

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

Provisional audited results for the year ended 30 June 2017 and proposed final dividend announcement

Cobus Loots, CEO of Pan African Resources commented: “The 2017 financial year was operationally challenging. The remedial actions successfully implemented by management are however delivering the expected results. We have appropriately addressed critical shaft infrastructure repairs at Evander Mines, and the operation’s cost base is now leaner, without compromising the safety or sustainability of the business. Pan African Resources looks forward to a much improved performance from Evander Mines in the 2018 financial year, with a substantial increase in expected gold production. Despite mining flexibility challenges, Barberton Mines, our flagship long-life cash flow producer, is currently mining high-grade panels in its Fairview 11-block and is poised to contribute substantially to our production guidance of 190,000oz for the 2018 financial year. The Elikhulu Project is on schedule, with environmental approvals now in place, and is expected to produce first gold in the final quarter of the 2018 calendar year. Additionally, we are excited about the prospects for Evander Mines’ 2010 Pay Channel project and our team has commenced a feasibility study on this project.

The disposal of the Uitkomst Colliery on 30 June 2017 to Coal of Africa realised a profit of R91.3 million, demonstrating the value created over the 15 months of our ownership. The recently announced disposal of Phoenix Platinum to Sylvania reaffirms our focus on core operations and the cash consideration will further strengthen our financial position. The benefits of the PAR Gold transaction, completed in the prior financial year, has the accounting effect of reducing the issued share capital by 436.4-million shares in the 2017 financial year, equating to 19.53% of the issued share capital of the company.

The board is proposing a final dividend of R185 million, or GBP10.9 million, which again results in an attractive cash return to our shareholders.”

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

Financial key features

- Group revenue from continuing operations decreased by 15.5% to R2,925.3 million (2016: R3,460.1 million). In GBP terms, group revenue increased by 5.1% to GBP169.6 million (2016: GBP161.3 million), the GBP percentage movement was positive due to the appreciation of the ZAR/GBP exchange rate.
- In ZAR terms, group profit after taxation decreased by 43.3% to R309.9 million (2016: R547.0 million), while in GBP terms, group profit after taxation decreased by 29.8% to GBP17.9 million (2016: GBP25.5 million). Profits were adversely impacted by reduced gold production and a flat rand gold price during the year.
- Earnings per share (‘EPS’) decreased by 34.4% to 19.81 cents per share (2016: 30.20 cents per share), while in GBP terms, EPS decreased by 19.1% to 1.14 pence per share (2016: 1.41 pence per share).
- Gold production and realisation costs were well contained, increasing by only 7.7% to R2,343.1 million (2016: R2,176.0 million).
- The Pan African Resources board of directors (the ‘board’) approved the R1.74 billion Elikhulu tailings retreatment project (‘Elikhulu Project’) during the 2017 financial year. The project is now fully funded with all environmental approvals in place and construction commenced in August 2017.
- Uitkomst Colliery Proprietary Limited (‘Uitkomst Colliery’) performed well and contributed R35.4 million (2016: R12.7 million), or 11.4%, to group profit after taxation, before its disposal to Coal of Africa Limited (‘Coal of Africa’) on 30 June 2017. The disposal of Uitkomst Colliery to Coal of Africa realised a profit on sale of R91.3 million. **(Note 1)**
- The statement of financial position is robust with net debt reducing to R67.6 million (2016: R339.6 million) at year end.
- The board has proposed a final dividend of R185 million, or approximately GBP10.9 million (2016: R300 million or GBP17.1 million), equating to R0.08279 per share, or approximately 0.48697 pence per share (2016: R0.1544 per share or 0.88 pence per share) for the 2017 financial year. This dividend is subject to shareholder approval at the annual general meeting (‘AGM’), which will take place on Tuesday, 21 November 2017. **(Note 2)**
- Post year end, Pan African Resources concluded a sale agreement to dispose of Phoenix Platinum Proprietary Limited (‘Phoenix Platinum’) to Sylvania Platinum Limited (‘Sylvania’) for a cash consideration of R89 million. This transaction remains subject only to Competition Commission approval. The transaction resulted in an impairment of Phoenix Platinum by R100.9 million at year end.

Operational key features

- Following a challenging operational year, group gold production decreased by 15.4% to 173,285oz (2016: 204,928oz).
- Effective ZAR gold price received remained unchanged at R542,773/kg (2016: R542,850/kg), with the average ZAR/USD exchange rate being 6.3% stronger at R13.59:1 (2016: R14.51:1) and the USD gold price increasing by only 6.7% to USD1,242/oz (2016: USD1,164/oz).
- Cash cost per kilogramme increased in ZAR terms to R430,863/kg (2016: R338,242/kg) and, in USD terms, cash costs per ounce increased to USD986/oz (2016: USD725/oz), predominantly due to lower gold production.
- All-in sustaining cost per kilogramme increased in ZAR terms to R514,435/kg (2016: R405,847/kg) and, in USD terms, all-in sustaining cost per ounce increased to USD1,177/oz (2016: USD870/oz).
- Pan African Resources advised shareholders on 25 August 2017 that the Integrated Water Use Licence for the Elikhulu Project had been granted by the Department of Water and Sanitation, for a period of 20 years. Furthermore, the Integrated Environmental Authorisation was also issued in terms of the National Environmental Management Act 107 of 1998. All environmental regulatory permits are therefore in place for the group to commence construction and operation of the Elikhulu Project, which will add approximately 56,000oz per annum to the group’s production profile from the last quarter of the 2018 calendar year.
- At 30 June 2017, group gold resources were relatively unchanged at 34.4Moz (30 June 2016: 34.9Moz).
- The group unfortunately had three employees fatally injured in the current financial year (2016: one employee fatally injured), and remains focused on reducing the severity of accidents. The group’s lost-time injury frequency rate (‘LTIFR’) remained stable at 3.51 (2016: 3.50) whilst the reportable injury frequency rate

('RIFR') improved to 1.53 (2016: 2.04). Significant progress has been made on ensuring the on-mine safety management teams are appropriately staffed and skilled to drive our safety improvement campaigns. The safety performance at Barberton Mines Proprietary Limited ('Barberton Mines') and Evander Gold Mines Limited ('Evander Mines') is better than the average industry safety rates, and the focus remains on improving safety year-on-year.

- Uitkomst Colliery produced and sold 326,744 tonnes of coal (2016: 87,538t) from the underground mining operations, and 343,466 tonnes of coal (2016:48,564t) acquired from third parties for blending and processing, prior to the conclusion of the sale to Coal of Africa.
- Tonnes processed by Phoenix Platinum increased by 13.7% to 283,067t (2016: 248,981t), and platinum group elements ('PGEs') sold increased by 4.4% to 8,709oz (2016: 8,339oz). The plant recoveries improved by 20.9% to 52.0% (2016: 43.0%) following the installation of high-energy cells, but this was offset by the head grade reducing by 21.1% to 2.43g/t (2016:3.08g/t).
- The group's detailed operational and financial summaries per entity are disclosed on the Pan African Resources website at <http://www.panafricanresources.com/investors/financial-reports/>.

Movement	For the year ended 30 June 2017	For the year ended 30 June 2016	Unit	Salient Features	Unit	For the year ended 30 June 2016	For the year ended 30 June 2017	Movement
(15.4%)	5,390	6,374	(Kilogrammes)	Gold sold	(Oz)	204,928	173,285	(15.4%)
(15.5%)	2,925.3	3,460.1	(R millions)	Revenue	(GBP millions)	161.3	169.6	5.1%
0.0%	542,773	542,850	(R/kg)	Average gold price received	(USD/oz)	1,164	1,242	6.7%
27.4%	430,863	338,242	(R/kg)	Cash costs	(USD/oz)	725	986	36.0%
26.8%	514,435	405,847	(R/kg)	All-in sustaining costs	(USD/oz)	870	1,177	35.3%
31.8%	540,693	410,206	(R/kg)	All-in costs	(USD/oz)	879	1,237	40.7%
(45.6%)	524.6	963.5	(R millions)	Adjusted EBITDA (Note 3)	(GBP millions)	44.9	30.4	(32.3%)
(43.3%)	309.9	547.0	(R millions)	Attributable earnings	(GBP millions)	25.5	17.9	(29.8%)
(42.3%)	315.6	547.1	(R millions)	Headline earnings	(GBP millions)	25.5	18.3	(28.2%)
(34.4%)	19.81	30.20	(cents)	Earnings per share ('EPS')	(pence)	1.41	1.14	(19.1%)
(33.2%)	20.17	30.20	(cents)	Headline earnings per share ('HEPS')	(pence)	1.41	1.17	(17.0%)
(80.1%)	67.6	339.6	(R millions)	Net debt	(GBP millions)	17.2	4.0	(76.8%)
24.2%	330.0	265.7	(R millions)	Total sustaining capital expenditure	(GBP millions)	12.4	19.1	54.3%
102.7%	613.1	302.4	(R millions)	Total capital expenditure (Note 4)	(GBP millions)	14.0	35.5	153.6%
5.5%	201.3	190.8	(cents)	Net asset value per share	(pence)	10.0	12.0	20.0%
(13.6%)	1,564.3	1,811.4	(millions)	Weighted average number of shares in issue	(millions)	1,811.4	1,564.3	(13.6%)
(6.3%)	13.59	14.51	(R/USD)	Average exchange rate	(R/GBP)	21.45	17.25	(19.6%)
(11.8%)	13.04	14.78	(R/USD)	Closing exchange rate	(R/GBP)	19.78	16.96	(14.3%)

