Pan African Resources PLC
('Pan African Resources' or the 'company' or the 'group')
(Incorporated and registered on 25 February 2000 in England and Wales under the Companies Act 1985, registration number 3937466)
Share code on AIM : PAF
Share code on JSE : PAN
ISIN : GB0004300496

Interim unaudited results for the six months ended 31 December 2016

Cobus Loots, CEO of Pan African Resources commented:

"Pan African Resources generated higher earnings, revenues and a record dividend pay-out of R300 million (GBP17.1 million), despite lower production from our gold operations. The Elikhulu Tailings Retreatment Project ('Elikhulu'), which was approved by the Pan African Resources Board during the period under review, will provide organic production growth of approximately 56,000oz of gold per annum, and also reduce the overall cost profile of our operations. Elikhulu reflects Pan African Resource's strategy of delivering long-life, low cost quality production ounces, with the focus of generating attractive returns for our shareholders."

"Transactions completed in the prior financial year have positively impacted results in the current reporting period and have been extremely value accretive. The PAR Gold Proprietary Limited ('PAR Gold') acquisition enhanced earnings per share by 17.7%. Uitkomst Colliery contributed R21.3 million, or 8.5%, towards the group's profit after taxation."

"Our immediate focus is to recommence the Evander Mines underground mining operations, following the temporary suspension of mining to refurbish critical infrastructure, and to finalise the Elikhulu funding package."

Key features reported in South African Rand ('ZAR or R') and Pound Sterling ('GBP')

Financial key features
- The group's profit after taxation in ZAR terms increased by 9.8% to R249.8 million (2015: R227.6 million), while in GBP terms, the group's profit after taxation increased by 28.4% to GBP14.0 million (2015: GBP10.9 million).
- Earnings per share ('EPS') increased by 33.4% to 16.58 cents per share (2015: 12.43 cents per share), while in GBP terms, EPS increased by 55.0% to 0.93 pence per share (2015: 0.60 pence per share).
- Group revenue increased by 19.2% to R1,878.2 million (2015: R1,575.4 million) and, in GBP terms, group revenue increased by 38.9% to GBP105.0 million (2015: GBP75.6 million). This increase was due to an increase in the ZAR gold price received and the inclusion of Uitkomst Colliery's revenue of R225 million (GBP12.6 million), in the current period (2015: Nil).
- The group paid a final dividend of R300 million or GBP17.1 million (2015: R210 million or GBP9.7 million) on 22 December 2016, relating to the 2016 financial year. This dividend equated to R0.1544 per share or 0.88 pence per share (2015: R0.1147 per share or 0.53 pence per share).
- The Pan African board of directors (the "board") approved the Elikhulu project, subject to certainty on the funding of the project.
- The Uitkomst Colliery performed well and contributed R21.3 million (2015: Nil), or 8.5%, to the group's profit after taxation.
- The PAR Gold transaction (previously named the Shanduka Gold transaction) contributed an additional 17.7% to the group's EPS.

Operational key features
- Group gold production decreased by 10.0% to 91,613oz (2015: 101,797oz).
- Effective rand gold price received increased by 16.5% to R565,298/kg (2015: R485,215/kg) and, in USD terms, it increased by 13.2% to USD1,257/oz (2015:USD1,110/oz).
- Due to the lower gold production, all-in sustaining cost per kilogramme increased in ZAR terms to R456,187/kg (2015: R396,819/kg) and, in USD terms, all-in sustaining cost per ounce increased to USD1,014/oz (2015:USD908/oz).
- Uitkomst Colliery produced and sold 127,605 tonnes of coal from the underground mining operations and 199,597 tonnes of coal acquired from third parties for blending and processing.
- Phoenix Platinum Mining Proprietary Limited ('Phoenix Platinum') increased platinum group elements ('PGE') production by 1.8% to 4,574oz (2015: 4,493oz).
- Group gold resources remained similar relative to the prior financial year ending 30 June 2016 at 34.9Moz (30 June 2015: 31.9Moz).
- The group is pleased to report no fatalities in the reporting period (2015: no fatalities) and an improved overall group safety performance.

Movement	For the six months ended 31 December 2016	For the six months ended 31 December 2015	Metric	Salient features	Metric	For the six months ended 31 December 2015	For the six months ended 31 December 2016	Movement
(10.0%)	**2,849.5**	3,166.2	(Kilogrammes)	Gold sold	(Oz)	101,797	**91,613**	(10.0%)
19.2%	**1,878.2**	1,575.4	(R millions)	Revenue	(GBP millions)	75.6	**105.0**	38.9%
16.5%	**565,298**	485,215	(R/kg)	Average gold price received	(USD/oz)	1,110	**1,257**	13.2%
29.4%	**418,764**	323,730	(R/kg)	Cash costs	(USD/oz)	740	**931**	25.8%
15.0%	**456,187**	396,819	(R/kg)	All-in sustaining costs	(USD/oz)	908	**1,014**	11.6%
20.3%	**478,332**	397,692	(R/kg)	All-in costs	(USD/oz)	910	**1,063**	16.8%
13.8%	**476.5**	418.7	(R millions)	Adjusted EBITDA **(note 1)**	(GBP millions)	20.1	**26.6**	32.3%
9.8%	**249.8**	227.6	(R millions)	Attributable earnings	(GBP millions)	10.9	**14.0**	28.4%
8.1%	**246.0**	227.6	(R millions)	Headline earnings	(GBP millions)	10.9	**13.8**	26.6%
33.4%	**16.58**	12.43	(cents)	EPS	(pence)	0.60	**0.93**	55.0%
31.3%	**16.32**	12.43	(cents)	Headline earnings per share ('HEPS')	(pence)	0.60	**0.91**	51.7%
43.7%	**497.0**	345.8	(R millions)	Net debt	(GBP millions)	15.0	**29.4**	96.0%
40.4%	**140.5**	100.1	(R millions)	Total sustaining capital expenditure	(GBP millions)	4.8	**7.9**	64.6%
57.9%	**203.5**	128.9	(R millions)	Total capital expenditure	(GBP millions)	6.2	**11.5**	85.5%
27.5%	**191.7**	150.4	(cents)	Net asset value per share	(pence)	7.0	**11.5**	64.3%
(17.7%)	**1,506.8**	1,831.5	(millions)	Weighted average number of shares in issue	(millions)	1,831.5	**1,506.8**	(17.7%)
2.9%	**13.99**	13.60	(R/USD)	Average exchange rate	(R/GBP)	20.83	**17.88**	(14.2%)
(11.8%)	**13.70**	15.53	(R/USD)	Closing exchange rate	(R/GBP)	22.99	**16.90**	(26.5%)

Note 1: Adjusted EBITDA is represented by earnings before interest, taxation, depreciation and amortisation, impairments and profit/(loss) on disposal of investments.

CEO STATEMENT

Despite a period of lower gold production and normal inflationary cost pressures, the group improved its profitability and paid a record dividend of R300 million (GBP17.1 million) to shareholders. We benefitted from higher commodity prices and have capitalised on the Uitkomst Colliery and PAR Gold transactions to significantly improve the group's EPS and HEPS, when this set of results is compared to the comparative period.

The Board approved the construction of Elikhulu, which is a further significant step towards realising shareholder value from our organic growth projects. The decision to commence construction of the project remains subject to finalising the most appropriate financing package, with funding tailored to maximise returns for our shareholders on a risk adjusted basis. On commissioning, currently planned for the last quarter of the 2018 calendar year, the group will be on track to achieve 250,000 ounces of annual gold production from our current portfolio of assets and infrastructure. Elikhulu demonstrates the group's commitment to remaining focused on our core business of low cost gold mining.

Following a challenging operational start to the 2017 financial year, our mining operations remain focused on improving gold production. During the period under review, the group's gold production decreased by 10% to 91,613oz (2015: 101,797oz). The decrease in gold production can, as previously reported, be attributed to:

- Loss of production shifts due to frequent instances of community unrest in the Barberton Mines area as a result of service delivery protests targeting government, compounded by Department of Mineral Resources ('DMR') safety stoppages ('Section 54 regulatory notices') issued at both Barberton and Evander operations. The group continues to engage with all stakeholders to ensure our operations can function in a stable and consistent manner.
- The shaft accident at Evander Mines' 7 Shaft, which resulted in a reduction of rock hoisting speeds whilst repair work is carried out.
- Barberton Mines experienced flexibility issues at its Fairview Mine, specifically at its high grade 11-block which resulted in lower grades being mined. Work is underway to develop additional production platforms to expose additional high-grade panels to increase mining grades and flexibility.

