637	1 July 2022	–	1 July 2025	–	413,637
– PAR Gold G shares	–	1 July 2023	787,627	1 July 2026	–	787,627
– PAR Gold H shares	–	1 July 2023	981,799	1 July 2026	–	981,799
Mr EB Thorne						
– PAR Gold F shares	636,363	1 July 2022	–	1 July 2025	–	636,363
– PAR Gold G shares	–	1 July 2023	787,627	1 July 2026	–	787,627
– PAR Gold H shares	–	1 July 2023	723,431	1 July 2026	–	723,431
Total number of shares not yet vested	13,110,207		18,380,829		–	31,491,036

38. DIRECTORS' AND PRESCRIBED OFFICERS' EMOLUMENTS continued**LTI scheme** continued**Vested shares**

Participants	Total number of shares 1 July 2023	Grant date	Issued during the reporting period	Dividend measurement date	Forfeited/repurchased during the reporting period	Total number of shares 30 June 2024
Mr JAJ Loots						
– PAR Gold B shares	17,107,580	1 July 2020	–	31 December 2021	(17,107,580)	–
– PAR Gold C shares	4,434,380	1 July 2019	–	1 July 2022	(4,434,380)	–
– PAR Gold D shares	2,848,556	1 July 2021	–	1 July 2023	(2,848,556)	–
Mr GP Louw						
– PAR Gold B shares	11,523,153	1 July 2020	–	31 December 2021	(11,523,153)	–
– PAR Gold C shares	3,635,648	1 July 2019	–	1 July 2022	(3,635,648)	–
– PAR Gold D shares	2,335,468	1 July 2021	–	1 July 2023	(2,335,468)	–
Mr JD Symington						
– PAR Gold B shares	2,920,661	1 July 2020	–	31 December 2021	(2,920,661)	–
– PAR Gold C shares	881,227	1 July 2019	–	1 July 2022	(881,227)	–
– PAR Gold D shares	566,082	1 July 2021	–	1 July 2023	(566,082)	–
Mr H Pretorius						
– PAR Gold B shares	1,152,893	1 July 2020	–	31 December 2021	(1,152,893)	–
– PAR Gold C shares	514,093	1 July 2019	–	1 July 2022	(514,093)	–
– PAR Gold D shares	420,057	1 July 2021	–	1 July 2023	(420,057)	–
Mr J Irons						
– PAR Gold B shares	3,766,116	1 July 2020	–	31 December 2021	(3,766,116)	–
– PAR Gold C shares	1,002,668	1 July 2019	–	1 July 2022	(1,002,668)	–
– PAR Gold D shares	644,093	1 July 2021	–	1 July 2023	(644,093)	–
Mrs M Kok						
– PAR Gold D shares	462,781	1 July 2020	–	1 July 2023	(462,781)	–
Total number of vested shares	54,215,456		–		(54,215,456)	–

The vested shares were repurchased at a nominal amount and cancelled by PAR Gold during the current reporting period.

NOTES TO THE FINANCIAL STATEMENTS continued

for the reporting period ended 30 June

39. RELATED PARTY TRANSACTIONS

US\$ thousand	2024								2024										
	Company	Funding Company	PAR Management Services	Barberton Mines	Evander Mines ¹	Evander Gold Mines	PAR SA Holdings	PAR Gold	K Company	Evander Solar Solutions	Project Kite ³	PAR Properties	Concrete Rose	Barberton Blue	MTR	Mogale Gold	MSC	Pan African Resources Minerals – Sudan	Pan African Resources Minerals – Dubai
Transactions																			
Management fee received/(paid)	8,688	(213)	9,527	(5,528)	(5,637)	-	-	-	-	(428)	(16)	-	-	(64)	(6,169)	-	-	(160)	-
Dividends received from/(paid to) fellow Group companies ²	10,044	-	-	(12,969)	-	-	-	2,925	-	-	-	-	-	-	-	-	-	-	-
Intra-Group finance income/(costs)	-	9,041	(2,698)	3,495	(3,705)	-	-	-	(36)	(1,551)	(162)	-	-	(465)	(3,919)	-	-	-	-
Revenue	-	-	-	-	-	-	-	-	-	1,661	-	-	-	-	-	-	-	-	-
Cost of production	-	-	-	-	(1,661)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gold purchases from Evander Gold Mines Proprietary Limited	-	-	-	-	(105,581)	105,581	-	-	-	-	-	-	-	-	-	-	-	-	-
Cost of gold production income invoiced to Evander Mines	-	-	-	-	(104,536)	104,536	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances																			
Company receivables/(payables)	51,731	(35,362)	(25,507)	-	-	-	-	14,840	-	-	-	-	-	-	-	-	-	(5,702)	-
Funding Company receivables/(payables)	35,362	79,110	(33,071)	80,012	(62,747)	-	6	4,142	(332)	(19,070)	(1,558)	(209)	4	(4,838)	(76,811)	-	-	-	-
PAR Management Services receivables/(payables)	25,507	33,071	(2,409)	(26,773)	(29,893)	-	-	9,171	-	(852)	(19)	(4)	-	(76)	(7,247)	-	-	(476)	-
Barberton Mines receivables/(payables)	-	-	-	531	-	-	-	-	-	(531)	-	-	-	-	-	-	-	-	-
Evander Mines receivables/(payables)	-	-	-	-	(58,884)	58,884	-	-	-	-	-	-	-	-	-	-	-	-	-
MTR project receivables/(payables)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12,033	(11,936)	(97)	-	-

¹ Evander Gold Mines Limited and Evander Gold Mining Proprietary Limited are collectively referred to as Evander Mines due to an interim mining arrangement being in place since 1 March 2013, and until such time that the intra-Group mining right transfer occurs.

² Dividends received from subsidiaries related to the PAR Gold reciprocal dividend. Refer to the statement of changes in equity and additional disclosures relating to PAR Gold in **note 20**.

³ Project Kite relates to an agricultural Group project which is held in a previously dormant Group entity.