- Note 1:** The Uitkomst Colliery contribution excludes corporate management fees and inter-company interest on-charged to the operation during year.
- Note 2:** The GBP proposed final dividend was calculated based on 2,234,687,537 total shares in issue and an illustrative exchange rate of R17:1. Shareholders on the United Kingdom register are to note that a revised exchange rate will be communicated prior to approval of the final dividend at the AGM.
- Note 3:** Adjusted EBITDA is represented by earnings before interest, taxation, depreciation and amortisation, impairments, discontinued operations and profit/(loss) on disposal of investments.
- Note 4:** The Elikhulu Project incurred R175.5 million in capital expenditure to 30 June 2017 on civil engineering works and the procurement of long-lead-time items, such as the tower crane and the carbon-in-leach tanks, which are critical to ensuring construction deadlines are met.

CEO STATEMENT

Pan African Resources experienced a difficult year operationally, with lower gold production and a flat ZAR gold price environment. Regrettably three employees were fatally injured while on duty underground. We have conducted internal assessments to take procedural learnings from each fatal incident. Despite the severe setback related to the employee fatalities, our safety performance rates relative to prior years have improved, with our LTIFR stabilising and the RIFR improving year-on-year. The improvement in the group's overall safety performance is encouraging and we continue to strive towards a zero-harm environment. Gold production was lower than expected as Evander Mines suspended production for 55 days to carry out critical refurbishments to its shaft infrastructure, and production at Barberton Mines was below target due to logistical and flexibility constraints at Fairview, compounded by community unrest in the Barberton Mines area and Department of Mineral Resources ('DMR') safety stoppages ('Section 54 regulatory notices') during the first half of the financial year.

Evander Mines restructured its operations during the reporting period, which has resulted in improved operational efficiencies and a leaner and more sustainable cost base. The shaft failure at Evander Mines, as reported in February 2017, prompted a review of the mine's engineering functions to ensure similar problems are detected timely in future. Evander Mines' shaft infrastructure has also been subject to a number of internal and external engineering reviews and we believe the risk of another failure is materially reduced. Our engineering reviews have identified further infrastructural issues, which are being addressed to ensure the risk associated with the mine's infrastructure is further reduced.

These challenges, which were well flagged during the year, impacted the group's results, with gold revenues decreasing by 15.5% to R2,925.3 million (2016: R3,460.1 million), mostly due to the 15.4% decrease in gold production. The average ZAR gold price received remained relatively unchanged at R542,773/kg (2016: R542,850/kg) in a particularly volatile environment, and the ZAR ended the financial year stronger against the US dollar at R13.59, compared to R14.51 at the prior year end. Looking ahead, the outlook for the ZAR is predominantly negative due to ongoing political, economic and social uncertainties facing South Africa.

Despite the challenges and setbacks, at the end of the 2017 financial year the group has emerged stronger, with reduced debt levels, and a renewed focus on core operations and its strategic growth path. Developments at our Evander Mines include the approval and commencement of construction (after year end) of the Elikhulu Project and improvements to the reliability of mine infrastructure, with the completion of critical structural and engineering refurbishments at Evander Mines' No 7 Shaft during March and April 2017. The exploration programme at Evander Mines' 2010 Pay Channel has commenced, and if this area is proven to be a viable mining proposition, the orebody will be mined from the existing No 7 Shaft, thereby saving the cost of sinking another deep-level shaft. Work is progressing well at Barberton Mines' Fairview shaft, with the development of a sub-vertical shaft to improve access capacity in mining the 11-block high-grade and long-life orebody.

The sale of Uitkomst Colliery in KwaZulu-Natal to Coal of Africa realised a profit on sale of R91.3 million and further boosted the group's already strong financial position. The group announced on 31 July 2017 that it will dispose of all of its shares and loan accounts in Phoenix Platinum to Sylvania for a total cash consideration of

R89 million. The transaction remains subject only to Competition Commission approval. The results for Uitkomst Colliery and Phoenix Platinum were reclassified to discontinued operations in the current and prior financial year on the statement of comprehensive income.

An important development during the financial year under review was the gazetting of the revised Mining Charter by the Minister of Mineral Resources in June 2017, amid controversies surrounding the lack of consultation between the government and other stakeholders, including the labour and mining industry, as well as concerns about specific impositions in this new charter. The revised Mining Charter was subsequently suspended in July 2017, and is now the subject of discussions as well as legal actions by industry stakeholders. Pan African Resources is supportive of constructive engagement that results in a Mining Charter geared to the revitalisation of the mining industry and which underpins job creation and much-needed economic growth. While we closely monitor developments regarding the revised Mining Charter, we are proud of the progress made in our transformation during the past years, which include our involvement in the communities in which we operate, and the establishment of employee ownership structures at all our gold operations.

In the 2017 financial year, the group's gold production decreased by 15.4% to 173,285oz (2016: 204,928oz), primarily due to the following challenges:

- The suspension of production for 55 days at Evander Mines to complete the refurbishment of critical shaft infrastructure at No 7 Shaft. The consistent review and inspection of critical infrastructure to manage and ensure limited loss of production going forward is progressing well.
- Loss of production shifts due to frequent instances of community unrest in the Barberton Mines area as a result of service delivery protests, compounded by Section 54 regulatory notices issued at both Barberton Mines and Evander Mines during the first half of the financial year. The group continues to engage with all stakeholders to ensure its operations can function in a stable and consistent manner.
- Barberton Mines experienced flexibility issues at Fairview, specifically at its high-grade 11-block, which resulted in lower grades being mined. Work is underway to develop additional production platforms to expose further high-grade panels to increase mining grades and flexibility.

Uitkomst Colliery produced and sold 326,744 tonnes of coal from its underground mining operations, and 343,466 tonnes of third-party coal acquired for blending and processing, during the current reporting period. The operation contributed to profitability during the 2017 financial year prior to the conclusion of its sale to Coal of Africa on 30 June 2017.

Phoenix Platinum's production increased by 4.4% to 8,709oz (2016: 8,339oz), and its recoveries increased significantly to 52% from 43%, following the implementation of high-energy agitation cells in the plant. Production in the current reporting period was however negatively affected by a reduction in the head grade achieved on the tailings processed from the Kroondal and Elandskraal tailings.

Mineral reserves and resources

The group's mineral resources and reserves in compliance with the South African Code for Reporting of Mineral Resources and Mineral Reserves (the SAMREC Code) are summarised as follows:

- Gold resources of 34.4Moz (2016: 34.9Moz)
- Gold reserves of 11.2Moz (2016: 10.0Moz)
- PGE resources of 0.6Moz (2016: 0.6Moz)
- PGE reserves of 0.2Moz (2016: 0.2Moz)

In determining our reserves and resources in the 2017 financial year, gold reserves were modelled at R550,000/kg and gold resources at R600,000/kg. During the current year the group's mineral resources and reserves were independently reviewed by SRK Consulting (South Africa) (Pty) Ltd.

Near- to medium-term growth projects

Elikhulu Project

Following the successful R696 million equity raise in April 2017, Pan African Resources commenced capital expenditure on the project's civil engineering works and the procurement of long-lead-time items, such as the tower crane and the carbon-in-leach tanks, which are critical to ensuring project deadlines are met. The Elikhulu Project is progressing according to schedule and is on budget. As announced on 25 August 2017, all environmental regulatory approvals have been received, allowing construction to begin, with project completion and first gold expected in the last quarter of the 2018 calendar year.