Uitkomst Colliery produced and sold 127,605 tonnes of coal from its underground mining operations and 199,597 tonnes of third party coal acquired for blending and processing during the current reporting period. The newly-acquired operation has contributed to profitability and its management team is reviewing the viability of expanding and increasing production to 900,000 run-of-mine tonnes per annum from the underground mining operation.

Phoenix Platinum production increased by 1.8% to 4,574oz (2015: 4,493oz) and its recoveries increased significantly to 57% from 39%, following the implementation of high energy agitation cells in the plant. Production in the current reporting period was negatively affected by water shortages as a result of the current drought, which curtailed the re-mining of tailings.

Safety

Safety remains a focus at all operations and we endeavour to ensure the group's culture, behaviour and values align to our ultimate safety objective of zero harm.

The group is pleased to announce an improved overall safety performance and no fatalities for the period under review (2015: no fatalities). The lost time injury frequency rate ('LTIFR') improved to 3.96 (2015: 4.01) and the reportable injury frequency rate ('RIFR') improved significantly to 1.61 (2015: 2.08). The group's total recordable injury frequency rate ('TRIFR') regressed marginally to 14.81 (2015: 14.71).

Mineral reserves and resources

There has been no adjustment to the group's mineral reserves and resources statement of 30 June 2016 and the mineral reserves and resources are summarised as follows:

- Gold reserves of 10.0Moz (30 June 2015: 10.4Moz)
- Gold resources of 34.9Moz (30 June 2015: 31.9Moz)
- PGE reserves of 0.2Moz (30 June 2015: 0.5Moz)
- PGE resources of 0.6Moz (30 June 2015: 0.6Moz)
- Coal resources were 23.3Mt

In determining our reserves and resources, we use what we believe is a conservative ZAR gold price estimate. In the current year, gold reserves were modelled at R450,000/kg and gold resources at R550,000/kg.

Elikhulu

As announced on 5 December 2016, the Board approved the construction of the Elikhulu project, subject to finalisation of the project financing package. The definitive feasibility study ('DFS') was undertaken by DRA Projects SA Proprietary Limited, who will also be appointed as engineering processing and construction contractors to the project.

DFS highlights and key assumptions:

- First gold forecast for the final quarter of the 2018 calendar year and full commissioning in December 2018.
- Annual recoverable gold production of approximately 56,000 ounces for its initial eight years of operation, and 45,000 ounces of gold for the remaining five years thereafter.
- Current arisings and inferred gold resource could extend project life beyond the DFS estimated life of thirteen years.
- Optimal plant capacity for the project allows 12-million tonnes per annum throughput.
- The project is expected to add approximately 25% to the group´s current gold ounce production profile and reduce the group´s all-in sustaining cost profile.
- All-in sustaining cost of USD523/oz over the life of the project.
- Initial capital cost is forecast at approximately R1.74 billion (GBP103.0 million), which includes a contingency of approximately R200 million (or 11.5% contingency).

- The project has an internal rate of return (real, post-tax) of 23.1% (30.6% nominal) with a payback period of less than four years, based on an assumed gold price of USD1,180/oz (R17,110/oz).
- Return on equity (real, post-tax) of 34.3% (42.5% nominal).
- Project net present value ('NPV') of R1.1 billion (GBP65.1 million).
- Cash outflow per ounce over the life of the operation is sub USD650/oz, excluding debt servicing, and amounts to approximately USD805/oz, including of debt servicing, over the five-year debt redemption term.
- Average gold recovery rate over the life of the project of 47.8%.
- Environmental Impact Assessment and Water Usage Licence processes are underway, with both approvals expected by late 2017.

DFS economic assumptions:

- Gold price assumption: USD1,180/oz.
- ZAR:USD exchange rate: 14.50:1.
- NPV discount rate: 9% real (16% nominal).
- Debt-to-equity ratio: 115%, debt-to-total-capital ratio of 53%.
- Long-term South African inflation rate of 6.1%.

Rand Merchant Bank, a division of First Rand Bank Limited, has provided Pan African Resources with a conditional R1 billion underwritten five-year debt facility on competitive terms ('RMB facility'). This facility will be dedicated to funding the project´s development and will be repaid from the project´s cash flows, generated during the initial five years of production. This facility is in addition to the group´s current revolving credit facility ('RCF') of R800 million (GBP47.3 million), which can be extended to R1.1 billion (GBP65.1 million), conditional on approval from the RCF lenders. The group is evaluating a number of proposals to fund the balance of the initial project capital and, given its strong financial position and track record of successfully constructing and operating tailings plants, we do not foresee difficulty in securing the balance of the funding on competitive terms. The RMB facility´s repayment profile is matched to the project´s cash flow generation and is not expected to impact Pan African Resources´ existing dividend policy.

Uitkomst Colliery BEE deal concluded

In September 2016, the Uitkomst Colliery finalised a black economic empowerment ('BEE') ownership transaction for 9% of its issued share capital, through a vendor financed structure. This BEE transaction is similar in nature to the current employee share ownership schemes at our gold operations, with tenure of ten years and the following three BEE participants:

- Mcijo Trust 5% ownership
- Employees Trust 2% ownership
- Community Trust 2% ownership

Evander 2010 pay channel

The Evander 2010 pay channel is a potentially attractive orebody that runs parallel to the Kinross pay channel and is accessible via Evander Mines' 7 Shaft. Harmony Gold Mining Company Limited historically developed towards the orebody before halting all mining operations on 7 Shaft and allowing flooding of the infrastructure from 21 level to 18 level. The Evander 2010 pay channel resources are classified in an inferred category and surface drilling is underway to improve confidence in the resource. The initial results of the drilling programme have been delayed due to poor rock conditions as well as due to the intersection of water on various instances. The first reef intersection is now expected during April 2017. The 2010 pay channel may offer Evander Mines the possibility of establishing a new underground mining area without the cost of sinking a new vertical shaft from surface.

Outlook

In the second half of the financial year, the key focus areas for the group, from an operational perspective, includes:

- Continuing to improve our safety and compliance across all operations.
- Resume underground mining operations at Evander Mines, following the temporary suspension of mining to refurbish critical infrastructure.
- Improving the operating performance from underground gold mining operations, to ensure full year production guidance.
- Further improving stakeholder relations to minimise stoppages, particularly with the communities in which we operate, following the unrest experienced at Barberton Mines. This will be achieved by continuously engaging with the communities around our operations to find amicable solutions to their concerns.
- Ensuring Evander Mines' 7 Shaft returns to normal hoisting speeds to improve hoisting capacity.
- Finalising the Elikhulu financing arrangements and progressing towards construction and full-scale production.
- Finalising the current drilling programme on the Evander 2010 pay channel and assessing the results of this campaign.
- Uitkomst Colliery will focus on ensuring stable production is maintained and will review the possibility of expanding run-of-mine production.
- Phoenix Platinum aims to improve and capitalise on its increased production capacity and recoveries, and grow production even further following the installation of the high energy agitation cells.

The group continues to evaluate acquisitive opportunities, particularly within Africa. Any acquisition considered will, however, be subject to the group's stringent capital allocation and low cost production criteria, delivering the requisite returns to our shareholders within a short- to medium-term timeframe.

We extend our appreciation to our management team, our mine management and all staff for their hard work and persistence during a challenging period. Their commitment and perseverance has enabled Pan African Resources to continue to operate successfully. We also thank our fellow directors for their support and guidance.

FINANCIAL PERFORMANCE

Exchange rates and their impact on results

All of the group's subsidiaries are incorporated in South Africa and their functional currency is ZAR. The group's business is conducted in ZAR and the accounting records are maintained in this same currency, with the exception of precious metal product sales, which are conducted in USD prior to conversion into ZAR. The ongoing review of the operational results by executive management and the board is also performed in ZAR.

The group's presentation currency is GBP due to its ultimate holding company, Pan African Resources, being incorporated in England and Wales and being dual-listed in the UK and South Africa.

During the period under review the average ZAR/GBP exchange rate was R17.88:1 (2015: R20.83:1) and the closing ZAR/GBP exchange rate was R16.90:1 (2015: R22.99:1). The period-on-period change in the average and closing exchange rates of 14.2% and 26.5%, respectively, must be taken into account for the purposes of translating and comparing period-on-period results.

The group records its revenue from precious metals sales in ZAR and the marginal deterioration in the value of the ZAR/USD exchange rate during the period under review had a positive contribution on the USD metals revenue received. The average ZAR/USD exchange rate was 2.9% weaker at R13.99:1 (2015: R13.60:1).