NOTES TO THE FINANCIAL STATEMENTS continued

for the reporting period ended 30 June

39. RELATED PARTY TRANSACTIONS continued

US\$ thousand	2023								2023								Pan African Resources Minerals – Sudan	Pan African Resources Minerals – Dubai		
	Company	Funding Company	PAR Management Services	Barberton Mines	Evander Mines ¹	Evander Gold Mines	PAR SA Holdings	PAR Gold	K Company	Evander Solar Solutions	Project Kite ³	PAR Properties	Concrete Rose	Barberton Blue	MTR	Mogale Gold			MSC	
Transactions																				
Management fee received/(paid)	4,645	(113)	7,417	(5,490)*	(3,471)	–	–	–	–	(169)	(34)	–	–	(68)	(235)	–	–	(169)	–	
Dividends received from/(paid to) fellow Group companies ²	9,801*	–	–	(12,904)	–	–	–	3,103	–	–	–	–	–	–	–	–	–	–	–	
Intra-Group finance income/(costs)	–	4,651	(2,915)	2,166	(2,519)	–	–	–	(29)	(299)	(140)	–	–	(383)	(532)	–	–	–	–	
Revenue	–	–	–	–	–	–	–	–	–	2,198	–	–	–	–	–	–	–	–	–	
Cost of production	–	–	–	–	(2,198)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Gold purchases from Evander Gold Mines Proprietary Limited	–	–	–	–	(93,986)	93,986	–	–	–	–	–	–	–	–	–	–	–	–	–	
Cost of gold production income invoiced to Evander Mines	–	–	–	–	93,055	(93,055)	–	–	–	–	–	–	–	–	–	–	–	–	–	
Balances																				
Company receivables/(payables)	61,059	(52,309)	(14,757)	–	(4)	–	–	10,369	–	–	–	–	–	–	–	–	–	(4,358)	–	
Funding Company receivables/(payables)	52,309	(2,708)	(35,603)	61,961	(51,590)	–	6	2,926	(285)	(8,278)	(1,286)	(14)	4	(3,779)	(13,663)	–	–	–	–	
PAR Management Services receivables/(payables)	14,757	35,603	(2,398)	(25,503)	(28,259)	–	–	6,650	–	(518)	(37)	(4)	–	(73)	–	–	–	(218)	–	
Barberton Mines receivables/(payables)	–	–	–	883	–	–	–	–	–	(883)	–	–	–	–	–	–	–	–	–	
Evander Mines receivables/(payables)	–	–	–	–	(55,854)	55,688	–	–	–	166	–	–	–	–	–	–	–	–	–	
MTR project receivables/(payables)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	11,312	(11,221)	(91)	–	–	

* These amounts were previously disclosed net of capitalised related party costs.

¹ Evander Gold Mines Limited and Evander Gold Mining Proprietary Limited are collectively referred to as Evander Mines due to an interim mining arrangement being in place since 1 March 2013, and until such time that the intra-Group mining right transfer occurs.² Dividends received from subsidiaries related to the PAR Gold reciprocal dividend. Refer to the statement of changes in equity and additional disclosures relating to PAR Gold in **note 20**.³ Project Kite relates to an agricultural Group project which is held in a previously dormant Group entity.Refer to investments in subsidiaries (**note 20**) for the relationships of the related parties to the Company.All key management personnel involved in related party transactions are directors and prescribed officers whose remuneration is disclosed in **note 38**.

Intra-Group loans provided by Funding Company have no specific repayment terms but bear interest in relation to treasury services rendered.

NOTES TO THE FINANCIAL STATEMENTS continued

for the reporting period ended 30 June

40. CORRECTION OF PRIOR PERIOD ERRORS**40.1 Gold sales – timing of revenue recognition**

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 of the previous revenue recognition treatment resulted in the Group recognising revenue for the respective period then ended, 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 had previously 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 2023 reporting period. In addition, the opening statement of financial position on 1 July 2022 has also been restated. The following tables below summarise the impacts on the Group's financial statements. There was no impact on the Company's financial statements.

40.2 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 impacted the purchase price allocated to assets acquired and liabilities assumed based on their relative fair values. The restatement resulted in no change in the net asset value acquired, however, the fair value allocated to the environmental obligation and long-term inventory at acquisition were understated by US\$4.3 million in Mogale Gold and US\$2.4 million in MSC, respectively. The following tables summarise the impacts on the Group's financial statements. There was no impact on the Company's financial statements.

40.3 Impact of prior period errors**Statement of financial position**

US\$ thousand	GROUP			
	As previously presented 30 June 2022	Increase/(decrease)		Restated 1 July 2022
		40.1 Gold sales	40.2 Rehabilitation obligation	
Long-term inventory	355,802	–	–	355,802
Inventory	9,977	5,139	–	15,116
Trade and other receivables	17,275	(7,952)	–	9,323
Current tax assets	751	(26)	–	725
Others	73,287	–	–	73,287
Total assets	457,092	(2,839)	–	454,253
Environmental rehabilitation obligations	8,603	–	–	8,603
Deferred tax liabilities	53,781	(415)	–	53,366
Others	100,099	–	–	100,099
Total liabilities	162,483	(415)	–	162,068
Retained earnings	264,840	(2,593)	–	262,247
Reserves	(243,125)	169	–	(242,956)
Others	272,894	–	–	272,894
Total equity	294,609	(2,424)	–	292,185

40. CORRECTION OF PRIOR PERIOD ERRORS continued**40.3 Impact of prior period errors** continued**Statement of financial position** continued

US\$ thousand	GROUP			
	As previously presented 30 June 2023	Increase/(decrease)		Restated 30 June 2023
		40.1 Gold sales	40.2 Rehabilitation obligation	
Long-term inventory	5,992	–	6,128	12,120
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	468,906	–	–	468,906
Total assets	500,939	(2,340)	6,128	504,727
Environmental rehabilitation obligations	10,085	–	6,656	16,741
Deferred tax liabilities	64,573	(228)	–	64,345
Others	131,685	–	–	131,685
Total liabilities	206,343	(228)	6,656	212,771
Retained earnings	306,004	(2,251)	(563)	303,190
Reserves	(283,946)	139	35	(283,772)
Others	272,538	–	–	272,538
Total equity	294,596	(2,112)	(528)	291,956

NOTES TO THE FINANCIAL STATEMENTS continued

for the reporting period ended 30 June

40. CORRECTION OF PRIOR PERIOD ERRORS continued**40.3 Impact of prior period errors** continued**Statement of profit or loss and other comprehensive income**