Capital expenditure of R175.5 million was incurred on the Elikhulu Project during the current reporting period, and capital spend remains on track relative to the total initial forecast capital expenditure of R1.74 billion, which includes contingencies of R200 million.

The R1 billion term debt facility agreement, which was underwritten by Rand Merchant Bank, a division of FirstRand Bank Limited, has also become effective and was successfully syndicated, with an over-subscription of more than 50%.

Together with the group's existing R1 billion revolving credit facility, these facilities comprise the core debt instruments for funding the group's capital expenditure programmes. The low-cost, long-life Elikhulu Project is expected to increase the group's annual gold production by 56,000oz per annum in the initial eight years and substantially reduce the group's weighted average all-in cost of production.

Evander Mines' 2010 Pay Channel

The 2010 Pay Channel resource is adjacent to the No 7 Shaft infrastructure and extends from the boundary of Taung Gold International Limited's No 6 Shaft project and mining rights. The Resources for this project are summarised in the table below:

No 7 Shaft: No 3 Decline and 2010 Pay Channel resources				
Category	Tonnes	Grade	Contained gold	
	Million	g/t	Tonnes	Moz
Measured	0.45	8.94	4.0	0.13
Indicated	0.70	7.11	5.0	0.16
Inferred	4.13	8.93	36.9	1.19
Total	5.28	8.69	45.9	1.48

As previously reported, Evander Mines embarked on an exploration programme to drill a further exploration borehole from surface. During 2017, the exploration borehole successfully intersected the Kimberley reef at a depth of approximately two kilometres. Refer below to the table highlighting reef intersections and deflections. The previous borehole into the 2010 Pay Channel yielded a reef intersection with a 49cm width at 36.0g/t.

2010 Pay Channel exploration borehole results					
Detail	Intersection	Depth (metres)	Core width (centimetres)	Grades	
				g/t	cmg/t
Original	1	2059.3	49	36.0	1,766
Intersection	2	2014.6	5.7	36.8	210
Deflection 1	3	2014.9	5.7	33.2	189
Deflection 2	4	2014.8	4.8	144.7	694

Harmony Gold Mining Company Limited ('Harmony') previously started development from the No 7 Shaft mine workings towards the 2010 Pay Channel. Due to financial constraints and a reassessment of capital expenditure priorities, Harmony halted all development on the Evander Mines' shafts (other than No 8 Shaft) in 2009, resulting in the controlled flooding of the development ends and No 7 Shaft's No 3 Decline, from 21 Level up to 18 Level. Following dewatering, only standard footwall and on-reef development would need to be completed by Evander Mines, with the associated engineering infrastructure, before mining can commence.

The 2010 Pay Channel is approximately 4.5 kilometres in tramming distance from No 7 Shaft, which is currently used by Evander Mines for hoisting to the Kinross metallurgical plant. This compares favourably with the No 8 Shaft mining areas, which are approximately 12 kilometres in tramming distances from No 7 Shaft. The group's project team has commenced a feasibility study on No 7 Shaft's No 3 Decline and 2010 Pay Channel resource, which will address the following critical issues:

- Collation of geological data from the drill-hole intersection and deflections.
- The cost and timing of dewatering and re-equipping the No 7 Shaft's No 3 Decline from 18 Level to 21 Level.
- The development cost and timing to access the 2010 Pay Channel.
- The economic viability of the project.

The 2010 Pay Channel can potentially increase Evander Mines' underground gold production significantly at a relatively low capital cost, using Evander Mines' established shaft and metallurgical facilities. The feasibility study for the project is expected to be completed during the first quarter of the 2018 financial year.

Barberton Mines' sub-vertical shaft project at Fairview

The Fairview mining operation is currently restricted by the hoisting capacity of its No 3 Decline, which is used to access workings below 42 Level. This decline is currently used to transport employees and material and for rock hoisting. The 11-block of the main reef complex orebody has an average grade of 31.3 g/t and current life-of-mine of 20 years. With no intervention, future mining at depth will result in increased travelling distance, reduce employee face time, and cause a lack of capacity to ensure both ore replacement and exploration development.

Pan African Resources, with the assistance of DRA Projects SA Proprietary Limited ('DRA'), has completed a feasibility study on the construction of a raise-bored, sub-vertical shaft from Fairview's 42 Level to 64 Level, with the potential of continuing the vertical shaft to 68 Level in future. This sub-vertical shaft will be used to transport employees and material to the working areas, which will allow the No 3 Decline to be used exclusively for rock hoisting, increasing overall capacity and production from this mining area.

DRA has reviewed the technical and commercial aspects of the project and the supporting feasibility study has yielded very positive results. The estimated capital expenditure for the project, including contingencies, is approximately R105 million, to be incurred over a two-year period. The productivity improvements for Fairview are estimated to yield an additional 7,000oz of gold per annum, which can be optimised further to more than 10,000oz per annum.

Outlook

In the 2018 financial year, the key focus areas for the group, from an operational perspective, include:

- Continuing to improve our safety and regulatory compliance across all operations.
- Achieving its gold production guidance of 190,000oz for the 2018 financial year.
- Ensuring construction of the Elikhulu Project progresses according to the original schedule and budget.
- Completing the drilling programme deflections on the Evander Mines 2010 Pay Channel and finalising the technical and economic evaluation of the project.
- Commencing construction of the Barberton Mines' sub-vertical shaft project at Fairview.
- Ensuring sustainable and optimal operating performance at our gold mining operations.
- Further improving stakeholder engagement to minimise operational stoppages.
- Concluding the R89 million disposal of Phoenix Platinum to Sylvania.

The group continues to evaluate acquisitive opportunities, particularly within other African jurisdictions, in accordance with the group's rigorous capital allocation criteria.

We extend our appreciation to our management teams and all other staff for their hard work and persistence during this challenging period. Their commitment and perseverance has enabled Pan African Resources to continue operating successfully. We also thank our fellow directors for their support and guidance.

FINANCIAL PERFORMANCE

When assessing and discussing Pan African Resources reported financial performance, financial position and cash flows, management refers to Alternative Performance Measures ('APMs') of historical or future financial performance, financial position or cash flows that are not defined or specified under International Financial Reporting Standards ('IFRS'). Examples of APMs are headline earnings and adjusted EBITDA and net debt. These APMs have been described and reconciled in accordance with the respective listing requirements for this announcement. The Integrated Annual Report which will be published prior to the AGM and will have all the APMs reconciled to the closest IFRS term.

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 United Kingdom ('UK') and South Africa.

During the period under review the average ZAR/GBP exchange rate was R17.25:1 (2016: R21.45:1) and the closing ZAR/GBP exchange rate was R16.96:1 (2016: R19.78:1). The year-on-year change in the average and closing exchange rates of 19.6% and 14.3%, respectively, must be taken into account for the purposes of translating and comparing year-on-year results.

The group records its revenue from precious metals sales in ZAR and the strength in the value of the ZAR/USD exchange rate during the period under review had a negative impact on the USD revenue received when translated into ZAR. The average ZAR/USD exchange rate was 6.3% stronger at R13.59:1 (2016: R14.51:1).

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 total revenue from continuing and discontinued operations, year-on-year, decreased in ZAR terms by 5.3% to R3,440.4 million (2016: R3,632.8 million) and in GBP terms increased by 17.7% to GBP199.4 million (2016: GBP169.4 million). Group revenue was mainly impacted by:

- 1) The average ZAR gold price received decreased marginally to R542,773/kg (2016: R542,850/kg), as a result of the average ZAR/USD exchange rate strengthening by 6.3% to R13.59:1 (2016: R14.51:1) and the USD gold price received increasing by 6.7% to USD1,242/oz (2016: USD1,164/oz). The GBP revenue figures were positively impacted by the ZAR/GBP average exchange rate strengthening by 19.6% year-on-year.
- 2) Gold ounces sold decreased by 15.4% to 173,285oz (2016: 204,928oz), as result of the operational challenges highlighted.
- 3) Uitkomst Colliery revenue of R432.8 million (2016: R98.0 million), or GBP25.1 million (2016: GBP4.6 million), disclosed in discontinued operations, following the conclusion of the disposal to Coal of Africa on 30 June 2017.
- 4) Phoenix Platinum revenue of R82.2 million (2016: R74.7 million) or GBP4.8 million (2016: GBP3.5 million) disclosed in discontinued operations, following its classification as an asset held for sale ahead of the signing of a disposal agreement with Sylvania.

