

Pan African Resources Funding Company Limited
Incorporated in the Republic of South Africa with
limited liability
Registration number: 2012/021237/06
Company code: PARI
(PAR Funding Company or the Issuer)

NOTICE OF AVAILABILITY OF ANNUAL FINANCIAL STATEMENTS, FINANCIAL COVENANT TESTING AND SUSTAINABILITY- LINKED PROGRESS REPORT, AND CHANGE TO THE BOARD OF DIRECTORS AND DEBT OFFICER

1. Notice of availability of annual financial statements of the Guarantor and the Issuer

Noteholders are advised of the availability of the audited annual financial statements of PAR Funding Company and of its guarantor, Pan African Resources PLC (the Guarantor) for the year ended 30 June 2024.

The annual financial statements of the Issuer (Issuer Results) can be accessed on the Guarantor's website, at the following link: <https://www.panafricanresources.com/investors/domestic-medium-term-note-programme>.

The group annual financial statements of the Guarantor and its subsidiaries (Guarantor Group Results) can be accessed on the Guarantor's website, at the following link: <https://www.panafricanresources.com/investors/fy2024-key-documents/>, as well as via the following SENS announcement: <https://senspdf.jse.co.za/documents/2024/jse/isse/pan/FYE2024.pdf>

Noteholders are further advised that PricewaterhouseCoopers LLP's audit report on annual financial statements of the Issuer and the Guarantor was unqualified.

Copies of the aforementioned annual financial results may also be requested by emailing ExecPA@paf.co.za and electronically via the Issuer's debt sponsor (debtsponsor@questco.co.za) at no charge during business hours.

2. Restatement of the Guarantor's previously published results:

Noteholders are advised of the following corrections of prior period errors relating to the Guarantor Group Results:

2.1. 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 at the reporting date 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 2022 and 2023 reporting periods. In addition, the opening statement of financial position on 1 July 2022 has also been restated. Noteholders are referred to note 40 of the Guarantor Group Results in this regard.

2.2. 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. Noteholders are referred to note 40 of the Guarantor Group Results in this regard.

3. Financial Covenants Notification

In accordance with Condition 12.7 of the Issuer's ZAR5 billion Domestic Medium Term Note Programme, Noteholders are advised that the Financial Covenants, as measured against the Guarantor Group Results, are as follows:

Covenant	Measurement at period-end	Twelve months ended 30 June 2024	Twelve months ended 30 June 2023
Net debt-to-equity ratio	Must be less than 1:1	0.29	0.07
Net debt-to-adjusted EBITDA ratio	Must be less than 2:1	0.8	0.2
Interest cover ratio	Must be greater than 4:1	12.2	28.2
Debt service cover ratio	Must be greater than 1:3	3.8	7.5

4. Sustainability-linked notes progress report

Noteholders of the sustainability-linked debt securities noted below are provided with an update on the progress of the key performance indicators (KPIs) against the baseline/benchmark targets as verified by the independent external reviewer, as set out in the tables below. The verification report by the independent external reviewer is available on the Guarantor's website at <https://www.panafricanresources.com/investors/domestic-medium-term-note-programme/>

PARS01

KPI	Unit of Measurement	Baseline	SPT 2	PTL 2	Realised Value as at	SPT Achieved, SPT not Achieved but	Applicable Margin Adjustment
-----	---------------------	----------	-------	-------	----------------------	------------------------------------	------------------------------

					30 June 2024	above PTL/Baseline or SPT not Achieved and below PTL/Baseline	
KPI 1 Energy consumption generated from renewable means as a percentage of total energy consumed	Percentage (%)	0%	7 %	4%	6.1%	SPT not Achieved but above PTL	0
KPI 2 Expedited land rehabilitation	Percentage (%)	0%	8 %	3 %	9.4%	SPT Achieved	-2
KPI 3 Employee safety	Total recordable injuries per million hours worked	8.95	8.08%	8.95%	6.52%	SPT Achieved	-1
Total Margin Adjustment							-3

PARS02

KPI	Unit of Measurement	Baseline	SPT 2	PTL 2	Realised Value as at 30 June 2024	SPT Achieved, SPT not Achieved but above PTL/Baseline or SPT not Achieved and below PTL/Baseline	Applicable Margin Adjustment
KPI 1 Energy consumption generated from renewable means as a percentage of total energy consumed	Percentage (%)	0%	7 %	4%	6.1%	SPT not Achieved but above PTL	0
KPI 2 Expedited land rehabilitation	Percentage (%)	0%	8 %	3 %	9.4%	SPT Achieved	-2

KPI 3 Employee safety	Total recordable injuries per million hours worked	8.95	8.08%	8.95%	6.52%	SPT Achieved	-1
Total Margin Adjustment							-3

5. Change to the board of directors and debt officer

In compliance with paragraph 6.39 of the Debt Listings Requirements of the JSE Limited, noteholders are advised that Gideon Petrus Louw (“Deon”) has advised PAR Funding Company of his intention to retire, and as such has resigned from the board of directors (“Board”) with effect from 30 September 2024. As a result, he will also step down from his role as the Issuer’s debt officer with effect from the same date.

Noteholders are further advised that Marileen Kok, the Guarantor’s current Executive: Group Finance, will be appointed as a director of PAR Funding Company and as the debt officer with effect from 1 October 2024. Marileen joined the Guarantor as Group Financial Manager in January 2020 and has extensive experience in financial reporting, corporate finance, governance and regulatory compliance.

The Board confirms that it has considered and is satisfied with the competence, qualifications and experience of the newly appointed debt officer.

The Board confirms that the appointment of Marileen as a director and debt officer of PAR Funding Company has been made on the recommendation of the Group’s nominations committee and in accordance with the Group’s board nomination policy.

The contact details of the debt officer are as follows:

Telephone: +27 (0)11 243 2900

Email: marileen@paf.co.za

Rosebank

11 September 2024

Debt sponsor

Questco Corporate Advisory Proprietary Limited