US\$ thousand	GROUP			
	As previously presented 30 June 2023	Increase/(decrease)		Restated 30 June 2023
		40.1 Gold sales	40.2 Rehabilitation obligation	
Revenue	321,606	(1,714)	–	319,892
Cost of production	(219,189)	(98)	–	(219,287)
Gross profit	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)
Income before finance income and finance costs	94,107	75	–	94,182
Finance income	1,139	–	–	1,139
Finance costs	(9,692)	–	(563)	(10,255)
Profit before tax	85,554	75	(563)	85,066
Income tax expense	(24,817)	267	–	(24,550)
Profit for the period	60,737	342	(563)	60,516
Other comprehensive (loss)/income				
Items that may be reclassified to profit or loss				
Foreign currency translation (loss)/gain	(40,978)	(30)	35	(40,973)
Items that may not be reclassified to profit or loss				
Fair value adjustment on investment at fair value through other comprehensive income	1,563	–	–	1,563
Tax thereon	(1,360)	–	–	(1,360)
Other comprehensive (loss)/income for the period, net of tax	(40,775)	(30)	35	(40,770)
Total comprehensive income/(loss) for the period	19,962	312	(528)	19,746
Profit/(loss) attributable to:	60,737	342	(563)	60,516
Owners of the Company	61,139	342	(563)	60,918
Non-controlling interests	(402)	–	–	(402)
Total comprehensive income/(loss) attributable to:	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

The above errors had no impact on the statement of cashflows other than for updating of supporting notes.

41. COMMITMENTS

The Company entered into a power purchase agreement (PPA) with Sturdee Energy in the previous reporting period. The PPA is for the supply of wheeled power for 10 years, with the option to extend it for another five years. The PPA was assessed to be an executory contract in both the previous and current reporting period.

The Group had contracted outstanding open orders at the reporting date of US\$35.1 million (2023: US\$34.4 million).

Board-approved commitments for the next reporting date, not yet contracted for, amount to US\$67.6 million (2023: US\$155.6 million).

42. CONTINGENT LIABILITIES

The Group identified no material contingent liabilities in the current or previous reporting period.

43. 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% decrease in forecast 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.

44. EVENTS AFTER THE REPORTING PERIOD**Capital reduction**

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 and not on functional currency amounts. It came to the board's attention that the foreign currency translation reserve does not form part of the Company's undistributable reserves, despite not being realised, and as such cannot be included as undistributable reserves when carrying out 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 have been made otherwise than in accordance with the Companies Act 2006.

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 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, the Company'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.

Pan African has again significantly expanded its shareholder base in the past year.

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SHAREHOLDERS' ANALYSIS

for the year ended 30 June 2024

Register date: 28 June 2024
Issued share capital: 2,222,862,046 shares

SHAREHOLDER SPREAD

	2024				2023			
	Number of share-holders	%	Number of shares	%	Number of share-holders	%	Number of shares	%
1 – 1,000 shares	6,678	59.90	781,333	0.04	4,937	52.01	768,436	0.04
1,001 – 10,000 shares	2,179	19.54	9,683,416	0.44	2,216	23.34	9,630,796	0.43
10,001 – 100,000 shares	1,545	13.86	52,780,802	2.37	1,655	17.43	56,664,701	2.55
100,001 – 1,000,000 shares	521	4.67	171,282,075	7.71	495	5.21	159,826,334	7.19
1,000,001 shares and over	226	2.03	1,988,334,420	89.44	190	2.01	1,995,971,779	89.79
Total	11,149	100.00	2,222,862,046	100.00	9,493	100.00	2,222,862,046	100.00

DISTRIBUTION OF SHAREHOLDERS

	2024				2023			
	Number of share-holders	%	Number of shares	%	Number of share-holders	%	Number of shares	%
Banks	284	2.55	798,897,925	35.94	255	2.69	828,707,727	37.28
Brokers	22	0.20	55,522,329	2.50	26	0.27	56,299,843	2.53
Close corporations	38	0.34	1,884,529	0.08	39	0.41	2,509,203	0.11
Endowment funds	27	0.24	8,676,718	0.39	20	0.21	10,528,716	0.47
Hedge funds	6	0.05	2,490,601	0.11	–	–	–	–
Individuals	7,887	70.74	92,484,616	4.16	7,979	84.05	101,161,142	4.55
Insurance companies	54	0.48	32,273,760	1.45	24	0.25	31,359,043	1.41
Investment companies	9	0.08	1,074,844	0.05	10	0.11	1,186,658	0.05
Medical aid schemes	10	0.09	6,759,362	0.30	6	0.06	6,286,585	0.28
Mutual funds	252	2.26	533,885,173	24.02	177	1.86	506,004,728	22.76
Nominees and trusts	266	2.39	17,684,013	0.80	268	2.82	17,878,575	0.80
Other corporations	38	0.34	1,242,621	0.06	46	0.48	942,318	0.04
Pension funds	2,132	19.12	342,927,635	15.43	511	5.38	326,557,426	14.70
Private companies	115	1.03	324,013,977	14.58	125	1.33	330,514,591	14.88
Public companies	9	0.09	3,043,943	0.13	7	0.08	2,925,491	0.14
Total	11,149	100.00	2,222,862,046	100.00	9,493	100.00	2,222,862,046	100.00

PUBLIC/NON-PUBLIC SHAREHOLDERS

	2024				2023			
	Number of share-holders	%	Number of shares	%	Number of share-holders	%	Number of shares	%
Non-public shareholders	12	0.11	674,002,820	30.32	13	0.14	721,371,735	32.45
Directors	10	0.09	15,628,693	0.70	11	0.12	14,217,947	0.64
Strategic holders (more than 10%)	2	0.02	658,374,127	29.62	2	0.02	707,153,788	31.81
Public shareholders	11,137	99.89	1,548,859,226	69.68	9,480	99.86	1,501,490,311	67.55
Total	11,149	100.00	2,222,862,046	100.00	9,493	100.00	2,222,862,046	100.00

BENEFICIAL SHAREHOLDERS' HOLDING OF 3% OR MORE

	2024		2023	
	Number of shares	%	Number of shares	%
PAR Gold	306,358,058	13.78	306,358,058	13.78
South African state-controlled entities	231,656,226	10.42	228,671,312	10.29
Allan Gray Balanced Fund	124,509,922	5.60	145,358,460	6.54
LF Ruffer Gold Fund	–	–	94,424,183	4.25