Cost of production

Gold operations cost of production

The group's total cost of production (including realisation costs) for gold operations was well controlled and increased by 7.7% to R2,343.1 million (2016: R2,176.0 million).

Pan African Resources' gold cost of production (excluding realisation costs), per the statement of comprehensive income, increased by 7.2% to R2,311.6 million (2016: R2,155.5 million). The main cost contributors that impacted the year-on-year cost increase during the current reporting period are summarised as follows:

- Group gold operations' salaries and wages (represents 43.1% of the total gold cost of production) increased by 4.5% to R1,010.8 million (2016: R967.7 million). Salaries and wages increased in line with the gold labour agreements signed in the 2016 financial year, but this was off-set by the reduction in labour costs at Evander Mines due to the retrenchment of 628 employees at the operation.
- The group's electricity costs (represents 13.8% of the total gold cost of production) increased by 2.1% to R324.0 million (2016: R317.3 million). The National Energy Regulator of South Africa approved an increase of 7.9% for the period 1 July 2016 to 31 March 2017, and 2.2% from 1 April 2017. Production challenges detailed previously also contributed to lower power consumption, specifically at Evander Mines during the 55-day suspension of underground operations.
- The group's mining and processing costs (represents 28.3% of total gold cost of production) increased by 18.0% to R662.6 million (2016: R561.3 million), mainly due to the following material expenses:
 - The Evander Tailings Retreatment Plant's ('ETRP') processing costs increased by R60.4 million or 44.2% due to treating additional surface feedstock material. The tonnes of surface feedstock processed increased by 17.8% to 467,610 tonnes (2016: 396,942 tonnes) and this contributed an additional R33.4 million to the group's adjusted EBITDA.
 - Maintenance of Evander Mines' No 7 Shaft infrastructure resulted in an additional R4.5 million expenditure being incurred.
- In the comparative reporting period the gold operations recorded an inventory adjustment in operational costs of R4.6 million, due to releasing gold inventory at 30 June 2016, whilst in the current financial year the gold inventory adjustment was a R12.7 million credit to costs due to holding more gold inventory at financial year end.

The group's gold cost of production per kilogramme increased by 27.4% to R430,863/kg (2016: R338,242/kg). The increase is attributed to:

- Gold sold decreasing by 15.4% to 173,285oz (2016: 204,928oz).
- The 7.7% increase in gold production and realisation 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, associated corporate costs and overheads, and sustaining capital expenditure, excluding cost-collar mark-to-market expenses) increased by 26.8% to R514,435/kg (2016: R405,847/kg). In USD terms the all-in sustaining cost per ounce increased to USD1,177/oz (2016: USD870/oz). The group's all-in sustaining costs were primarily impacted by an increase in gold production costs and a decrease in gold sold.

The all-in gold cost per kilogramme (sustaining cost of production and once-off expansion capital, but excluding the Elikhulu Project capital) increased by 31.8% to R540,693/kg (2016: R410,206/kg), due to the increase in once-off capital expansion costs to R100.8 million (2016: R27.8 million), which related mostly to the construction of the Barberton Tailings Retreatment Plant's ('BTRPs') cyanide detoxification plant of R17.8 million and Fairview's ventilation refrigeration and infrastructure of R41.5 million. In USD terms, the all-in cost per ounce increased to USD1,237/oz (2016: USD879/oz).

PGE cost of production

Phoenix Platinum's cost of production is disclosed within discontinued operations on the statement of comprehensive income, following the announcement on 31 July 2017 that a sale agreement, for R89 million cash consideration, was signed with Sylvania, and now remains subject to Competition Commission approval. Phoenix Platinum is classified as an asset held for sale on the statement of financial position in the current reporting period, as Pan African Resources' intent is to dispose of the operation within the next 12 months.

The PGE cost of production increased by 16.6% to R86.4 million (2016: R74.1 million), largely due to refining and processing costs increasing by 18.2% to R57.1 million (2016: R48.3 million). Higher refining costs were incurred due to higher chrome prevalence in the tailings processed from the Elandskraal/Kroondal tailings prior to entering into a new refining agreement effective in December 2016. Additional transport costs were also incurred to deliver tailings material from the more distant Elandskraal/Kroondal tailings sites.

Coal cost of production

The Uitkomst Colliery's production cost in the current financial year of R375 million (2016: R91.8 million) is disclosed within the discontinued line item on the statement of comprehensive income while, in the comparative period, production costs was only for three months from 1 April 2016 to 30 June 2016.

Realisations costs

The group's realisation costs increased to R31.5 million (2016: R20.5 million) due to an additional R15.4 million in refining costs associated with the extraction and recovery of gold from various sections of the Evander Mines' processing plant by a contractor. This initiative contributed 160.5kg (5,160.9oz) of gold to Evander Mines' production over the life of the project.

Depreciation costs

Depreciation from continuing operations decreased by 15.6% to R181.0 million (2016: R214.4 million). The depreciation charge is based on the available units of production over the life of the operations and, with the reduced mining tonnages and gold production for the reasons mentioned in the CEO statement, the gold operations'

depreciation reduced commensurately. The depreciation was further reduced by an adjustment to residual values of property, plant and equipment on the gold operations.

Other expenditure and income

The group had no outstanding short-term hedges at 30 June 2017. In July 2015, Barberton Mines entered in a cost collar, 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 realised mark-to-market fair-value gain of R94.7 million on this cost collar (2016: pre-tax realised cost-collar derivative fair-value loss of R113.8 million). This gain resulted from a reversal of the prior financial year's cost-collar mark-to-market liability, which was valued at a R625,000/kg gold price, which regressed to an average gold price received of R542,773/kg in the current financial year.

The fair-value adjustment of the group's rehabilitation liability resulted in an increase of R0.4 million (2016: R38.2 million decrease in liability). The rehabilitation investment decreased by R0.9 million (2016: R9.2 million increase in the investment) due to movements in the market values of the underlying investments.

Finance costs increased to R48.6 million (2016: R31.1 million), following increased revolving credit facility utilisation during the period under review.

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, prior to disposal, amounted to R0.6 million (2016: R1.0 million).

Taxation

The group's total taxation charge decreased to R4.2 million (2016: R184 million).

The taxation charge comprised of:

- A decrease in the current taxation charge by 60.1% to R80.4 million (2016: R203.9 million).
- An increase in the deferred taxation credit to R76.2 million (2016: deferred taxation credit of R19.9 million), predominantly due to the deferred taxation associated with the pre-tax realised mark-to-market fair-value gain of R94.7 million, and a reduction of the long-term deferred taxation rate to 23.1% from 28% and 25.5% for Barberton Mines and Evander Mines, respectively.

EPS and HEPS

The group's EPS in ZAR decreased by 34.4% to 19.81 cents (2016: 30.20 cents). The group's HEPS in ZAR decreased by 33.2% to 20.17 cents (2016: 30.20 cents). The difference between the EPS and HEPS has been reconciled below.

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 13.6% to 1,564.3 million shares (2016: 1,811.4 million shares). The decrease in shares was attributed to eliminating the PAR Gold Proprietary Limited ('PAR Gold') shares held in Pan African Resources, whilst including the additional 291.5 million shares issued in the equity raise concluded on 12 April 2017.

The weighted average number of shares in issued for calculating earnings per share is reconciled below:

	30 June 2017	30 June 2016
Shares in issue at beginning of year	1,943.2	1,831.5
Issue of 291,5 million shares - vendor placement (date 12 April 2017) (Note 1)	57.5	-
Issue of 111.7 million shares - vendor placement (date 3 June 2016)	-	8.5
Elimination of shares held by PAR Gold (Note 2)	(436.4)	(28.6)
Weighted average shares in issue at end of year	1,564.3	1,811.4

Note 1: On 12 April 2017 the group issued 291,480,983 ordinary shares to fund the equity component of the Elikhulu Project's construction.

Note 2: The PAR Gold shares were acquired on 7 June 2016 and, in the current reporting period, the group benefitted from a full year exclusion of these shares in the calculation of the weighted average number of shares compared to the period of less than a month in the corresponding results.

