

# EXPANDING HORIZONS

**MINING FOR A FUTURE**



# STATEMENT OF FINANCIAL POSITION

as at 31 July 2024

US\$ thousand	COMPANY	
	Unaudited 31 July 2024	Audited 30 June 2024
<b>ASSETS</b>		
<b>Non-current assets</b>		
Deferred taxation	394	394
Investments	87,646	87,646
Investments – other	3,373	3,373
<b>Total non-current assets</b>	<b>91,413</b>	<b>91,413</b>
<b>Current assets</b>		
Receivables from other Group companies	51,391	51,731
Trade and other receivables	91	98
Cash and cash equivalents	2,937	2,851
<b>Total current assets</b>	<b>54,418</b>	<b>54,680</b>
<b>Total assets</b>	<b>145,831</b>	<b>146,093</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Share capital	38,002	38,002
Share premium	–	235,063
Share buy back reserve	(3,073)	(3,073)
Translation reserve	(166,346)	(166,314)
Share option reserve	1,481	1,481
Retained earnings	273,057	37,766
Merger reserve	3,153	3,153
Other reserves	(4,495)	(4,496)
<b>Total equity</b>	<b>141,779</b>	<b>141,582</b>
<b>Non-current liabilities</b>		
Employment obligations	29	29
	29	29
<b>Current liabilities</b>		
Trade and other payables	1,739	2,199
Employment obligations	16	16
Financial guarantees	1,471	1,471
Current tax liability	797	798
	4,023	4,482
<b>Total equity and liabilities</b>	<b>145,831</b>	<b>146,093</b>

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the period ended 31 July 2024

US\$ thousand	COMPANY	
	Unaudited One month ended 31 July 2024	Audited Year ended 30 June 2024
<b>Revenue</b>		
Other revenue	654	8,688
Dividends received	–	12,969
<b>Net revenue</b>	<b>654</b>	<b>21,657</b>
Other expenses	(439)	(8,968)
Other income	–	234
<b>Net income before finance income</b>	<b>215</b>	<b>12,923</b>
Finance income	12	146
<b>Profit before tax</b>	<b>228</b>	<b>13,069</b>
Income tax expense	–	(1,315)
<b>Profit for the period</b>	<b>228</b>	<b>11,754</b>
<b>Other comprehensive income/(loss)</b>		
<b>Items that may be reclassified to profit or loss</b>		
Foreign currency translation gain/(loss)	(31)	4,731
<b>Total comprehensive income/(loss) for the period</b>	<b>197</b>	<b>16,485</b>

# STATEMENTS OF CHANGES IN EQUITY

for the period ended 31 July 2024

US\$ thousand	COMPANY				
	Share capital	Share premium	Reserves	Retained earnings	Total equity
<b>Balance as at 30 June 2023 (restated)</b>	38,002	235,063	(173,980)	47,239	146,325
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	–	–	–	(21,227)	(21,227)
<b>Balance as at 30 June 2024</b>	<b>38,002</b>	<b>235,063</b>	<b>(169,249)</b>	<b>37,766</b>	<b>141,582</b>
Total comprehensive income	–	(235,063)	(31)	235,291	197
Profit for the period	–	–	–	228	228
Capital reduction	–	(235,063)	–	235,063	–
Other comprehensive (loss)	–	–	(31)	–	(31)
Dividends paid	–	–	–	–	–
<b>Balance as at 31 July 2024</b>	<b>38,002</b>	<b>–</b>	<b>(169,280)</b>	<b>273,057</b>	<b>141,779</b>

## Note

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The above statements of changes in equity should be read in conjunction with the accompanying notes.

# NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 July 2024

## 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. The nature of the Company's operations and its principal activities relate to commodity mining and exploration activities.

## 2. STATEMENT OF COMPLIANCE

The financial statements of Pan African Resources PLC have been prepared in accordance with UK-adopted International Accounting Standards and the requirements of the Companies Act 2006 as applicable to the companies reporting under these standards.

Furthermore, these have been prepared in accordance with 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 as a going concern on the historical basis, except for financial assets at fair value through profit or loss, 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 financial results of the Company is maintained in its functional currency, which are determined by reference to the primary economic environment in which the Company operates. The Company has determined its functional currency as the South African rand.

## 4. CAPITAL REDUCTION

It has come to the attention of the Company that the technical release clarifies that the net assets test is required to be performed on the presentation currency amounts (not the functional currency amounts). Since 2019, when the presentation currency was changed to the US Dollar, the Rand has depreciated by 34% over the five years ending 30 June 2023. The translation of the Company's accounts from the functional currency to the presentation currency resulted in the foreign currency translation reserve which, as at 30 June 2023 stood at US\$171,045,970 and exceeded the Company's retained income of US\$ 47,238,936. It has also come to the attention of the Company that the foreign currency translation reserve does not form part of the Company's undistributable reserves, despite it being unrealised in nature, and so cannot be included as undistributable reserves when carrying out the net assets test.

The Company should not have made the relevant distributions because doing so breached the net assets test, as interpreted by the technical release, and so the relevant distributions were not in accordance with the Act. Under the Act, a company may, with the sanction of a special resolution passed by its shareholders and confirmation of the Court, reduce or cancel its share capital, share premium account, and other reserves. It may then apply the sums resulting from such reduction to its distributable reserves. These sums may then be treated as distributable for the purposes of making future returns to shareholders. The Company had at 30 June 2023, a share premium account standing to the credit of US\$235,063,183. The Act requires that if a company issues shares at a premium to the nominal value of those shares for cash or otherwise, a sum equal to the aggregate amount or value of the premiums must be transferred to the company's share premium account. The Court order confirming the Capital Reduction and statement of capital approved by the Court, was registered with the Registrar of Companies on 18 July 2024, and therefore the capital reduction became effective on this date. The Company reduced the share premium account in full as presented in the statement of changes in equity.

# CORPORATE INFORMATION

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