SHAREHOLDERS' HOLDING OF 5% OR MORE

	2024		2023	
	Number of shares	%	Number of shares	%
Allan Gray Investment Management	352,016,069	15.84	400,795,730	18.03
PAR Gold	306,358,058	13.78	306,358,058	13.78
MandG Investment Managers Proprietary Limited	129,075,629	5.81	127,885,647	5.75

ALTERNATIVE PERFORMANCE MEASURES

INTRODUCTION

When assessing and discussing Pan African's reported financial performance, financial position and cash flows, management makes reference to alternative performance measures (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 annual financial statements which have been prepared in accordance with IFRS Accounting Standards. Certain financial measures cannot be directly derived from the annual 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 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 performance of the Group.
- **Ratios:** Ratios may be calculated using any of the APMs referred to above, IFRS Accounting Standards measures or a combination of APMs and IFRS Accounting Standards measures. APMs are not uniformly defined by all companies and may not be comparable with APM disclosures made by other companies, and they exclude:
 - measures defined or specified by an applicable reporting framework such as revenue, profit or loss or earnings per share

- physical or non-financial measures such as number of employees, number of subscribers, revenue per unit measure (when the revenue figures are extracted directly from the annual financial statements) or social and environmental measures such as gas emissions, breakdown of workforce by contract or geographical location
- information on major shareholdings, acquisition or disposal of own shares and total number of voting rights
- information to explain the compliance with the terms of an agreement or legislative requirements such as lending covenants or the basis of calculating director or executive remuneration.

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.

PURPOSE OF APMs

The Group uses APMs to improve the comparability of information between reporting periods and reporting segments by adjusting for uncontrollable or once-off factors which impact IFRS Accounting Standards measurements and disclosures to aid the user of the integrated annual report in understanding the activity taking place across the Group's portfolio. The directors are responsible for preparing and ensuring the APMs comply with Practice Note 4/2019 (Performance Measures) of the JSE Listings Requirements.

Their use is driven by characteristics particularly visible in the mining sector.

- **Earnings volatility:** The sector is characterised by significant volatility in earnings driven by movements in macroeconomic factors, primarily commodity prices and foreign exchange rates.

This volatility is outside the control of management and can mask underlying changes in performance. As such, when comparing year-on-year performance, management excludes certain non-recurring items to aid comparability and then quantifies and isolates uncontrollable factors to improve understanding of the controllable portion of variances.

- **Nature of investment:** Investments in the sector are typically capital-intensive and occur over several years requiring significant funding before generating cash. These investments are often made through debt and equity providers, and the nature of the Group's ownership interest affects how the financial results of these operations are reflected in the Group's results, for example, whether full consolidation (subsidiaries), consolidation of the Group's attributable assets and liabilities (joint operations) or equity-accounted (associates and joint ventures).
- **Portfolio complexity:** At year-end, the Group's operating portfolio remains largely in commodities, mainly gold, which accounts for 99.7% of the Group's revenue at year-end. The cost, value of and return from each saleable unit (such as tonne or ounce) therefore does not differ materially between each operating business. This makes understanding both the overall portfolio performance and the relative performance of each mining operation on a like-for-like basis less challenging.

Consequently, APMs are used by the board and management for planning and reporting. A subset is also used by management in setting director and management remuneration. The measures are also used in discussions with the investment analyst community and credit rating agencies.

Financial APMs

Group APM	Related IFRS Accounting Standards measure	Adjustments to reconcile to primary statements	Rationale for adjustment
Performance			
All-in sustaining costs (AISC)	Cost of production	<ul style="list-style-type: none"> • 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 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 cost	Cost of production	<ul style="list-style-type: none"> • 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"> • Taxation • Depreciation and amortisation • Net finance costs • Impairment loss or impairment reversals 	Excludes the impact of non-recurring items or certain accounting adjustments that can mask underlying changes in performance
Net adjusted EBITDA	Profit after tax	<ul style="list-style-type: none"> • Taxation • Depreciation and amortisation • Net finance costs • Impairment loss or impairment reversals • Unrealised fair value gains or losses on financial derivative instruments undertaken in the normal course of business 	Excludes the impact of non-recurring items or certain accounting adjustments that can mask underlying changes in performance
Free cash flow	Profit after tax	<ul style="list-style-type: none"> • Taxation • Depreciation and amortisation • Net finance costs • Impairment loss or impairment reversals • Profit/loss after tax from discontinued operations • Unrealised fair value gains or losses on financial derivative instruments undertaken in the normal course of business • Adjusted for working capital changes • Adjusted for non-cash flow items as determined in accordance with IAS 7 • Less capital expenditure funded through permitted indebtedness • Less tax paid 	Reflects available cash flow to service debt obligations
Levered free cash flow	Profit after tax	<ul style="list-style-type: none"> • Taxation • Depreciation and amortisation • Net finance costs • Impairment loss or impairment reversals <p>Adjusted for:</p> <ul style="list-style-type: none"> • Finance costs paid • Income tax paid • Net working capital changes • Capital expenditure • Proceeds from borrowings • Repayment of borrowings 	Reflects available cash flow to service debt obligations

ALTERNATIVE PERFORMANCE MEASURES continued

Group APM	Related IFRS Accounting Standards measure	Adjustments to reconcile to primary statements	Rationale for adjustment
Headline earnings	Profit after tax	<ul style="list-style-type: none"> Profit on disposal of property, plant and equipment Tax on profit on disposal of property, plant and equipment and mineral rights Impairment or impairment reversals Tax on impairment or impairment reversals 	Indicates the extent of the Group's normalised earnings to shareholders based on SAICA's Circular 2021/1
Statement of financial position			
Net debt	Borrowings from financial institutions less cash and related hedges	<ul style="list-style-type: none"> IFRS 9 accounting adjustments IFRS 16 lease liabilities Restricted cash Instalment sale obligations 	Excludes the impact of accounting adjustments from the net debt obligations of the Group Refer to note 37
Net senior debt	Borrowings from financial institutions less cash	<ul style="list-style-type: none"> IFRS 9 accounting adjustments IFRS 16 lease liabilities Restricted cash Instalment sale obligations 	Excludes the impact of accounting adjustments from the net debt obligations of the Group

All-in sustaining costs

Incorporates costs related to sustaining current production. AISC are defined by the World Gold Council as operating costs plus 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 operational production table on **pages 104** and **105**. A kilogramme of gold is converted to an ounce of gold at a ratio of 1:32.1509.