The commentary below analyses the current and prior comparative period's results. Key aspects of the group's ZAR results appear in the body of this commentary and have been used as the basis against which its financial performance is measured. The gross GBP equivalent figures can be calculated by applying the exchange rates as detailed above.

Analysing the group's financial performance

Revenue

The group's revenue, period-on-period, increased by 19.2% to R1,878.2 million (2015: R1,575.4 million) mainly impacted by:

1) The consolidation of the Uitkomst Colliery revenue of R225.0 million (2015: nil), which contributed 14.3% of the increase in the revenue period-on-period. Uitkomst Colliery was acquired and consolidated with effect from 1 April 2016.
2) The average ZAR gold price received by the group increased by 16.5% to R565,298/kg (2015: R485,215/kg), as a result of the ZAR/USD exchange rate weakening by 2.9% to R13.99:1 (2015: R13.60:1) and the USD gold price received increasing by 13.2% to USD1,257/oz (2015: USD1,110/oz).
3) Gold ounces sold decreased by 10.0% to 91,613oz (2015: 101,797oz).

Cost of production and realisation costs

The group's total cost of production increased by 32.5% to R1,395.7 million (2015: R1,053.7 million). The group's cost of production incorporates the full half year's coal production costs from Uitkomst Colliery of R189.0 million (2015: nil).

Pan African Resources' gold cost of production (excluding realisation costs), per the statement of comprehensive income, increased by 14.4% to R1,165.6 million (2015: R1,019.3 million), predominately due to:

- The group's gold operations salaries and wages increasing by 8.3% to R515.5 million (2015: R476.0 million) in line with the gold labour agreements signed in the 2016 financial year.
- The group's electricity costs increasing by 8.9% to R183.0 million (2015: R168.1 million). The National Energy Regulator of South Africa approved an increase applied to electricity consumption of 9.5% for the period under review, effective from 1 April 2016. Production challenges detailed previously resulted in less power consumed.
- The group's mining and processing costs increased by 27.4% to R339.1 million (2015: R266.2 million), mainly due to the following material expenses:
  - The Evander Tailings Retreatment Plant ('ETRP') processing costs increased by R31.5 million due to treating additional surface feedstock material. Tonnes processed for surface feedstock increased by 49.3% to 240,495 tonnes (2015: 161,090). This contributed an additional R30.3 million to the group's EBITDA.
  - Maintenance of Evander Mines' 7 Shaft infrastructure resulted in an additional R4.2 million expenditure being incurred.
- In the comparative reporting period Barberton Mines recorded an inventory credit adjustment in its operational costs of R23.5 million, due to holding gold inventory at 31 December 2015, while in the current period no gold inventory was held.

The Group's gold cost of production, as detailed above, excluding the inventory adjustments and additional surface feedstock material costs, increased by 8.7% to R1,134.1 million (2015: R1,042.8 million).

The group's gold cost of production per kilogramme increased by 29.4% to R418,764/kg (2015: R323,730/kg). The increase is attributed to:

- Gold sold decreasing by 10% to 91,613oz (2015: 101,797oz).
- A 14.4% increase in production costs as a result of the reasons highlighted above.

The group's all-in sustaining cost of production per kilogramme of gold (including direct cost of production, royalties, cost collar mark-to-market fair value adjustments, associated corporate costs and overheads and sustaining capital expenditure) increased by 15.0% to R456,187/kg (2015: R396,819/kg). The group's all-in sustaining costs were primarily impacted by an increase in gold production costs and a decrease in other costs, compared to the comparative period. The group's all-in sustaining cost of production per kilogramme (excluding cost collar mark-to-market fair value adjustments) would have been R487,765/kg (2015: R383,944/kg).

The all-in gold cost per kilogramme (sustaining cost of production and once-off expansion capital) increased by 20.3% to R478,332/kg (2015: R397,692/kg), due to the increase in once-off capital expansion costs to R62.9 million (2015: R2.8 million). The increase in once-off capital expenditure related predominately to the construction of the Barberton Tailings Retreatment Plant ('BTRP') cyanide detoxification plant and Fairview's ventilation refrigeration and infrastructure. The group's all-in cost per kilogramme (excluding cost collar mark-to-market fair value adjustments) would have been R509,909/kg (2015: R384,867/kg).

The PGE cost of production increased by 19.5% to R41.1 million (2015: R34.4 million), predominantly due to refining and processing costs increasing by 49.6% to R18.7 million (2015: R12.5 million). Higher refining costs were incurred due to higher chrome prevalence in the tailings processed from the Elandskraal/Kroondal tailings. Additional transport costs were also incurred to deliver tailings material from the more distant Elandskraal/Kroondal tailings sites.

The Uitkomst Colliery features for the first time in the group's half year results (as it was acquired on 31 March 2016), reporting a coal production cost contribution of R189.0 million.

The group's realisation costs increased to R27.7 million (2015: R5.7 million) due to an additional R20.1 million in refining costs associated with the extraction and recovery of gold from various sections of the Evander Mines' processing plant by a third party. This initiative contributed 149.2kg (4,796.9oz) of gold to Evander Mines' production.

Depreciation increased by 4.9% to R115.3 million (2015: R109.9 million), following the consolidation of Uitkomst Colliery's depreciation for the full six-month period and a reassessment of the group's residual values on property plant and equipment.

Other expenditure and income

Barberton Mines entered into a short-term strategic hedge ('the cost collar') in July 2015, when the prevailing spot gold price was R440,000/kg, to protect its cash flows and the group's annual dividend against severe adverse movements in the ZAR gold price. During the current reporting period, the group recorded a pre-tax unrealised mark-to-market fair value gain of R90.0 million on the cost collar (2015: pre-tax realised cost collar derivative fair value loss of R40.6 million). The mark-to-market fair value adjustment gain was due to a reduction in the gold price from R625,000/kg at 30 June 2016 to R507,500/kg at 31 December 2016.

The fair value adjustment of the group's rehabilitation liability resulted in it decreasing by R0.5 million (2015: R0.3 million increase in the liability). The rehabilitation investment decreased by R2.0 million (2015: R9.6 million increase in the investment).

Finance costs increased to R19.3 million (2015: R11.6 million), following increased RCF facility utilisation during the period under review. Net debt at 31 December 2016 increased to R497.0 million (30 June 2016: R339.6 million and 31 December 2015: R345.8 million), following increased capital expenditure and lower gold production.

During December 2016, the group disposed of an investment in a listed entity. The investment represented 1,750,850 shares, which were sold for R23.4 million and resulted in a profit of R4.6 million being recognised in the statement of comprehensive income during the period under review. Dividends received for the period under review, before disposal, amounted to R0.6 million (2015: R0.3 million).

Taxation

The group's total taxation charge increased by 35.0% to R97.9 million (2015: R72.5 million).

The taxation charge comprised of:

- A decrease in the current taxation charge by 12.0% to R67.0 million (2015: R76.1 million).
- An increase in the deferred taxation expense to R30.9 million (2015: deferred taxation income of R3.6 million), predominantly due to the deferred taxation associated with the pre-tax unrealised mark-to-market fair value gain of R90.0 million (2014: pre-tax realised cost collar derivative fair value loss of R40.6 million).

EPS and HEPS

The group's EPS in ZAR increased by 33.4% to 16.58 cents (2015: 12.43 cents). The group's HEPS in ZAR increased by 31.3% to 16.32 cents (2015: 12.43 cents). The difference between the EPS and HEPS resulted from adjusting the profit after taxation for the profit on the disposal of the investment referred to above and the disposal of fixed property plant and equipment. Refer to the statement of comprehensive income for the reconciliation between EPS and HEPS.

The EPS and HEPS are calculated by applying the group's weighted average number of shares in issue to the attributable and headline earnings. The weighted average number of shares in issue decreased by 17.7% to 1,506.8 million shares (2015:1,831.5 million shares). The decrease in shares was attributed to eliminating the PAR Gold shares held in Pan African Resources with effect from 7 June 2016.

Headline earnings per share is calculated as follows:

	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	GBP	GBP	ZAR	ZAR
Basic earnings	13,970,416	10,924,843	249,791,035	227,564,499
Adjustments:				
Profit on disposal of investment	(256,311)	-	(4,582,844)	-
Taxation on profit realised on disposal of investment	57,414	-	1,026,557	-
Profit on disposal of property plant and equipment	(21,151)	-	(378,180)	-
Taxation on profit realised on property plant and equipment sale	5,922		105,890	
Headline earnings	13,756,290	10,924,843	245,962,458	227,564,499
Headline earnings per share	0.91	0.60	16.32	12.43
Diluted headline earnings per share	0.91	0.60	16.31	12.42

Dividends paid and dividend policy

The group paid a final dividend of R300 million or GBP17.1 million (2015: R210 million or GBP9.7 million) on 22 December 2016, relating to the 2016 financial year. This dividend equated to R0.1544 per share or 0.88 pence per share (2015: R0.1147 per share or 0.53 pence per share).