Total headline earnings per share is calculated as follows:

	30 June 2017	30 June 2016	30 June 2017	30 June 2016
	GBP million	GBP million	ZAR million	ZAR million
Basic earnings	17.9	25.5	309.9	547.0
Adjustments:				
Profit on disposal of investment	(0.2)	-	(4.6)	-
Taxation on profit realised on disposal of investment	0.1	-	1.0	-
Profit on disposal of Uitkomst Colliery	(5.4)	-	(91.3)	-
Profit on disposal of property plant and equipment	(0.1)	-	(0.4)	-
Taxation on profit realised on property plant and equipment sale	-	-	0.1	-
Impairment of Phoenix Platinum	6.0	-	100.9	-
Headline earnings	18.3	25.5	315.6	547.0
Headline earnings per share	1.17	1.41	20.17	30.20
Diluted headline earnings per share	1.17	1.41	20.17	30.19

Continuing operations headline earnings per share is calculated as follows:

	30 June 2017	30 June 2016	30 June 2017	30 June 2016
	GBP million	GBP million	ZAR million	ZAR million
Basic earnings for continuing operations	22.8	25.3	391.9	543.3
Adjustments:				
Profit on disposal of Investment	(0.2)	-	(4.6)	-
Taxation on profit on disposal of Investment	-	-	1.0	-
Profit on disposal of subsidiary	(5.4)	-	(91.3)	-
Profit on disposal of property plant and equipment	-	-	-	0.1
Headline earnings for continuing operations	17.2	25.3	297.0	543.4
Headline earnings per share for continuing operations	1.10	1.40	18.98	30.00
Diluted headline earnings per share for continuing operations	1.10	1.40	18.97	29.99

Historical dividends paid

The group paid a final dividend of R300 million or GBP17.1 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.

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

Dividend policy

Pan African Resources aspires to pay a regular dividend to its 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 position, future prospects, satisfactory solvency and liquidity assessments and other factors deemed relevant at the time. The board also allows itself flexibility to deviate from the above policy, when deemed appropriate.

Although cash generated by operating activities for the period were below expectations, the cash flow generated by the sale of Uitkomst Colliery and other investments amounted to R148.4 million and largely constitutes the return to shareholders of the profits realised on the original investments. Whilst this is a deviation from the group's stated dividend policy, the board considered that the exceptional circumstances warrant the proposed dividend as the Elikhulu Project debt facility has been closed and sustaining capital can be funded from operational cash flows at the prevailing gold price.

Net debt

Total debt facilities utilised at 30 June 2017 amounted to R227.8 million (2016: R392.2 million), and cash holdings were R160.2 million (2016: R52.6 million), resulting in a decrease in net debt to R67.6 million (2016: R339.6 million).

The decrease in net debt was predominantly as a result of the gross proceeds received from the R696 million equity raised on 12 April 2017.

Summary of the long-term debt liabilities:

	Revolving credit facility		Evander Mines gold loan		Total	
	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016
	ZAR millions	ZAR millions	ZAR millions	ZAR millions	ZAR millions	ZAR millions
Non-current portion	180.5	279.3	-	26.6	180.5	305.9
Current portion	20.7	31.1	26.6	55.2	47.3	86.3
Total	201.2	310.4	26.6	81.8	227.8	392.2

The group's performance against the revolving credit facility debt covenant limits are summarised below:

Measurement	30 June 2017	30 June 2016	Description	
Net-debt-to-equity ratio	Must be less than 1:1	0.01	0.11	Improvement
Net-debt-to-adjusted EBITDA ratio	Must be less than 2.5:1	0.05	0.38	Improvement
Interest cover ratio	Must be greater than 4 times	10	26	Regression due to reduced profits and higher interest expense

Capital expenditure

Group capital expenditure for the 2017 financial year has been summarised per operation in the table below:

	Continuing Operations				Discontinued Operations		Group Total
	Barberton Mines (Note 1)	Evander Mines (Note 2)	Elikhulu	Corporate	Phoenix Platinum	Uitkomst Colliery	
	ZAR million	ZAR million	ZAR million	ZAR million	ZAR million	ZAR million	
Development capital	65.7	79.8	-	-	-	7.0	152.5
Maintenance capital	50.8	118.6	-	1.4	3.4	3.3	177.5
Sustaining capital total	116.5	198.4	-	1.4	3.4	10.3	330.0
Expansion capital	77.0	23.8	175.5	-	2.0	4.8	283.1
Total capital expenditure	193.5	222.2	175.5	1.4	5.4	15.1	613.1

Note 1: The R77 million once-off expansion capital related to the construction of the BTRP detoxification plant for R17.1 million and the acquisition of additional tailings resources for R5 million. Barberton Mines incurred R41.5 million for the construction of the installation of refrigeration at Fairview, and R13.4 million on development of Royal Sheba.

Note 2: Evander Mines incurred R15.8 million on 25 A Block and 26 Level decline development, and R8 million on the 2010 Pay Channel project drilling programme. Evander Mines also incurred an additional R42 million in relation to maintenance capital following the refurbishment of No 7 Shaft infrastructure.

Cash flow summary

Cash generated by operations before dividends decreased by R452.4 million to R339.0 million (2016: R791.4 million), due to lower gold production following the operational disruptions and challenges noted previously. Cash generated by operations after taking into account net dividends paid to shareholders of R232.6 million (2016: R210 million), decreased to R106.5 million (2016: R581.4 million).

The cash outflows from investing activities was R491 million (2016: R969 million), predominantly due to:

- Capital expenditure incurred increased to R613.1 million (2016: R302.4 million), due to the Elikhulu Project and higher once-off capital expenditure predominantly due to the construction of the BTRP cyanide detoxification plant and Fairview's ventilation refrigeration and infrastructure.
- Proceeds on the sale of a listed investment of R23.4 million, and proceeds on the sale of property plant and equipment of R7 million at Uitkomst Colliery.
- Inflow of funds of R125 million following the sale of Uitkomst Colliery, with net proceeds of the disposal being R111.7 million, net of the cash transferred within the business.

Net cash inflows from financing activities was R493 million (2016: R375.9 million outflow), predominantly due to:

- The utilisation of the revolving credit facility to fund operational capital expenditure.
- Share issues resulting in gross proceeds of R696 million, and R672 million net of share issue costs.

Evander Mines incurred cash outflows of R345.2 million during the financial year, following the refurbishment of critical shaft infrastructure which resulted in lower gold production.

The R345.2 million cash outflows is summarised as follows:

- Cash outflows of Evander Mines operations of R116.3 million;
- Cash outflows from investing activities in capital expenditure (excluding the Elikhulu Project) of R222.2 million, of which R42 million related to the refurbishment of critical No 7 Shaft's infrastructure and R180.2 million was normalised operational capital expenditure;
- Cash outflows from financing activities of R6.7 million.

COMMITMENTS REPORTED IN ZAR 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 R1.22 billion (2016: R12.7 million), or GBP72 million (2016: GBP0.6 million). Outstanding orders in the current reporting period related mostly to the Elikhulu Project.

Authorised commitments for the 2018 financial period, not yet contracted for, totalled R328.7 million (2016: R345.9 million) or GBP19.4 million (2016: GBP17.5 million).

At 30 June 2017, the group had guarantees in place of R24.6 million (2016: R24.6 million) or GBP1.4 million (2016: GBP1.2 million) in favour of Eskom Holdings SOC Limited and R14.0 million (2016: R14.0 million) or GBP0.8 million (2016: GBP1.0 million) in favour of the DMR.

Operating lease commitments, which fall due within the next financial year, amounted to R2.7 million (2016: R2.9 million) or GBP0.16 million (2016: GBP0.16 million).

FAIR VALUE INSTRUMENTS

Financial instruments 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.
- Level 3 - fair value is determined on inputs not based on observable market data.

Level 1 financial instruments:

Pan African Resources hold 261,287,625 shares in Coal of Africa (9.3% shareholding), which is fair valued at R127.6 million (GBP7.5 million). The fair value of the listed investment is treated as Level 1 of the fair value hierarchy, as the share price is quoted on a stock exchange.

The group's rehabilitation trust funds are valued at R320.6 million (2016: R321.5 million) or GBP18.9 million (2016: GBP16.2 million), which comprise investments in guaranteed equity-linked notes, bonds and interest-bearing call accounts.

Level 2 financial instruments:

During the financial year under review, the cost collar referred to earlier was settled, resulting in no financial exposure to be fair valued on a mark-to-market basis, whilst in the prior financial year the cost-collar mark-to-market liability was R117.6 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 R46.4 million (2016: R104 million).

Level 3 financial instruments:

The group's employee share ownership plan ('ESOP') liability is accounted for on a cash settled share option basis and valued on a mark-to-market basis on the net present value of the discounted future cash flows applicable to the beneficiaries of the schemes. The ESOP liability was R1.9 million (2016: R5.6 million).

BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS AND ACCOUNTING POLICIES

Investors should consider non-Generally Accepted Accounting Principles ('non-GAAP') financial measures shown in this provisional announcement in addition to, and not as a substitute for or as superior to, measures of financial performance reported in accordance with International Financial Reporting Standards ('IFRS'). The IFRS results reflect all items that affect reported performance and therefore it is important to consider the IFRS measures alongside the non-GAAP measures.

The provisional announcement has been prepared using accounting policies that comply with the IFRS adopted by the European Union and South Africa, which are consistent with those applied in the financial statements for the prior years ended 30 June 2016 and 30 June 2015.

The provisional audited results announcement is only a summary of the information in the Integrated Annual Report and does not contain full or complete details. Any investment decision by investors and/or shareholders should be based on consideration of the final Integrated Annual Report to be published on the company's website as a whole.

JSE LIMITED ('JSE') LISTING

The company has a dual primary listing on the JSE in South Africa and the AIM market ('AIM') of the London Stock Exchange ('LSE').

This provisional announcement has been prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS and SAICA Financial Reporting Guides as issued by the Accounting Practice Committee, and the Financial Pronouncements as issued by the Financial Reporting Standards Council, and the minimum information as required by International Accounting Standards 34: Interim Financial Reporting. The accounting policies are in terms of IFRS and are consistent with those applied in the 2016 consolidated financial statements.

The group's South African external auditors, Deloitte & Touche, have issued their opinions on the consolidated financial statements and the provisional summarised consolidated financial statements for the year ended 30 June 2017. The audits were for both the summarised and full set of financial statements conducted in accordance with International Standards on Auditing. Deloitte & Touche have expressed unmodified opinions on the consolidated financial statements and the provisional summarised consolidated financial statements. Copies of their audit reports are available for inspection at the company's registered office. Any reference to future financial performance included in this provisional report has not been reviewed or reported on by the group's South African external auditors.

The auditor's report does not necessarily report on all of the information contained in this announcement/financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of that report, together with the accompanying financial information, from the company's registered office.

These provisional summarised consolidated financial statements are extracted from the audited consolidated financial statements. The directors take full responsibility for the preparation of the provisional summarised

audited results and confirm the financial information and related commentary has been correctly extracted from the underlying group consolidated financial statements.

AIM LISTING

The financial information for the year ended 30 June 2017 does not constitute statutory accounts as defined in sections 435(1) and 435(2) of the UK Companies Act 2006 ('Companies Act 2006') but has been derived from those accounts. Statutory accounts for the year ended 30 June 2016 have been delivered to the Registrar of Companies and those for 2017 will be delivered following the company's AGM. Deloitte LLP, the external auditor registered in the UK, has reported on these accounts for the year ended 30 June 2017.

Deloitte LLP's report was unqualified, did not include a reference to any matters to which auditors draw attention by way of emphasis of matter, and did not contain a statement under section 498(2) or 498(3) of the Companies Act 2006. These statutory accounts have been prepared in accordance with IFRS and IFRS Interpretations Committee interpretations adopted for use by the EU, 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

On 12 April 2017, Pan African Resources issued 291,480,983 new ordinary shares of 1 pence each at an issue price of 14 pence per share or R2.39 per share, raising gross proceeds of R696 million (GBP40.8 million).

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 R800 million of available debt liquidity headroom and R160.2 million in cash and cash equivalents at 30 June 2017, and has also secured a further R1 billion committed term facility to fund the Elikhulu Project. Based on the current status of the group's finances, having considered going concern forecasts and reasonably possible downside scenarios after considering the principal risks associated with the business, and in particular relating to gold prices and production volumes, the group's forecasts show it will have sufficient liquidity headroom for the 12 months from the date of approval of the financial statements to meet all its obligations in the ordinary course of business.

The board has a reasonable expectation that the company 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 2017 financial statements.

EVENTS AFTER THE REPORTING PERIOD

The group announced on 31 July 2017 that it will dispose of all of its shares and loan accounts in Phoenix Platinum Mining to Sylvania for a total cash consideration of R89 million. The transaction remains subject only to Competition Commission approval.

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 the following business segments:

Continuing operations:

- Barberton Mines (including BTRP), located in Barberton, South Africa;
- Evander Mines (including ETRP), located in Evander, South Africa;
- Corporate; and
- Pan African Resources Funding Company Proprietary Limited ('Funding Company').

Discontinued operations:

- Uitkomst Colliery, located in Newcastle, South Africa; and
- Phoenix Platinum, located near Rustenburg, South Africa.

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

PROPOSED DIVIDEND FOR APPROVAL AT THE AGM

The board has analysed the group performance and dividend policy and has proposed a final dividend of R185 million or approximately GBP10.9 million, equating to R0.08279 per share or approximately 0.48697 pence per share. This dividend is subject to approval at the AGM, which will take place on Tuesday, 21 November 2017.

Assuming the final dividend is approved by shareholders, the following salient dates would apply:

Currency conversion date	Tuesday, 21 November 2017
Last date to trade on the exchanges	Tuesday, 5 December 2017
Ex-dividend date on the JSE	Wednesday, 6 December 2017
Ex-dividend date on the LSE	Thursday, 7 December 2017
Record date	Friday, 8 December 2017
Payment date	Thursday, 21 December 2017

The GBP proposed final dividend was calculated based on 2,234,687,537 total shares in issue and an illustrative exchange rate of R17:1. Shareholders on the London register should note that a revised exchange rate will be communicated prior to approval at the AGM.

No transfers between the Johannesburg and London registers between the commencement of trading on Monday, 4 December 2017 and close of business on Friday, 8 December 2017 will be permitted.

No shares may be dematerialised or rematerialised between Wednesday, 6 December 2017 and Friday, 8 December 2017, both days inclusive.

The South African dividends tax rate is 20% per ordinary share for shareholders who are liable to pay the dividends tax, resulting in a net dividend of R0.06623 per share for these shareholders. Foreign investors may qualify for a lower dividend tax rate, subject to completing a dividend tax declaration and submitting it to Computershare Investor Services Proprietary Limited or Capita Plc who manage the SA and UK register, respectively. The company's South African income tax reference number is 9154588173 and it has 2,234,687,537 shares currently in issue.

Cobus Loots
Chief Executive Officer

Deon Louw
Financial Director

20 September 2017

Contact details:

Corporate Office
The Firs Office Building
1st Floor, Office 101
Cnr. Cradock and Biermann Avenues
Rosebank, Johannesburg
South Africa
Office: + 27 (0) 11 243 2900
Facsimile: + 27 (0) 11 880 1240
www.panafricanresources.com

Registered Office
Suite 31
Second Floor
107 Cheapside
London
EC2V 6DN
United Kingdom
Office: + 44 (0) 20 7796 8644
Facsimile: + 44 (0) 20 7796 8645

Cobus Loots
Pan African Resources PLC
Chief Executive Officer
Office: + 27 (0) 11 243 2900

Deon Louw
Pan African Resources PLC
Financial Director
Office: + 27 (0) 11 243 2900

Phil Dexter
St James's Corporate Services Limited
Company Secretary
Office: + 44 (0) 20 7796 8644

John Prior / Paul Gillam
Numis Securities Limited
Nominated Adviser and Joint Broker
Office: +44 (0) 20 7260 1000

Sholto Simpson
One Capital
JSE Sponsor
Office: + 27 (0) 11 550 5009

Ross Allister
Peel Hunt LLP
Joint Broker
Office: +44 (0) 20 7418 8900

Julian Gwillim
Aprio Strategic Communications
Public & Investor Relations SA
Office: +27 (0)11 880 0037

Jeffrey Couch / Neil Haycock / Thomas Rider
BMO Capital Markets Limited
Joint Broker
Office: +44 (0) 20 7236 1010

Bobby Morse / Chris Judd
Buchanan Communications
Public & Investor Relations UK
Office: +44 (0) 207 466 5000

Pan African Resources PLC

Summarised consolidated statement of profit or loss and other comprehensive income for the period ended 30 June 2017