The following tables set 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 104** and **105**.

Year ended 30 June 2024 ZAR million	Mining operations			Tailings operations				Total operations		
	Bar- berton Mines	Evander Mines	Total	BTRP	Evander Mines' surface sources	Elikhulu	Total	Bar- berton Mines total ¹	Evander Mines total ¹	Group total ¹
Cost of production	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
All-in sustaining costs¹	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
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
All-in costs¹	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

¹ This total may not reflect the sum of the line items due to rounding.

ALTERNATIVE PERFORMANCE MEASURES continued

Year ended 30 June 2023 ZAR million ¹	Mining operations			Tailings operations				Total operations		
	Bar- berton Mines	Evander Mines	Total	BTRP	Evander Mines' surface sources	Elikhulu	Total	Bar- berton Mines total ¹	Evander Mines total ¹	Group total ¹
Cost of production	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
All-in sustaining costs²	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
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
All-in costs²	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

¹ This table has been restated due to prior period adjustments, refer to note 40.

² This total may not reflect the sum of the line items due to rounding.

Year ended 30 June 2024	Unit	Mining operations			Tailings operations				Total operations		
		Bar- berton Mines	Evander Mines	Total	BTRP	Evander Mines' surface sources	Elikhulu	Total	Bar- berton Mines total ¹	Evander Mines total ¹	Group total ¹
Gold sold	kg	2,200	1,197	3,397	586	80	1,688	2,354	2,786	2,965	5,751
Gold sold	oz	70,732	38,477	109,209	18,827	2,584	54,265	75,676	89,559	95,326	184,885
Average exchange rate	US\$/ZAR	18.71	18.71	18.71	18.71	18.71	18.71	18.71	18.71	18.71	18.71
Cost of production	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
ZAR cash cost	ZAR/kg	896,195	745,000	842,925	388,448	1,307,958	563,605	545,443	789,455	656,999	721,161
US\$ cash cost	US\$/oz	1,490	1,238	1,401	646	2,174	937	907	1,312	1,092	1,199
All-in sustaining costs	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
ZAR AISC	ZAR/kg	1,068,831	785,928	969,157	402,151	1,307,957	621,943	590,685	928,680	706,729	814,243
US\$ AISC	US\$/oz	1,777	1,307	1,611	669	2,174	1,034	982	1,544	1,175	1,354
All-in costs	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
ZAR AIC	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
US\$ AIC	US\$/oz	1,923	2,719	2,203	672	2,174	1,300	1,174	1,660	1,896	1,782

¹ This total may not reflect the sum of the line items due to rounding.

Year ended 30 June 2023 ¹	Unit	Mining operations			Tailings operations				Total operations		
		Bar- berton Mines	Evander Mines	Total	BTRP	Evander Mines' surface sources	Elikhulu	Total	Bar- berton Mines total ¹	Evander Mines total ¹	Group total ¹
Gold sold	kg	2,020	1,023	3,043	625	215	1,598	2,438	2,645	2,836	5,481
Gold sold	oz	64,941	32,898	97,839	20,087	6,919	51,371	78,377	85,028	91,188	176,216
Average exchange rate	US\$/ZAR	17.77	17.77	17.77	17.77	17.77	17.77	17.77	17.77	17.77	17.77
Cost of production	ZAR million	1,647.9	624.3	2,272.2	252.2	201.8	830.9	1,284.9	1,900.1	1,657.1	3,557.2
ZAR cash cost	ZAR/kg	815,858	610,129	746,682	403,671	937,904	520,041	527,104	718,481	584,247	649,018
US\$ cash cost	US\$/oz	1,428	1,068	1,307	707	1,642	910	923	1,258	1,023	1,136
All-in sustaining costs	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
ZAR AISC	ZAR/kg	1,028,634	635,728	896,519	412,041	981,522	565,106	562,636	882,967	622,180	748,015
US\$ AISC	US\$/oz	1,800	1,113	1,569	721	1,718	989	985	1,545	1,089	1,309
All-in costs	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
ZAR AIC	ZAR/kg	1,051,737	1,689,006	1,266,019	422,281	981,522	755,697	690,180	903,031	1,109,545	1,009,898
US\$ AIC	US\$/oz	1,841	2,956	2,216	739	1,718	1,323	1,208	1,581	1,942	1,768

¹ This table has been restated due to prior period adjustments, refer to note 40.

ALTERNATIVE PERFORMANCE MEASURES continued**Sustaining capital**

Sustaining capital is the capital needed to sustain the current production base.

Expansion capital

Expansion capital relates to capital expenditure for the growth of the production base.

		Sustaining capital		Expansion capital		Total capital	
		2024 US\$ million	2023 US\$ million	2024 US\$ million	2023 US\$ million	2024 US\$ million	2023 US\$ million
Barberton Mines	Mining operations	11.0	17.1	10.3	2.6	21.3	19.7
	BTRP	0.4	0.3	0.1	0.4	0.5	0.7
	Barberton Mines total	11.4	17.4	10.4	3.0	21.8	20.4
Evander Mines	Mining operations	–	–	54.4	60.7	54.4	60.7
	Surface sources	–	0.5	–	–	–	0.5
	Elikhulu	2.0	1.6	14.4	17.1	16.4	18.7
	Evander Mines total	2.0	2.1	68.8	77.8	70.8	79.9
MTR project		–	–	68.7	8.8	68.7	8.8
Corporate	Agricultural ESG projects	0.1	0.4	–	–	0.1	0.4
	Solar projects	–	–	10.3	2.3	10.3	2.3
	Exploration assets	–	–	0.2	0.9	0.2	0.9
	Corporate	0.3	0.3	0.2	–	0.5	0.3
Group total	13.8	20.2	158.6	92.8	172.4	113.0	

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 in connection with protection against, or benefit from, fluctuations in exchange rates or commodity prices)). A reconciliation to the consolidated statement of financial position is provided in **note 37** to the annual financial statements.