Following the PAR Gold transaction, the entity will receive 22.46% or R67.4 million of the R300 million dividend, resulting in a net dividend of R232.6 million paid to external shareholders.

Pan African Resources aspires to pay a regular dividend to shareholders. In balancing this cash return to shareholders with the group's strategy of generic and acquisitive growth, Pan African Resources believes a target pay-out ratio of 40% of net cash generated from operating activities - after allowing for the cash flow impact of sustaining capital, contractual debt repayments and the cash flow impact of once-off items - is appropriate. This measure aligns dividend distributions with the cash generation potential of the business. In proposing a dividend, the board will also take into account the company's financial condition, future prospects, satisfactory solvency and liquidity assessments and other factors deemed by the board to be relevant at the time.

Net debt

Total debt facilities utilised at 31 December 2016 amounted to R565.4 million (30 June 2016: R392.2 million) and cash holdings were R68.4 million (30 June 2016: R52.6 million), resulting in an increase in net debt by R157.4 million to R497.0 million (30 June 2016: R339.6 million). The increase in net debt was mainly as a result of capital expenditure incurred increasing to R203.5 million (2015: R129.0 million) and lower production following the operational challenges experienced during the period under review.

Summary of the long-term debt liabilities:

	Revolving credit facility		Evander Mines gold loan		Total	
	31 December 2016	30 June 2016	31 December 2016	30 June 2016	31 December 2016	30 June 2016
	ZAR (millions)	ZAR (millions)	ZAR (millions)	ZAR (millions)	ZAR (millions)	ZAR (millions)
Non-current portion	458.7	279.3	-	26.6	458.7	305.9
Current portion	52.8	31.1	53.9	55.2	106.7	86.3
Total	**511.5**	**310.4**	**53.9**	**81.8**	**565.4**	**392.2**

The group's RCF debt covenants per the applicable periods are summarised below:

	Measurement	31 December 2016	30 June 2016	31 December 2015
Net-debt-to-equity ratio	Must be less than 1:1	0.17:1	0.35:1	0.50:1
Net-debt-to-EBITDA ratio	Must be less than 2.5:1	0.48:1	0.12:1	0.13:1
Interest cover ratio	Must be greater than 4 times	21.99	23.98	18.08

Cash flow summary

Cash generated by operations decreased by R11.3 million to R372.0 million (2015: R383.3 million), due to lower gold production.

The cash outflows from investing activities increased to R173.1 million (2015: 129.0 million), predominantly due to:

- Capital expenditure incurred increasing to R203.5 million (2015: R128.9 million).
- Proceeds on the sale of a listed investment of R23.4 million and proceeds on the sale of property plant and equipment of R7.0 million.

Net cash inflows from financing activities increased to R145.2 million (2015: R20 million outflow), predominantly due to the utilisation of the RCF to fund operational capital expenditure.

OPERATIONAL PERFORMANCE

The group's operational and production summaries are disclosed on the Pan African Resources website at http://www.panafricanresources.com/investors/financial-reports/

Review of Barberton Mines

Safety

- The operation reported no fatalities (2015: no fatalities).
- LTIFR improved to 2.07 (2015: 2.47).
- RIFR improved to 0.59 (2015: 0.62).
- TRIFR improved to 12.40 (2015: 14.81).

Operational performance

- Average mining head grade achieved reduced to 9.4g/t (2015: 10.6g/t). Fairview Mine experienced flexibility issues resulting from temporary lower grade face values, specifically at its high grade 11-block. Work is underway to develop additional production platforms to expose additional high-grade panels to increase mining grades and flexibility.
- Gold sold decreased by 12.8% to 49,212oz (2015: 56,447oz), as a result of the underground gold sold decreasing to 34,471oz (2015: 43,617oz).
- The BTRP gold sold increased to 14,741oz (2015: 12,830oz), supported by higher grades of 2.2g/t (2015: 1.3g/t) being achieved. The BTRP tonnages processed decreased to 388,905t (2015: 464,179t), this was due to re-mining the base of the Bramber tailings dam therefore limiting and reducing the tonnages processed by the BTRP.
- Three separate incidents of community unrest, targeting government service delivery, interrupted production as these protests prevented employees from reporting to work. Together, these incidents resulted in six days of lost production.

- Six Section 54 regulatory notices resulted in eight lost production days (2015: one Section 54 regulatory notice resulting in three lost production days).
- Revenue marginally increased by 2.2% to R872.9 million (2015: R854.3 million) as a result of a higher effective ZAR gold price, offset by the decrease in gold sold.
- Cash cost per kilogramme increased to R347,667/kg (2015: R266,690/kg) and, in USD terms, the cash cost per ounce increased to USD773/oz (2015: USD610/oz). The increase was predominately as a result of our gold production decreasing by 12.8% to 49,212oz (2015: 56,447oz).
- All-in sustaining cost per kilogramme decreased by 2.2% to R341,600/kg (2015: R349,218/kg) and, in USD terms, the all-in sustaining cost per ounce decreased to USD759/oz (2015: USD799/oz). Excluding the cost collar mark-to-market fair value adjustments, the all-in sustaining cost per kilogramme is R400,385/kg (2015: R326,089/kg) and, in USD terms, the all-in sustaining cost per kilogramme, excluding the cost collar mark-to-market fair value adjustments, was USD890/oz (2015: USD746/oz).
- All-in cost per kilogramme increased by 4.6% to R365,934/kg (2015: R349,739/kg) and, in USD terms, the all-in cost per ounce increased to USD814/oz (2015: USD800/oz).
- Adjusted EBITDA increased to R407.8 million (2015: R310.1 million).
- Capital expenditure increased to R83.5 million (2015: R55.9 million) summarised in the following categories:
    - Sustaining development capital expenditure was R30.2 million (2015: R25.0 million).
    - Sustaining maintenance capital expenditure was R16.0 million (2015: R30.0 million).
    - Once-off expansion capital was R37.3 million (2015 R0.9 million), which related to the construction of the BTRP cyanide detoxification plant and Fairview ventilation refrigeration and infrastructure.
- Effective from 1 July 2016 the life-of-mine of the respective operations at Barberton Mines is:
    - Fairview Mine 22 years (2015: 20 years)
    - Sheba Mine 18 years (2015: 20 years)
    - New Consort Mine 5 years (2015: 7 years)
    - BTRP 14 years (2015: 15 years)

Review of Evander Mines

Safety

- The operation reported no fatalities (2015: no fatalities).
- LTIFR regressed to 5.83 (2015: 5.44).
- RIFR improved to 2.62 (2015: 3.44).
- TRIFR regressed to 17.19 (2015: 14.61).

Operational performance

- Average mining head grade achieved of 5.4g/t (2015: 5.8g/t).
- Due to Section 54 stoppages and a reduction in hoisting speed at 7 Shaft during the period under review, Evander Mines gold sold decreased by 6.5% to 42,401oz (2015: 45,350oz).
- Revenue increased by 8.2% to R737.9 million (2015: R682.0 million) due to an increase in the effective ZAR gold price achieved, which was off-set by a reduction in the gold sold.
- ETRP produced 15,924oz (2015: 8,980oz), following an increase in gold produced from surface feedstock to 11,480oz (2015: 5,272oz) and tailings contributing 4,444oz (2015: 3,708oz).
- Evander Mines' 7 Shaft, which is used to hoist ore from underground mining operations to surface for processing, is undergoing critical infrastructure repairs and maintenance and requires a suspension of the underground mining operations for a period of up to 55 days effective 20 February 2017.
- Evander Mines experienced a material increase in DMR-initiated safety stoppages during the past six months. The operation was issued with four Section 54 regulatory notices, which resulted in 13 lost production days (2015: three Section 54 regulatory notices resulting in two lost production days). The majority of the lost production days related to the 7 Shaft incident.
- Cash costs per kilogramme increased by 28.0% to R501,281/kg (2015: R394,730/kg) and, in USD terms, the cash cost per ounce increased to USD1,114/oz (2015: USD 903/oz).
- All-in sustaining cost per kilogramme increased by 29.2% to R589,181/kg (2015: R456,070/kg) and, in USD terms, the all-in sustaining cost per ounce increased to USD1,310/oz (2015: USD1,043/oz), in line with the increase in cash costs.
- All-in cost per kilogramme increased by 33.1% to R608,783/kg (2015: R457,380/kg) and, in USD terms, the all-in cost per ounce increased to USD1,353/oz (2015:USD1,046/oz).
- Adjusted EBITDA decreased to R63.8 million (2015: R124.2 million).
- Capital expenditure increased to R111.8 million (2015: R71.9 million) summarised in the following categories:
    - Sustaining development capital expenditure was R48.8 million (2015: R39.4 million).
    - Sustaining maintenance capital expenditure was R37.4 million (2015: R30.6 million).
    - Once-off expansion capital expenditure was R25.6 million (2015: R1.9 million), relating to costs associated with 8 Shaft's 25 and 26 decline and A Block development.
- Effective from 1 July 2016, the life-of-mine of 8 Shaft and the ETRP was 16 years (2015: 16 years).