	30 June 2017 (Audited) GBP	30 June 2016 (Audited) GBP	30 June 2017 (Unaudited) ZAR	30 June 2016 (Unaudited) ZAR
Continuing operations				
Gold sales	169,584,586	161,312,220	2,925,334,113	3,460,147,123
Realisation costs	(1,826,043)	(956,709)	(31,499,250)	(20,521,416)
On-mine revenue	167,758,543	160,355,511	2,893,834,863	3,439,625,707
Gold cost of production	(134,006,583)	(100,487,340)	(2,311,613,568)	(2,155,453,481)
Mining depreciation	(10,493,064)	(9,995,526)	(181,005,351)	(214,404,023)
Mining profit	23,258,896	49,872,645	401,215,944	1,069,768,203
Other expenses	(2,002,545)	(12,167,011)	(34,543,908)	(260,982,390)
Profit on disposal of investment	222,571	-	4,582,844	-
Profit on disposal of subsidiary	5,385,915	-	91,345,123	-
Royalty costs	(1,335,031)	(2,783,423)	(23,029,288)	(59,704,418)
Net income before finance income and finance costs	25,529,806	34,922,211	439,570,715	749,081,395
Finance income	291,912	433,344	5,035,474	9,295,228
Finance costs	(2,815,223)	(1,448,248)	(48,562,604)	(31,064,929)
Profit before taxation	23,006,495	33,907,307	396,043,585	727,311,694
Taxation	(242,942)	(8,578,135)	(4,190,728)	(184,000,970)
Profit after taxation from continuing operations	22,763,553	25,329,172	391,852,857	543,310,724
Discontinued operations				
(Loss)/profit for the period from discontinued operations (including impairments)	(4,853,517)	172,645	(81,997,446)	3,703,294
Profit after taxation	17,910,036	25,501,817	309,855,411	547,014,018
Other comprehensive income:				
Fair-value movement on available-for-sale investment	(94,938)	388,188	(1,697,487)	7,644,429
Recycling of gain on available-for-sale investment	(222,571)	-	(4,582,845)	-
Foreign currency translation differences	21,681,108	(2,181,333)	-	-
Total comprehensive income for the year	39,273,635	23,708,672	303,575,079	554,658,447
Profit attributable to:				
Owners of the parent	17,910,036	25,501,817	309,855,411	547,014,018
Total comprehensive income attributable to:				
Owners of the parent	39,273,635	23,708,672	303,575,079	554,658,447
Earnings per share	1.14	1.41	19.81	30.20
Diluted earnings per share	1.14	1.41	19.80	30.09
Weighted average number of shares in issue	1,564,346,115	1,811,427,377	1,564,346,115	1,811,427,377
Diluted number of shares in issue	1,565,075,434	1,811,916,935	1,565,075,434	1,811,916,935

Summarised consolidated statement of financial position as at 30 June 2017

	30 June 2017 (Audited) GBP	30 June 2016 (Audited) GBP	30 June 2017 (Unaudited) ZAR	30 June 2016 (Unaudited) ZAR
ASSETS				
Non-current assets				
Property, plant and equipment and mineral rights	224,687,447	190,725,199	3,810,699,097	3,772,544,439
Other intangible assets	72,426	123,235	1,228,340	2,437,592
Deferred taxation	762,503	1,117,092	12,932,051	22,096,084
Long-term inventory	684,432	186,861	11,607,974	3,696,114
Long-term receivables	2,535,378	-	43,000,000	-
Goodwill	21,000,714	21,000,714	303,491,812	303,491,812
Investments	7,522,632	1,269,228	127,583,839	25,105,331
Rehabilitation trust fund	18,904,554	16,253,708	320,621,235	321,498,339
	276,170,086	230,676,037	4,631,164,348	4,450,869,711
Current assets				
Inventories	5,047,416	4,398,813	85,604,171	87,008,537
Current tax asset	1,068,496	848,946	18,121,694	16,792,156
Trade and other receivables	13,744,108	14,042,357	233,100,052	277,757,811
Cash and cash equivalents	9,447,144	2,658,947	160,223,562	52,593,979
	29,307,164	21,949,063	497,049,479	434,152,483
Assets held-for-sale	5,610,475	66,873	95,153,662	1,322,750
TOTAL ASSETS	311,087,725	252,691,973	5,223,367,489	4,886,344,944
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	22,346,875	19,432,065	318,766,602	269,660,040
Share premium	145,400,890	108,936,082	2,261,421,031	1,638,563,371
Translation reserve	(36,902,740)	(58,583,848)	-	-
Share option reserve	1,221,395	1,035,888	17,157,178	13,957,178
Retained earnings	131,297,799	126,620,650	1,867,141,585	1,789,877,978
Realisation of equity reserve	(10,701,093)	(10,701,093)	(140,624,131)	(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)	(154,707,759)	(154,707,759)
Other reserves	-	317,509	-	6,280,332
Equity attributable to owners of the parent	216,581,075	150,975,202	3,620,534,704	2,874,387,208
Total equity	216,581,075	150,975,202	3,620,534,704	2,874,387,208
Non-current liabilities				
Long-term provisions	11,655,325	10,432,986	197,674,310	206,364,460
Long-term liabilities	12,290,302	18,456,309	208,443,509	362,640,753
Deferred taxation	38,947,226	40,616,337	660,544,960	803,391,140
	62,892,853	69,505,632	1,066,662,779	1,372,396,353
Current liabilities				
Trade and other payables	27,056,598	18,743,235	458,879,917	370,741,187
Financial instrument liabilities	-	5,945,399	-	117,600,000
Current portion of long-term liabilities	4,145,679	6,980,711	70,310,720	140,503,506
Current tax liability	48,686	541,794	825,707	10,716,690
	31,250,963	32,211,139	530,016,344	639,561,383
Liabilities directly associated with assets held-for-sale	362,834	-	6,153,662	-
TOTAL EQUITY AND LIABILITIES	311,087,725	252,691,973	5,223,367,489	4,886,344,944

Summarised consolidated statement of changes in equity for the year ended 30 June 2017

GROUP	Share capital	Share premium	Translation reserve	Share option reserve	Retained earnings	Realisation of equity reserve	Treasury capital reserve	Merger reserve	Other reserves	Total
	GBP	GBP	GBP	GBP	GBP	GBP	GBP	GBP	GBP	GBP
Balance at 30 June 2015	18,314,947	94,846,046	(56,402,515)	1,035,888	110,850,201	(10,701,093)	-	(10,705,308)	(70,679)	147,167,487
Issue of shares	1,117,118	15,011,206	-	-	-	-	-	-	-	16,128,324
Share issue costs	-	(921,170)	-	-	-	-	-	-	-	(921,170)
Profit for the year	-	-	-	-	25,501,817	-	-	-	-	25,501,817
Total other comprehensive income	-	-	(2,181,333)	-	-	-	-	-	388,188	(1,793,145)
Dividends paid	-	-	-	-	(9,731,368)	-	-	-	-	(9,731,368)
Share buyback	-	-	-	-	-	-	(25,376,743)	-	-	(25,376,743)
Balance at 30 June 2016	19,432,065	108,936,082	(58,583,848)	1,035,888	126,620,650	(10,701,093)	(25,376,743)	(10,705,308)	317,509	150,975,202
Issue of shares	2,914,810	37,892,528	-	-	-	-	-	-	-	40,807,338
Share issue costs	-	(1,427,720)	-	-	-	-	-	-	-	(1,427,720)
Profit for the year	-	-	-	-	17,910,036	-	-	-	-	17,910,036
Total other comprehensive income	-	-	21,681,108	-	-	-	-	-	(317,509)	21,363,599
Dividends paid	-	-	-	-	(17,067,953)	-	-	-	-	(17,067,953)
Reciprocal dividends	-	-	-	-	3,835,066	-	-	-	-	3,835,066
Share based payment - charge for the year	-	-	-	185,507	-	-	-	-	-	185,507
Balance at 30 June 2017	22,346,875	145,400,890	(36,902,740)	1,221,395	131,297,799	(10,701,093)	(25,376,743)	(10,705,308)	-	216,581,075

Summarised unaudited consolidated statement of changes in equity for the year ended 30 June 2017