Net senior debt

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

US\$ million	2024	2023
Cash and cash equivalents	(26.3)	(34.8)
Restricted cash	0.1	0.2
Borrowings	127.8	53.4
Facilities arranging fees adjustment	1.2	0.1
Net senior debt	102.8	18.9

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. A reconciliation of the Group's adjusted EBITDA is provided in **note 8** to the annual financial statements.

A reconciliation of the adjusted EBITDA by operation has been provided below.

ZAR million	Mining operations			Tailings operations			Total operations			
	Bar- berton Mines	Evander Mines	Total	BTRP	Evander Mines' surface sources	Elikhulu	Total	Bar- berton 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
EBITDA	765.6	520.3	1,285.9	409.2	(16.1)	1,041.6	1,434.7	1,174.8	1,545.8	2,720.6
Adjusted EBITDA – 2024	765.6	520.3	1,285.9	409.2	(16.1)	1,041.6	1,434.7	1,174.8	1,545.8	2,720.6
Net income before finance income and finance costs ¹	410.5	514.5	925.0	260.6	11.3	572.7	844.6	671.1	1,098.5	1,769.6
Depreciation and amortisation	110.0	30.0	140.0	46.5	–	163.8	210.3	156.5	193.8	350.3
EBITDA	520.5	544.5	1,065.0	307.1	11.3	736.5	1,054.9	827.6	1,292.3	2,119.9
Adjusted EBITDA – 2023	520.5	544.5	1,065.0	307.1	11.3	736.5	1,054.9	827.6	1,292.3	2,119.9

¹ This table has been restated due to prior period adjustments, refer to **note 40**.

Net adjusted EBITDA

Net adjusted EBITDA starts with adjusted EBITDA adjusted for any entries made to 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.

A reconciliation from adjusted EBITDA to net adjusted EBITDA is provided in **note 37** to the annual financial statements.

Total finance costs on interest-bearing facilities is defined as interest payable on the Group's debt facilities and has been calculated in **note 37** to the annual financial statements.

Free cash flow

Free cash flow starts with adjusted EBITDA and is adjusted for changes in net working capital, non-cash flow items as determined by IAS 7, capital expenditure less capital funded through permitted indebtedness and tax payments.

A reconciliation from adjusted EBITDA to free cash flow has been calculated in **note 37** to the annual financial statements.

Headline earnings

Headline earnings, a JSE-defined performance measure (as defined by Circular 2021/1 issued by SAICA), are reconciled from profit/(loss) after tax in **note 14** to the annual financial statements.

ALTERNATIVE PERFORMANCE MEASURES continued**RATIOS****Return on shareholder funds**

This ratio measures returns to equity shareholders as a percentage of the capital invested in the Group. It is calculated as profit/(loss) after tax expressed as a percentage of the average total equity for the current and previous financial years.

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. This ratio has been calculated in **note 37** to the annual financial statements.

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. This ratio has been calculated in **note 37** to the annual financial statements.

Interest cover ratio

This ratio measures the Group's ability to pay 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. This ratio has been calculated in **note 37** to the annual financial statements.

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. This ratio has been calculated in **note 37** to the annual financial statements.

Net asset value per share

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

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

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	2024	2023
Adjusted EBITDA	US\$ million	141.2	115.1
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)
Levered free cash flow	US\$ million	26.0	21.7
Shares in issue	number million	2,222.9	2,222.9
Treasury shares	number million	(306.4)	(306.4)
Total	number million	1,916.5	1,916.5
Levered free cash flow per share	US cents per share	1.36	1.13

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	2024	2023
Levered free cash flow per share	US cents per share	1.36	1.13
Last traded price per Pan African share ¹	US cents per share	33.26	16.09
Cash flow yield per share	%	4.08	7.02

¹ 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 capital employed by the Group in its operations. It demonstrates how effectively profits are generated on both debt and equity capital and is calculated by dividing earnings before finance costs and tax by the sum of the average equity for the current and previous financial years and the average debt provided by financial institutions for this same period.

	Unit	2024	2023
Net income before finance income and finance costs	US\$ million	119.3	94.2
Average equity	US\$ million	328.0	292.1
Average borrowings	US\$ million	90.6	44.0
Return on capital employed	%	28.5	28.0

Adjusted EBITDA margin

Is calculated as adjusted EBITDA divided by revenue.

Gross profit margin

This is calculated as gross profit divided by revenue.

Current ratio

The liquidity ratio that measures the Group's ability to pay its current liabilities from current assets and is calculated as current assets divided by current liabilities and has been calculated in the Group's five-year overview on **pages 84** and **85**.

Price earnings ratio

Is calculated as the last sale price (refer to the Group's five-year overview on **pages 84** and **85**) for the year divided by the earnings per share either in ZA cents or in GB pence per the table below.

	2024 cents	2024 pence	2023 cents	2023 pence	2022 cents	2022 pence	2021 cents	2021 pence	2020 cents	2020 pence
Earnings per share	77.49	3.37	56.48	2.36	59.16	2.92	59.65	2.88	36.0	1.82

Dividend yield at the last traded share price

Is calculated as the dividend per share either in ZA cents or GB pence per the table below expressed as a percentage of the last price per share traded per the Group's five-year overview on **pages 84** and **85**.

	2024 cents	2024 pence	2023 cents	2023 pence	2022 cents	2022 pence	2021 cents	2021 pence	2020 cents	2020 pence
Dividends per share	22.00	0.96	18.00	0.75	18.00	0.90	18.00	0.92	14.00	0.65