Review of Phoenix Platinum

Safety

Phoenix Platinum maintained its excellent safety record, with no injuries.

Operational performance

- Tonnes processed increased by 3.9% to 122,024 tonnes (2015: 117,461 tonnes). In July 2016 the operation commissioned a scrubber, which increased the production capacity by 25%, but unfortunately re-mining was limited by the recent drought during October 2016.
- The head grade achieved decreased by 31.2% to 2.2g/t (2015: 3.2g/t), due to re-mining from the lower-grade Elandskraal/Kroondal tailings facility, while in the comparable period re-mining occurred at Samancor's Buffelsfontein tailings facility.
- PGE production increased by 1.8% to 4,574oz (2015: 4,493oz).
- Recoveries increased to 57% from 39% following the installation of high energy agitation cells in the plant.
- Revenue increased by 8.4% to R42.5 million (2015: R39.2 million) due to a marginal increase in production and an increase in the effective PGE net revenue price received of 6.5% to R9,284/oz (2015: R8,716/oz).

- The average PGE net revenue price received increased by 6.5% to R9,284/oz (2015: R8,716/oz) and, in USD terms, the average PGE net revenue per ounce increased to USD664/oz (2015: USD641/oz).
- Cost per tonne increased by 15.0% to R337/t (2015: R293/t), mainly due to the higher cost of production associated with transporting the Elandskraal/Kroondal tailings to the plant and high refinery charges incurred during the period under review.
- Cost per ounce of production increased by 17.5% to R8,991/oz (2015: R7,653/oz) and, in USD terms, the cost per ounce increased to USD643/oz (2015: USD563/oz).
- Adjusted EBITDA decreased to R2.8 million (2015: R2.9 million).
- Capital expenditure incurred was R2.9 million (2015: R0.8 million).
- Effective from 1 July 2016 the life-of-operation decreased to nine years (2015 financial year: 28 years) as a result of the cessation of mining operations at Lesedi Mine following the International Ferro Metals business rescue plan. In the event the Lesedi mining operation is reopened, the life-of-operation will be reassessed and adjusted as the right to the PGE's in the Lesedi resource remains contractually secured by Phoenix Platinum.

Review of Uitkomst Colliery

Pan African Resources completed the acquisition of the Uitkomst Colliery from Oakleaf Investments Holding 109 Proprietary Limited and Shanduka Resources Proprietary Limited for a cash consideration of R148 million on 31 March 2016.

Safety

- The operation reported no fatalities.
- LTIFR per 200,000 man hours was 2.15 (2015: 2.65).
- RIFR per 200,000 man hours was 2.15 (2015: 1.06).
- TRIFR per 200,000 man hours was 4.73 (2015: 7.42).

Operational performance

- Profit after taxation for the period was R21.3 million.
- The operation produced and sold 327,202 tonnes of coal, of which 127,605 tonnes was from the underground mining operations and 199,597 tonnes was acquired from third parties for blending and processing.
- Revenue amounted to R225.0 million.
- Cost of production of R189.0 million.
- The average revenue per tonne received was R688/t or USD49/t, of which R881/t or USD63/t was related to the underground mined coal and R552/t or USD39/t related to the coal acquired for blending and processing.
- Cost per tonne averaged at R578/t or USD41/t.
- All-in sustaining costs and all-in costs per tonnes were R587/t or USD42/t. The all-in sustaining costs and all-in costs were marginally lower than the direct cost per tonne as a result of other income earned by the logistics department.
- Adjusted EBITDA was R38.0 million.
- Capital expenditure incurred was R5.0 million.
- Effective from 1 July 2016 the life-of-operation was 22 years for a run-of-mine coal production profile of 600,000t per annum.

COMMITMENTS REPORTED IN RAND AND GBP

The group identified no contingent liabilities in the current or prior financial period.

The group had outstanding open orders contracted for at period end of R106.3 million (2015: R48.3 million) or GBP6.3 million (2015: GBP2.1 million).

Authorised commitments for the new financial period, not yet contracted for, totalled R169.9 million (2015: R162.5 million) or GBP10.1 million (2015: GBP7.1 million).

At 31 December 2016, the group had guarantees in place of R24.6 million (2015: R24.6 million) or GBP1.4 million (2015: GBP1.1 million) in favour of Eskom, R33.5 million (2014: R14.0 million) or GBP2.0 million (2015: GBP0.6 million) in favour of the DMR, and R6.6 million (2015: Nil) or GBP0.4 million (2015: Nil) in favour of Transnet SPC Limited.

Operating lease commitments, which fall due within the next year, amounted to R3.7 million (2015: R2.3 million) or GBP0.2 million (2015: GBP0.1 million).

FAIR VALUE INSTRUMENTS

Financial instruments that are measured at fair value are grouped into levels 1 to 3 based on the extent to which fair value is observable.

The levels are classified 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; and
Level 3 - fair value is determined on inputs not based on observable market data.

Level 1 financial instruments:
The group's rehabilitation trust funds are valued at R319.5 million (2015: R321.9 million) or GBP18.9 million (2015: GBP14.0 million), which comprise investments in guaranteed equity-linked notes, government bonds and equities, according to quoted prices in an active market.

Level 2 financial instruments:
At the end of the period under review the cost collar, referred to earlier, was not settled, therefore resulting in a financial exposure to be fair value on a mark-to-market basis. The financial instrument was valued according to quoted prices in an active market resulting in a cost collar mark-to-market liability of R20.2 million (30 June 2016: R117.6 million and 31 December 2015: R40.6 million).

The group's cash settled share option liability, which is valued on a mark-to-market basis according to the Pan African Resources quoted share price amounted to R57.8 million (2015: R21.8 million).

Level 3 financial instruments:
The group's ESOP liability is accounted on a cash settled share option basis and valued on a mark-to-market on the net present value of the discounted future cash flows applicable to the beneficiaries of the schemes. The ESOP liability was R5.6 million (2015: R2.7 million).

BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS AND ACCOUNTING POLICIES

The accounting policies applied in compiling the interim results are in terms of International Financial Reporting Standards ('IFRS') adopted by the European Union and South Africa, which are consistent with those applied in preparing the group's annual financial statements for the year ended 30 June 2016.

The financial information set out in this announcement does not constitute the company's statutory accounts for the period ended 31 December 2016.

The interim results have been prepared and presented in accordance with, and containing the information required by IAS 34: Interim Financial Reporting, as well as the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council.

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

JSE LIMITED LISTING

The company has a dual primary listing on the main board of the JSE Limited ('JSE') and the Alternative Investment Market ('AIM') of the London Stock Exchange.

The preliminary announcement has been prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS, the AC 500 standards as issued by the Accounting Practices Board and the information as required by IAS 34: Interim Financial Reporting.

AIM LISTING

The financial information for the period ended 31 December 2016 does not constitute statutory accounts as defined in sections 435 (1) and (2) of the Companies Act 2006.

The group's announcement has been prepared in accordance with IFRS and International Financial Reporting Interpretation Committee interpretations adopted for use by the European Union, with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

DIRECTORSHIP CHANGES AND DEALINGS

No directorship changes took place during the period under review. However, the following director dealings in securities took place:

During the period under review Mr JAJ Loots participated in the following company shares transactions:

- On 27 September 2016, purchased 20,000 shares and 200,000 shares at R3.57 per share and R3.58 per share, respectively.
- On 28 September 2016, purchased 28,609 shares at R3.48 per share.
- On 29 September 2016, purchased 491 shares at R3.59 per share.
- On 30 September 2016, purchased 25,000 shares at R3.70 per share.
- On 3 October 2016, purchased 25,000 shares at R3.78 per share.
- On 5 October 2016, purchased 30,000 shares at R3.55 per share.

Mr JAJ Loots had 560,675 shares outstanding at period end, representing 0.03% of total issued shares.

During the year under review Mr GP Louw participated in the following company shares transactions.

On 27 September 2016, purchased the following shares:

- 4,300 shares at R3.57 per share.
- 3,150 shares at R3.58 per share.
- 35,000 shares at R3.62 per share.
- 40,000 shares at R3.64 per share.
- 12,836 shares at R3.66 per share.
- 42,164 shares at R3.67 per share.

Mr GP Louw had 137,450 shares outstanding at period end, representing 0.01% of total issued shares.

SHARES ISSUED

No shares were issued during the current or comparable period under review.

GOING CONCERN

The board confirms that the business is a going concern and that it has reviewed the group's working capital requirements in conjunction with its future funding capabilities for at least the next twelve months and has found them to be adequate. The group has a R800 million revolving credit facility from a consortium of South African banks (and an accordion option, subject to the RCF consortium's approval, for an additional R300-million facility), as well as access to general banking facilities of R146.5 million. At 31 December 2016, the group had borrowing capacity on the revolving credit facility of R290 million (GBP20.1 million) to assist in funding working capital requirements. On 1 July 2016 the group finalised the general banking facility of R85 million (GBP4.3 million) for Uitkomst Colliery. Management is not aware of any material uncertainties which may cast significant doubt on the group's ability to continue as a going concern. Should the need arise, the group can cease discretionary exploration and certain capital expenditure activities to conserve cash on the short to medium term.

EVENTS AFTER THE REPORTING PERIOD

Fatality

It is with deep regret that Pan African Resources reports that a mining accident occurred at the Evander Mines 7 shaft complex on 15 February 2017. Mr Velile Chaplin Kapa (54), an Engineering Assistant employed by the operation, sustained a fatal head injury when a section of the main shaft pump column failed whilst he was working in the shaft bottom area. Pan African's management and board express their sincere condolences to the family, friends and colleagues of Mr Kapa.

Shaft Refurbishment Programme

In conjunction with the 7A shaft refurbishment programme, Evander's management initiated a number of independent and internal engineering studies to assess the condition of Evander's underground mining infrastructure (both Evander Mines 7 and 8 shafts). These studies identified critical infrastructure issues requiring remedial action, to ensure safe and sustainable operation of these shafts.

The nature of these refurbishments require a suspension of Evander Mines underground mining operations for a period of up to 55 days, effective from 20 February 2017, during which critical infrastructure issues will be addressed. Evander Mines tailings and surface operations will be unaffected by the underground mining suspension.

The cost of the shaft refurbishment programmes is expected to be approximately R40 million, which will be funded from the group's existing banking facilities.

SEGMENT REPORTING

A segment is a distinguishable component of the group engaged in providing products or services in a particular business sector or segment, which is subject to risks and rewards different from those of other segments. The group's business activities were conducted through six business segments:

- Barberton Mines (including BTRP), located in Barberton, South Africa;
- Evander Mines (including ETRP), located in Evander, South Africa;
- Uitkomst Colliery, located in Newcastle, South Africa;
- Phoenix Platinum, located near Rustenburg, South Africa;
- Corporate and growth projects; and
- Pan African Resources Funding Company Proprietary Limited ('Funding Company').

The executive committee reviews the operations in accordance with the disclosures presented above.

Cobus Loots	Deon Louw
Chief Executive Officer	Financial Director

22 February 2017

Financial statements: Condensed financial information
Consolidated Statement of Financial Position as at 31 December 2016

	31 December 2016 (Unaudited) **GBP**	30 June 2016 (Audited) **GBP**	31 December 2015 (Unaudited) **GBP**	31 December 2016 (Unaudited) **ZAR**	30 June 2016 (Unaudited) **ZAR**	31 December 2015 (Unaudited) **ZAR**
ASSETS						
Non-current assets						
Property, plant and equipment and mineral rights	228,033,741	190,725,199	153,180,433	3,854,043,857	3,772,544,439	3,521,618,148
Other intangible assets	119,331	123,235	197,598	2,016,834	2,437,592	4,542,773
Deferred taxation	1,601,335	1,117,092	118,419	27,064,491	22,096,084	2,722,464
Long term inventory	218,689	186,861	-	3,696,114	3,696,114	-
Goodwill	21,000,714	21,000,714	21,000,714	303,491,812	303,491,812	303,491,812
Investments	-	1,269,228	678,909	-	25,105,331	15,608,118
Rehabilitation trust fund	18,906,056	16,253,708	14,002,928	319,535,037	321,498,339	321,927,319
	269,879,866	**230,676,037**	**189,179,001**	**4,509,848,145**	**4,450,869,711**	**4,169,910,634**
Current assets						
Inventories	6,233,723	4,398,813	4,062,142	105,357,405	87,008,537	93,388,634
Current tax asset	884,153	848,946	657,849	14,943,239	16,792,156	15,123,957
Trade and other receivables	16,379,366	14,042,357	7,085,421	276,830,935	277,757,811	162,893,843
Cash and cash equivalents	4,047,271	2,658,947	-	68,403,735	52,593,979	-
	27,544,513	**21,949,063**	**11,805,412**	**465,535,314**	**434,152,483**	**271,406,434**
Non-current assets held for sale	78,264	66,873	**-**	1,322,750	1,322,750	**-**
TOTAL ASSETS	297,502,643	**252,691,973**	**200,984,413**	**4,976,706,209**	**4,886,344,944**	**4,441,317,068**
EQUITY AND LIABILITIES						
Capital and reserves						
Share capital	19,432,065	19,432,065	18,314,947	269,660,040	269,660,040	244,752,779
Share premium	108,936,082	108,936,082	94,846,046	1,638,563,371	1,638,563,371	1,323,632,626
Translation reserve	(36,208,761)	(58,583,848)	(77,093,671)	-	-	-
Share option reserve	1,214,859	1,035,888	1,035,888	17,157,178	13,957,178	13,957,178
Retained earnings	127,358,179	126,620,650	112,043,676	1,807,077,209	1,789,877,978	1,470,428,459
Realisation of equity reserve	(10,701,093)	(10,701,093)	(10,701,093)	(140,624,130)	(140,624,130)	(140,624,130)
Treasury capital reserve	(25,376,743)	(25,376,743)	-	(548,619,802)	(548,619,802)	-
Merger reserve	(10,705,308)	(10,705,308)	(10,705,308)	(154,707,759)	(154,707,759)	(154,707,759)
Other reserves	-	317,509	(140,016)	-	6,280,332	(3,218,975)
Equity attributable to owners of the parent	173,949,280	**150,975,202**	**127,600,469**	**2,888,506,107**	**2,874,387,208**	**2,754,220,178**
Total equity	173,949,280	**150,975,202**	**127,600,469**	**2,888,506,107**	**2,874,387,208**	**2,754,220,178**
Non-current liabilities						
Long term provisions	12,178,362	10,432,986	10,271,027	205,828,928	206,364,460	236,130,911
Long term liabilities	29,575,681	18,456,309	11,495,041	499,864,488	362,640,753	264,270,992
Deferred taxation	49,659,486	40,616,337	32,667,521	839,304,908	803,391,140	751,026,310
	91,413,529	**69,505,632**	**54,433,589**	**1,544,998,324**	**1,372,396,353**	**1,251,428,213**
Current liabilities						
Trade and other payables	21,637,419	18,743,235	13,014,779	365,698,348	370,741,187	299,209,765
Financial instrument liabilities	1,195,181	5,945,399	-	20,200,000	117,600,000	-
Current portion of long term liabilities	7,694,263	6,980,711	4,247,021	130,042,281	140,503,506	97,639,018
Bank overdraft	-	-	443,171	-	-	10,188,509
Current tax liability	1,612,971	541,794	1,245,384	27,261,149	10,716,690	28,631,385
	32,139,834	**32,211,139**	**18,950,355**	**543,201,778**	**639,561,383**	**435,668,677**
TOTAL EQUITY AND LIABILITIES	297,502,643	**252,691,973**	**200,984,413**	**4,976,706,209**	**4,886,344,944**	**4,441,317,068**

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the period ended 31 December 2016