SUSTAINABILITY REPORTING BOUNDARY

Scope

● Included ● Excluded

Selected sustainability information	Unit of measurement	Barberton Mines	Evander Mines	MTR project	Pan African Resources Minerals DMCC and Pan African Resources Minerals Co Limited	Barberton Blue	Pan African Resources Management Services Company Proprietary Limited	Reason for exclusion
Non-renewable electricity consumption	GWh	●	●	●	●	●	●	
Renewable electricity consumption	GWh	●	●	●	●	●	●	
Diesel consumption	ML	●	●	●	●	●	●	
Energy consumption	TJ	●	●	●	●	●	●	
Energy intensity (energy consumed per ounce of gold sold)	GJ/oz	●	●	●	●	●	●	The KPI depends on the ounces of gold sold, the excluded entities are not gold producing operations
GHG emissions Scope 1	ktCO ₂ e	●	●	●	●	●	●	
GHG emissions Scope 2	ktCO ₂ e	●	●	●	●	●	●	
GHG emissions per ounce of gold sold	tCO ₂ e/oz	●	●	●	●	●	●	The KPI depends on the ounces of gold sold, the excluded entities are not gold producing operations
GHG emissions averted	ktCO ₂ e	●	●	●	●	●	●	
Renewable energy as a percentage of total energy consumed	%	●	●	●	●	●	●	
Land rehabilitation (project level – MTR project)	%	●	●	●	●	●	●	The KPI is linked specifically to the MTR project
Employment equity – historically disadvantaged persons (HDPs)	%	●	●	●	●	●	●	The KPI is aligned with the Mining Charter III and excludes entities not associated to mining
Percentage of women in mining	%	●	●	●	●	●	●	The KPI is aligned with the Mining Charter III and excludes entities not associated to mining
Total recordable injury frequency rate	Rate per million man hours	●	●	●	●	●	●	The KPI is aligned with the Mine Health and Safety Act and excludes entities not associated to mining
Percentage of the total mining goods procurement spend on South African manufactured goods from 50% + 1 vote HDP-owned and controlled companies	%	●	●	●	●	●	●	The KPI aligned with the Mining Charter III and the procurement of mining goods, which currently includes only gold mining operations
Percentage of the total services procurement spend on South African companies that are 50% + 1 vote HDP-owned and controlled companies	%	●	●	●	●	●	●	The KPI related to Mining Charter III and the procurement of mining services, which currently includes only gold mining operations

GLOSSARY

DEFINITIONS OF TERMS AND ABBREVIATIONS USED IN THIS REPORT

%	Parts per hundred/percentage	CO ₂	Carbon dioxide
°C	Degrees Celsius	CO ₂ e/t	Carbon dioxide emissions per tonne
µm	Micrometre	Companies Act 2006	An act of the Parliament of the UK which forms the primary source of UK company law
3D	Three-dimensional	Concrete Rose	Concrete Rose Proprietary Limited
A2X	The A2X Market 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	COVID-19	Coronavirus disease 2019, an infectious disease caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2)
AAL	Aachen Assisted Leach reactor	CPI	Consumer Price Index
ADR	American Depository Receipt programme through the Bank of New York Mellon	CRM	Certified reference material
AGM	Annual general meeting	CSI	Corporate social investment
Aids	Acquired immunodeficiency syndrome	DA	Democratic Alliance
AIM	AIM Market, the LSE's international market for smaller growing companies	DMRE	Department of Mineral Resources and Energy
ALARP	As low as reasonably practicable	DMTN	Domestic medium-term note
ANC	African National Congress	DWS	Department of Water and Sanitation
APMs	Alternative performance measures	Elikhulu	The Elikhulu Tailings Retreatment Plant in Mpumalanga province, with its inaugural gold pour in August 2018
Au	Gold	EPC	Engineering, procurement and construction
B-BBEE	Broad-based black economic empowerment	ERP	Enterprise resource planning
Barberton Blue	Barberton Blue Proprietary Limited	ESG	Environmental, social and governance
Barberton Green	Barberton Green Proprietary Limited	Eskom	Electricity Supply Commission, South African electricity supplier
Barberton Mines	Barberton Mines Proprietary Limited	ESOP	Employee share ownership plan
Barberton Mines BEE Company	Barberton Mines BEE Company Proprietary Limited	Evander Gold Mines	Evander Gold Mines Proprietary Limited
BCTT	Base case threshold test	Evander Mines	Evander Gold Mining Proprietary Limited
BFS	Bankable feasibility study	Evander Solar Solutions	Evander Solar Solutions Proprietary Limited
BIOX [®]	The Biological Oxidation (BIOX [®]) gold extraction process was developed at Barberton Mines. It is an environmentally friendly process of releasing gold from the sulphide that surrounds it by using bacteria	Exco	Executive committee of Pan African Resources
the board	The board of directors of Pan African, as set out on pages 144 and 145	FIFR	Fatal injury frequency rate
BTRP	Barberton Tailings Retreatment Plant, a gold recovery tailings plant owned by Barberton Mines, which reached steady-state production in June 2013	FRC	The UK Financial Reporting Council
CBAM	Carbon border adjustment mechanisms	Funding Company	Pan African Resources Funding Company Proprietary Limited
CCTV	Closed-circuit television	g	Gramme
CFCs	Chlorofluorocarbons	GBP	British pound
cm	Centimetre	GHG	Greenhouse gas
CMA	Contract mining agreement	GISTM	Global Industry Standard on Tailings Management
cmg/t	Centimetre grammes per tonne	GJ	Gigajoule
		GNU	Government of National Unity
		GRI	Global Reporting Initiative
		g/t	Grammes/tonne
		GWh	Gigawatt hour

GLOSSARY continued

ha	Hectare
HDP	Historically disadvantaged person
HDSA	Historically disadvantaged South African
HIV	Human immunodeficiency virus
HODs	Heads of departments
IAS	International Accounting Standards
ICMM	International Council on Mining and Metals
IFRS	IFRS® Accounting Standards
IFRS S1	IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information
IFRS S2	IFRS S2: Climate-related Disclosures
<IR> Framework	International Integrated Reporting Framework of the IFRS Foundation
ISAs (UK)	International Standards on Auditing (UK)
ISIN	International Securities Identification Number
IT	Information technology
ITRB	Independent tailings review board
IWE	Industrial Water Efficiency
JET Framework	Just Energy Transition Framework
JSE	JSE Limited incorporating the Johannesburg Stock Exchange, the main bourse in South Africa
K Company	K2015200726 Proprietary Limited
kg	Kilogramme
King IV™	King IV Report on Corporate Governance for South Africa, 2016™
km	Kilometres
km²	Square kilometre
Koz	Thousand ounces
KPIs	Key performance indicators – a set of quantifiable measures that a company or industry uses to gauge or compare performance in terms of meeting their strategic and operational goals
kt	Thousand tonnes
ktCO ₂ e	Kilotonne carbon dioxide equivalent
LED	Local economic development
LSE	London Stock Exchange
LTIFR	Lost-time injury frequency rate
m	Metre
Manco	Management committee on operations
MC Mining	MC Mining Limited (previously known as Coal of Africa Limited)
Metorex	Metorex Limited