	31 December 2016 (Unaudited) GBP	31 December 2015 (Unaudited) GBP	31 December 2016 (Unaudited) ZAR	31 December 2015 (Unaudited) ZAR
Revenue	105,046,160	75,632,034	1,878,225,336	1,575,415,260
Gold sales	90,088,444	73,752,127	1,610,781,384	1,536,256,799
Platinum sales	2,374,978	1,879,907	42,464,600	39,158,461
Coal sales	12,582,738	-	224,979,352	-
Realisation costs	(1,548,366)	(269,483)	(27,684,793)	(5,613,341)
On - mine revenue	**103,497,794**	**75,362,551**	**1,850,540,543**	**1,569,801,919**
Gold cost of production	(65,188,472)	(48,935,400)	(1,165,569,862)	(1,019,324,382)
Platinum cost of production	(2,300,055)	(1,650,617)	(41,125,002)	(34,382,330)
Coal cost of production	(10,567,754)	-	(188,951,438)	-
Mining depreciation	(6,449,740)	(5,276,624)	(115,321,349)	(109,912,069)
Mining profit	**18,991,773**	**19,499,910**	**339,572,892**	**406,183,138**
Other income/(expenses)	2,175,078	(3,486,324)	38,890,388	(72,620,137)
Profit on disposal of investment	256,311	-	4,582,844	-
Royalty costs	(968,130)	(1,194,397)	(17,310,168)	(24,879,297)
Net income before finance income and finance costs	**20,455,032**	**14,819,189**	**365,735,956**	**308,683,704**
Finance income	69,912	143,584	1,250,024	2,990,864
Finance costs	(1,079,361)	(557,976)	(19,298,977)	(11,622,650)
Profit before taxation	**19,445,583**	**14,404,797**	**347,687,003**	**300,051,918**
Taxation	(5,475,167)	(3,479,954)	(97,895,968)	(72,487,419)
Profit after taxation	**13,970,416**	**10,924,843**	**249,791,035**	**227,564,499**
Other comprehensive income:				
Fair value movement on available for sale investment	(317,509)	(69,337)	(6,280,332)	(1,854,878)
Foreign currency translation differences	22,375,087	(20,691,156)	-	-
Total comprehensive income for the year	36,027,994	(9,835,650)	243,510,703	225,709,621
Profit attributable to:				
Owners of the parent	13,970,416	10,924,843	249,791,035	227,564,499
Total comprehensive income attributable to:				
Owners of the parent	36,027,994	(9,835,650)	243,510,703	225,709,621
Earnings per share	0.93	0.60	16.58	12.43
Diluted earnings per share	0.93	0.60	16.57	12.42
Weighted average number of shares in issue	1,506,848,496	1,831,494,763	1,506,848,496	1,831,494,763
Diluted number of shares in issue	1,507,616,769	1,831,712,087	1,507,616,769	1,831,712,087
Headline earnings per share is calculated :				
Basic earnings	13,970,416	10,924,843	249,791,035	227,564,499
Adjustments:				
Profit on disposal of investment	(198,897)	-	(3,556,287)	-
Profit on disposal of property plant, mineral right and equipment	(15,229)	149	(272,290)	2,679
Headline earnings	**13,756,290**	**10,924,992**	**245,962,458**	**227,567,178**
Headline earnings per share	0.91	0.60	16.32	12.43
Diluted headline earnings per share	0.91	0.60	16.31	12.42

Condensed Consolidated Statement of Changes in Equity for the period ended 31 December 2016

	Six months ended 31 December 2016 (Unaudited)	Six months ended 31 December 2015 (Unaudited)	Six months ended 31 December 2016 (Unaudited)	Six months ended 31 December 2015 (Unaudited)
	GBP	**GBP**	**ZAR**	**ZAR**
Shareholder's equity opening balance	150,975,202	147,167,487	2,874,387,208	2,738,510,557
Share option reserve	178,971	-	3,200,000	-
Other comprehensive income	22,057,578	(20,760,493)	(6,280,332)	(1,854,878)
Profit for the year	13,970,416	10,924,843	249,791,035	227,564,499
Dividends paid	(17,067,953)	(9,731,368)	(300,000,000)	(210,000,000)
Reciprocal dividend PAR Gold Pty Ltd	3,835,066	-	67,408,196	-
Total Equity	**173,949,280**	**127,600,469**	**2,888,506,107**	**2,754,220,178**

Condensed consolidated cash flow statement for the period ended 31 December 2016

	Six months ended 31 December 2016 (Unaudited)	Six months ended 31 December 2015 (Unaudited)	Six months ended 31 December 2016 (Unaudited)	Six months ended 31 December 2015 (Unaudited)
	GBP	GBP	ZAR	ZAR
Profits before tax	19,445,583	14,404,797	347,687,003	300,051,918
Summary of adjustments:				
Royalties	968,130	1,194,397	17,310,168	24,879,297
Depreciation	6,479,618	5,294,975	115,855,561	110,294,337
Gold loan deliveries	(1,592,171)	(1,404,589)	(27,925,865)	(29,257,585)
Fair value adjustments and other	(4,995,440)	(434,881)	(89,318,476)	(9,058,577)
Net finance costs	1,009,449	414,392	18,048,953	8,631,786
Operating profit before working capital changes	21,315,169	19,469,091	381,657,344	405,541,176
(Increase)/ decrease in trade and other receivables	(2,337,009)	1,036,728	926,876	21,595,047
Increase in net inventory	(1,834,910)	(1,238,072)	(18,348,868)	(25,789,050)
Increase in accounts payable	3,349,251	(864,687)	7,360,658	(18,011,434)
Non-cash items	(259,954)	-	-	-
Cash Generated by operations	20,232,547	18,403,060	371,596,010	383,335,739
Taxation paid	(3,532,719)	(2,794,359)	(59,523,813)	(64,242,313)
Royalty paid	(1,116,250)	(1,040,133)	(18,747,082)	(23,912,650)
Dividends paid	(17,142,171)	(9,349,072)	(300,000,000)	(210,000,000)
Reciprocal dividend PAR Gold Pty Ltd	3,902,970	-	67,408,196	-
Net finance expense	(963,654)	(511,354)	(17,015,660)	(10,651,502)
Cash inflow from operating activities	1,380,723	4,708,142	43,717,651	74,529,274
Cash outflow from investing activities	(9,551,117)	(6,191,291)	(173,142,545)	(128,964,585)
Cash inflow/(outflow) from financing activities	8,852,696	(960,154)	145,234,650	(20,000,000)
Net increase/(decrease) in cash equivalents	682,302	(2,443,303)	15,809,756	(74,435,311)
Cash at the beginning of period	2,658,947	3,328,850	52,593,979	64,246,802
Effect of foreign currency rate changes	706,022	(1,328,718)	-	-
Cash at end of year	4,047,271	(443,171)	68,403,735	(10,188,509)