Mining Charter III	Charter to facilitate the sustainable transformation and development of the South African mining industry
Mintails transaction	Pan African entered into conditional sale of shares agreements to acquire Mogale Gold and MSC
ML	Megalitre
mm	Millimetre
MMR	Main Muiden Reef
Mogale Clay	Mogale Clay Proprietary Limited
Mogale Gold	Mogale Gold Proprietary Limited
Moz	Million ounces
MRC	Main Reef Complex
MRE	Mineral Resources estimation
MSC	Mintails SA Soweto Cluster Proprietary Limited
Mt	Megatonne
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	Megawatt
MWh	Megawatt hour
NCPC-SA	National Cleaner Production Centre of South Africa
NFSIS	Non-financial and sustainability information statement
NPC	Non-profit company
NUM	National Union of Mineworkers
ODSs	Ozone-depleting substances
Opsco	Operations committee of Pan African Resources
OTCQX	OTCQX Best Market in the USA
oz	Ounce
Pan African Resources PLC	Holding company – Pan African
PAR Gold	PAR Gold Proprietary Limited
PAR Management Services	Pan African Resources Management Services Company Proprietary Limited
PAR Properties	Pan African Resources Properties Proprietary Limited
PAR SA Holdings	Pan African Resources SA Holding Company Proprietary Limited

PASABP	Pan African Share Appreciation Bonus Plan (previous scheme for corporate senior managers)
PC	Barberton Mines' Prince Consort Shaft
PGLIP	PAR Gold Long-term Incentive Plan
PPA	Power purchase agreement
Prescribed officer	A person is a prescribed officer of the Company for all purposes of the South African Companies Act if that person exercises general executive control over and management of the whole, or a significant portion, of the business and activities of the Company
Project Kite	Project Kite relates to an agricultural Group project which is held in a previously dormant Group entity
PV	Photovoltaic
PwC	PricewaterhouseCoopers LLP/ PricewaterhouseCoopers Inc.
PwC Inc.	PricewaterhouseCoopers Inc.
QA/QC	Quality assurance and quality control
R&D	Research and development
Rand Refinery	Rand Refinery Proprietary Limited
Redink facility	Redink Rentals (RF) Limited loan
REMchannel®	Internet-based remuneration survey providing data across a wide variety of industries in South Africa
Remco	Remuneration committee of Pan African Resources
RES	Renewable energy solutions
RIFR	Reportable injury frequency rate
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
SARS	South African Revenue Service
SBLF	Sustainability Bond Linked Finance
SDG	Sustainable Development Goal
SENS	Stock Exchange News Service
SGS Barberton	SGS Barberton assay laboratory
SGS Performance	SGS Performance assay laboratory located in Randfontein
SHEQ	Safety, health, environment and quality

SLP	Social and Labour Plan, required in terms of regulation 46 of the Mineral and Petroleum Resources Development Act, 28 of 2002
South African Companies Act	South African Companies Act, 71 of 2008
SPT	Sustainability performance target
t	Tonne
TCFD	Task Force on Climate-related Financial Disclosures
TCMG	Tennant Consolidated Mining Group Proprietary Limited
tCO ₂ e	tonnes (t) of carbon dioxide (CO ₂) equivalent
the current reporting period	The reporting period ended 30 June 2024
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
the prior or previous financial year	The financial year ended 30 June 2023
the report	Pan African Resources PLC's 2024 integrated annual report
TJ	Terajoule (Tera = 10 ¹²) or a trillion joules
TMC	The Minerals Corporation
TNFD	Taskforce on Nature-related Financial Disclosures
tpm	Tonnes per month
TRIFR	Total recordable injury frequency rate
TSF	Tailings storage facility
UASA	United Association of Southern Africa
UK	United Kingdom
UN SDGs	United Nations Sustainable Development Goals
US	United States
USA	United States of America
US\$	United States dollar
VAT	15% value-added tax in South Africa
ZAR	South African rand
ZK	Zwartkoppie

GLOSSARY continued**FREQUENTLY USED FINANCIAL TERMS**

AIC	All-in cost
AISC	All-in sustaining costs
bps	Basis points
CFD	Contract for difference
CGU	Cash-generating unit
EAD	Exposure of default
EBITDA	Earnings before interest, income taxation expense, depreciation and amortisation
ECL	Expected credit loss/es
GDP	Gross domestic product
IBOR	Interbank offered rate
JIBAR	Johannesburg Interbank Average Rate
LGD	Loss given default
LTI	Long-term incentive
PD	Probability of default
RCF	Revolving credit facility
ROSF	Return on shareholders' funds
STI	Short-term incentive
TGP	Total guaranteed pay
TSR	Total shareholder returns
VWAP	Volume-weighted average price
ZARONIA	South African Rand Overnight Index Average Rate

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**FORWARD-LOOKING
STATEMENTS**

Statements in this report that address exploration activities, mining potential and future plans and objectives of Pan African are forward-looking statements and forward-looking information that involve various risks, assumptions and uncertainties and are not statements of fact.

The directors and management of Pan African believe that the expectations expressed in such forward-looking statements or forward-looking information are based on reasonable assumptions, expectations, estimates and projections. These statements, however, should not be construed as being guarantees or warranties (whether expressed or implied) of future performance.

There can be no assurance that such statements will prove to be accurate and actual values, results and future events could differ materially from those anticipated in these statements. Important factors that could cause actual results to differ materially from statements expressed in this report include among others, the actual results of exploration activities, technical analysis, the lack of availability to Pan African of necessary capital on acceptable terms, general economic, business and financial market conditions, political risks, industry trends, competition, changes in government regulations, delays in obtaining governmental approvals, interest rate fluctuations, currency fluctuations, changes in business strategy or development plans and other risks.

Although Pan African has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. Pan African is not obliged to publicly update any forward-looking statements included in this report, or revise any changes in events, conditions or circumstances on which any such statements are based, occurring after the publication date of this report, other than as required by regulation.

**SHAREHOLDERS'
DIARY**

Financial year-end	30 June 2024
Results announcement	11 September 2024
Integrated annual report released on website	11 September 2024
Notice of annual general meeting distributed	30 October 2024
Annual general meeting	21 November 2024
Interim results announcement	12 February 2025



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