Consolidated Segment Report for the period ended 31 December 2016

	31 December 2016							31 December 2015					
	Barberton Mines	Evander Mines	Phoenix Platinum	Uitkomst Colliery[3]	Corporate and Growth Projects	Funding Company	Group	Barberton Mines	Evander Mines	Phoenix Platinum	Corporate and Growth Projects	Funding Company	Group
_	GBP	GBP	GBP	GBP	GBP	GBP	GBP	GBP	GBP	GBP	GBP	GBP	GBP
Revenue													
Gold sales[1]	48,817,087	41,271,357	-	-	-	-	90,088,444	41,011,076	32,741,051	-	-	-	73,752,127
Platinum sales	-	-	2,374,978	-	-	-	2,374,978	-	-	1,879,907	-	-	1,879,907
Coal sales	-	-	-	12,582,738	-	-	12,582,738	-	-	-	-	-	-
Realisation costs	(337,118)	(1,211,248)	-	-	-	-	(1,548,366)	(156,470)	(113,013)	-	-	-	(269,483)
On - mine revenue	48,479,969	40,060,109	2,374,978	12,582,738	-	-	103,497,794	40,854,606	32,628,038	1,879,907	-	-	75,362,551
Gold cost of production	(29,425,710)	(35,762,762)	-	-	-	-	(65,188,472)	(22,321,903)	(26,613,497)	-	-	-	(48,935,400)
Platinum cost of production	-	-	(2,300,055)	-	-	-	(2,300,055)	-	-	(1,650,617)	-	-	(1,650,617)
Coal cost of production	-	-	-	(10,567,754)	-	-	(10,567,754)	-	-	-	-	-	-
Depreciation	(2,471,578)	(3,204,747)	(428,693)	(344,722)	-	-	(6,449,740)	(1,805,175)	(3,312,213)	(159,236)	-	-	(5,276,624)
Mining profit	16,582,681	1,092,600	(353,770)	1,670,262	-	-	18,991,773	16,727,528	2,702,328	70,054	-	-	19,499,910
Other expenses [2]	4,482,179	(517,813)	78,045	147,856	(2,034,620)	19,431	2,175,078	(2,614,480)	115,024	(92,565)	(907,176)	12,873	(3,486,324)
Profit on disposal of investment	-	-	-	-	256,311	-	256,311	-	-	-	-	-	-
Royalty costs	(729,367)	(206,563)	-	(32,200)	-	-	(968,130)	(1,030,528)	(163,869)	-	-	-	(1,194,397)
Net income / (loss) before finance income and finance costs	20,335,493	368,224	(275,725)	1,785,918	(1,778,309)	19,431	20,455,032	13,082,520	2,653,483	(22,511)	(907,176)	12,873	14,819,189
Finance income	(13,155)	3,869	80	7,938	18,486	52,694	69,912	59,038	11,964	370	46,287	25,925	143,584
Finance costs	(219)	-	-	(15,063)	(43)	(1,064,036)	(1,079,361)	14,621	(14,314)	8,570	(5)	(566,848)	(557,976)
Profit /(loss) before taxation	20,322,119	372,093	(275,645)	1,778,793	(1,759,866)	(991,911)	19,445,583	13,156,179	2,651,133	(13,571)	(860,894)	(528,050)	14,404,797
Taxation	(5,357,045)	83,819	51,875	(473,542)	219,726	-	(5,475,167)	(3,294,804)	(7,836)	14,408	(191,722)	-	(3,479,954)
Profit /(loss) after taxation before inter-company charges	14,965,074	455,912	(223,770)	1,305,251	(1,540,140)	(991,911)	13,970,416	9,861,375	2,643,297	837	(1,052,616)	(528,050)	10,924,843
Inter-company transactions													
Management fees	(646,041)	(572,065)	(68,248)	(100,671)	1,387,025	-	-	(685,079)	(447,904)	(64,809)	1,197,792	-	-
Inter-company interest charges	(40,268)	(323,770)	45,638	(191,667)	-	510,067	-	-	(522,381)	-	-	522,381	-
Profit /(loss) after taxation after inter-company charges	14,278,765	(439,923)	(246,380)	1,012,913	(153,115)	(481,844)	13,970,416	9,176,296	1,673,012	(63,972)	145,176	(5,669)	10,924,843
Segmental assets (Total assets excluding goodwill)	69,363,021	174,037,650	11,396,001	16,169,145	7,900,059	(2,363,947)	276,501,929	47,452,876	122,245,331	8,497,626	1,576,239	211,627	179,983,699
Segmental Liabilities	28,160,761	56,972,786	671,264	4,572,881	2,879,983	30,295,688	123,553,363	19,134,430	41,981,878	570,515	62,806	11,634,315	73,383,944
Goodwill	21,000,714	-	-	-	-	-	21,000,714	21,000,714	-	-	-	-	21,000,714
Net assets (excluding goodwill)	41,202,259	117,064,864	10,724,737	-	5,020,076	(32,659,635)	152,948,566	28,318,446	80,263,453	7,927,111	1,513,433	(11,422,688)	106,599,755
Capital expenditure	4,670,022	6,252,796	162,192	279,642	16,779	-	11,381,431	2,683,629	3,451,752	38,406	14,402	-	6,188,189

[1]All gold sales were made in the Republic of South Africa and the majority of revenue was generated from selling gold to South African institutions through the group's Funding Company

[2]Other expenses exclude inter-management fees and dividend received

[3]Uitkomst Colliery was consolidated into the group from 1 April 2016

Consolidated Segment Report for the period ended 31 December 2016

	31 December 2016							31 December 2015					
	Barberton Mines ZAR' million	Evander Mines ZAR' million	Phoenix Platinum ZAR' million	Uitkomst Colliery[3] ZAR' million	Corporate and Growth Projects ZAR' million	Funding Company ZAR' million	Group ZAR' million	Barberton Mines ZAR' million	Evander Mines ZAR' million	Phoenix Platinum ZAR' million	Corporate and Growth Projects ZAR' million	Funding Company ZAR' million	Group ZAR' million
Revenue													
Gold sales [1]	872.9	737.9	–	–	–	–	1,610.8	854.3	682.0	–	–	–	1,536.3
Platinum sales	–	–	42.5	–	–	–	42.5	–	–	39.2	–	–	39.2
Coal sales	–	–	–	225.0	–	–	225.0	–	–	–	–	–	–
Realisation costs	(6.0)	(21.7)	–	–	–	–	(27.7)	(3.3)	(2.4)	–	–	–	(5.7)
On - mine revenue	866.9	716.2	42.5	225.0	–	–	1,850.6	851.0	679.6	39.2	–	–	1,569.8
Gold cost of production	(526.2)	(639.4)	–	–	–	–	(1,165.6)	(464.9)	(554.4)	–	–	–	(1,019.3)
Platinum cost of production	–	–	(41.1)	–	–	–	(41.1)	–	–	(34.4)	–	–	(34.4)
Coal cost of production	–	–	–	(189.0)	–	–	(189.0)	–	–	–	–	–	–
Depreciation	(44.1)	(57.3)	(7.7)	(6.2)	–	–	(115.3)	(37.6)	(69.0)	(3.3)	–	–	(109.9)
Mining profit	296.6	19.5	(6.3)	29.8	–	–	339.6	348.5	56.2	1.5	–	–	406.2
Other expenses[2]	80.1	(9.3)	1.4	2.6	(36.4)	0.5	38.9	(54.5)	2.4	(1.9)	(18.8)	0.3	(72.5)
Profit on disposal of investment	–	–	–	–	4.6	–	4.6	–	–	–	–	–	–
Royalty costs	(13.0)	(3.7)	–	(0.6)	–	–	(17.3)	(21.5)	(3.4)	–	–	–	(24.9)
Net income / (loss) before finance income and finance costs	363.7	6.5	(4.9)	31.8	(31.8)	0.5	365.8	272.5	55.2	(0.4)	(18.8)	0.3	308.8
Finance income	(0.2)	0.1	–	0.1	0.3	0.9	1.2	1.2	0.2	–	1.0	0.5	2.9
Finance costs	–	–	–	(0.3)	–	(19.0)	(19.3)	0.3	(0.3)	0.2	–	(11.8)	(11.6)
Profit /(loss) before taxation	363.5	6.6	(4.9)	31.6	(31.5)	(17.6)	347.7	274.0	55.1	(0.2)	(17.8)	(11.0)	300.1
Taxation	(95.8)	1.5	0.9	(8.5)	4.0	–	(97.9)	(68.6)	(0.2)	0.3	(4.0)	–	(72.5)
Profit /(loss) after taxation	267.7	8.1	(4.0)	23.1	(27.5)	(17.6)	249.8	205.4	54.9	0.1	(21.8)	(11.0)	227.6
Inter-company transactions													
Management fees	(11.6)	(10.2)	(1.2)	(1.8)	24.8	–	–	(14.3)	(9.3)	(1.4)	25.0	–	–
Inter-company interest charges	(0.7)	(5.8)	0.8	–	(3.4)	9.1	–	–	(10.9)	–	–	10.9	–
Profit /(loss) after taxation after inter-company charges	255.4	(7.9)	(4.4)	21.3	(6.1)	(8.5)	249.8	191.1	34.7	(1.3)	3.2	(0.1)	227.6
Segmental assets (total assets excluding goodwill)	1,172.3	2,941.4	192.6	273.3	133.1	(40.0)	4,672.7	1,090.9	2,810.4	195.4	36.2	4.9	4,137.8
Segmental liabilities	476.0	962.9	11.3	79.3	47.0	512.0	2,088.5	439.9	965.2	13.1	1.4	267.5	1,687.1
Goodwill	303.5	–	–	–	–	–	303.5	303.5	–	–	–	–	303.5
Net assets (excluding goodwill)	696.3	1,978.5	181.3	194.0	86.1	(552.0)	2,584.2	651.0	1,845.2	182.3	34.8	(262.6)	2,450.7
Capital expenditure	83.5	111.8	2.9	5.0	0.3	–	203.5	55.9	71.9	0.8	0.3	–	128.9
EBITDA	407.8	63.8	2.8	38.0	(36.4)	0.5	476.5	310.1	124.2	2.9	(18.8)	0.3	418.7

[1]All gold sales were made in the Republic of South Africa and the majority of revenue was generated from selling gold to South African institutions through the group's Funding Company
[2]Other expenses exclude inter-management fees and dividend received
[3]Uitkomst Colliery was consolidated into the group from 1 April 2016

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