Group	Share Capital	Share Premium	Translation reserve	Share option reserve	Retained earnings	Realisation of equity reserve	Treasury capital reserve	Merger reserve	Other reserves	Total
	ZAR	ZAR	ZAR	ZAR	ZAR	ZAR	ZAR	ZAR	ZAR	ZAR
Balance at 30 June 2015	244,752,779	1,323,632,626	-	13,957,178	1,452,863,960	(140,624,130)	-	(154,707,759)	(1,364,097)	2,738,510,557
Issue of shares	24,907,261	334,689,839	-	-	-	-	-	-	-	359,597,100
Share issue costs	-	(19,759,094)	-	-	-	-	-	-	-	(19,759,094)
Profit for the year	-	-	-	-	547,014,018	-	-	-	-	547,014,018
Total other comprehensive income	-	-	-	-	-	-	-	-	7,644,429	7,644,429
Dividends paid	-	-	-	-	(210,000,000)	-	-	-	-	(210,000,000)
Share buyback	-	-	-	-	-	-	(548,619,802)	-	-	(548,619,802)
Balance at 30 June 2016	269,660,040	1,638,563,371	-	13,957,178	1,789,877,978	(140,624,130)	(548,619,802)	(154,707,759)	6,280,332	2,874,387,208
Issue of shares	49,106,562	646,861,194	-	-	-	-	-	-	-	695,967,756
Share issue costs	-	(24,003,534)	-	-	-	-	-	-	-	(24,003,534)
Profit for the year	-	-	-	-	309,855,411	-	-	-	-	309,855,411
Total other comprehensive income	-	-	-	-	-	-	-	-	(6,280,332)	(6,280,332)
Dividends paid	-	-	-	-	(300,000,000)	-	-	-	-	(300,000,000)
Reciprocal dividends	-	-	-	-	67,408,196	-	-	-	-	67,408,196
Share based payment - charge for the year	-	-	-	3,200,000	-	-	-	-	-	3,200,000
Balance at 30 June 2017	318,766,602	2,261,421,031	-	17,157,178	1,867,141,585	(140,624,130)	(548,619,802)	(154,707,759)	-	3,620,534,705

Summarised consolidated statement of cash flows for the year ended 30 June 2017

	30 June 2017 (Audited)	30 June 2016 (Audited)	30 June 2017 (Unaudited)	30 June 2016 (Unaudited)
	GBP	GBP	ZAR	ZAR
NET CASH GENERATED FROM OPERATIONS	29,945,218	51,056,970	516,393,818	1,082,923,023
Income taxes paid	(6,324,864)	(9,998,969)	(105,790,084)	(208,209,553)
Royalties paid	(1,678,474)	(2,916,283)	(28,283,550)	(61,423,325)
Net finance costs	(2,141,151)	(652,680)	(43,272,552)	(21,866,695)
NET CASH GENERATED FROM OPERATIONS AFTER TAX, ROYALTIES AND FINANCE COSTS	19,800,729	37,489,038	339,047,632	791,423,450
Dividends paid net of PAR Gold reciprocal dividend	(13,290,429)	(9,024,833)	(232,591,804)	(210,000,000)
NET CASH GENERATED FROM OPERATING ACTIVITIES	6,510,300	28,464,205	106,455,828	581,423,450
INVESTING ACTIVITIES				
Additions to property, plant and equipment and mineral rights	(35,518,177)	(14,079,918)	(612,688,544)	(302,014,225)
Additions to other intangible assets	(22,817)	(17,248)	(393,593)	(369,970)
Proceeds on disposal of investment	1,381,005	-	23,407,843	-
Proceeds on disposal of property, plant and equipment	396,604	14,620	7,000,000	313,600
Proceeds on disposal of Uitkomst Colliery net of cash	6,586,262	-	111,702,967	-
Acquisition of Uitkomst Colliery	-	(5,700,402)	-	(120,013,429)
Shanduka Gold Proprietary Limited transaction	-	(25,299,095)	-	(546,941,145)
Increase in long term-loans receivable	(1,207,492)	-	(20,000,000)	-
NET CASH USED IN INVESTING ACTIVITIES	(28,384,615)	(45,082,043)	(490,971,327)	(969,025,169)
FINANCING ACTIVITIES				
Proceeds from borrowings	47,750,265	38,061,147	817,000,000	840,000,000
Borrowings repaid	(53,964,004)	(38,131,957)	(915,000,000)	(803,889,110)
Settlement of cash settled share option costs	(3,299,545)	-	(58,013,879)	-
Shares issued	40,807,338	16,128,324	695,967,756	359,597,100
Share issue costs	(1,427,720)	(921,170)	(24,003,534)	(19,759,094)
Repayment of financial instruments	(1,389,720)	-	(22,924,978)	-
NET CASH FROM FINANCING ACTIVITIES	28,476,614	15,136,344	493,025,365	375,948,896
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	6,602,297	(1,481,494)	108,509,866	(11,652,823)
Cash and cash equivalents at the beginning of the year	2,658,947	3,328,850	52,593,979	64,246,802
Cash and cash equivalents attributed to discontinued operations	(51,903)	-	(880,283)	-
Effect of foreign exchange rate changes	237,801	811,591	-	-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	9,447,144	2,658,947	160,223,562	52,593,979

Summarised audited consolidated segment report for the year ended 30 June 2017

	30 June 2017								30 June 2016								
	Continuing operations				Discontinued operations				Group	Continuing operations				Discontinued operations			Group
	Barberton Mines	Evander Mines	Corporate	Funding Company	Uitkomst Colliery (Note 3)	Phoenix Platinum (Note 4)	Reclass journal	Barberton Mines		Evander Mines	Corporate	Funding Company	Phoenix Platinum	Uitkomst Colliery	Reclass journal		
	GBP	GBP	GBP	GBP	GBP	GBP	GBP	GBP		GBP	GBP	GBP	GBP	GBP	GBP		
Revenue																	
Gold sales (Note 1)	97,343,927	72,240,659	-	-	-	-	-	169,584,586	89,596,245	71,715,975	-	-	-	-	-	-	161,312,220
Platinum sales	-	-	-	-	-	4,766,689	(4,766,689)	-	-	-	-	3,480,338	-	(3,480,338)	-	-	-
Coal sales	-	-	-	-	25,089,705	-	(25,089,705)	-	-	-	-	-	4,567,974	(4,567,974)	-	-	-
Realisation costs	(606,367)	(1,219,676)	-	-	-	-	-	(1,826,043)	(398,937)	(557,772)	-	-	-	-	-	-	(956,709)
On - mine revenue	96,737,560	71,020,983	-	-	25,089,705	4,766,689	(29,856,394)	167,758,543	89,197,308	71,158,203	-	-	3,480,338	4,567,974	(8,048,312)	-	160,355,511
Gold cost of production	(61,229,000)	(72,777,583)	-	-	-	-	-	(134,006,583)	(45,461,824)	(55,025,516)	-	-	-	-	-	-	(100,487,340)
Platinum cost of production	-	-	-	-	-	(5,007,705)	5,007,705	-	-	-	-	(3,456,007)	-	3,456,007	-	-	-
Coal cost of production	-	-	-	-	(21,741,484)	-	21,741,484	-	-	-	-	-	(4,279,735)	4,279,735	-	-	-
Depreciation	(4,749,422)	(5,743,642)	-	-	(706,407)	(870,020)	1,576,427	(10,493,064)	(3,562,121)	(6,433,405)	-	-	(311,870)	(148,733)	460,603	-	(9,995,526)
Mining profit	30,759,138	(7,500,242)	-	-	2,641,814	(1,111,036)	(1,530,778)	23,258,896	40,173,363	9,699,282	-	-	(287,539)	139,506	148,033	-	49,872,645
Other income/(expenses) (Note 2)	4,705,042	(1,255,689)	(9,217,150)	3,765,252	156,333	(117,318)	(39,015)	(2,002,545)	(7,253,912)	873,481	(5,867,355)	80,775	(249,773)	233,889	15,884	-	(12,167,011)
Profit on disposal of investment	-	-	222,571	-	-	-	-	222,571	-	-	-	-	-	-	-	-	-
Profit on disposal of subsidiary	-	-	5,385,915	-	-	-	-	5,385,915	-	-	-	-	-	-	-	-	-
Impairment costs	-	-	-	-	-	(5,950,757)	5,950,757	-	-	-	-	-	-	-	-	-	-
Royalty costs	(1,015,352)	(319,679)	-	-	(70,218)	-	70,218	(1,335,031)	(2,450,505)	(332,918)	-	-	-	(16,524)	16,524	-	(2,783,423)
Net income / (loss) before finance income and finance costs	34,448,828	(9,075,610)	(3,608,664)	3,765,252	2,727,929	(7,179,111)	4,451,182	25,529,806	30,468,946	10,239,845	(5,867,355)	80,775	(537,312)	356,871	180,441	-	34,922,211
Finance income	9,949	51,811	51,496	178,656	102,850	180.0	(103,030)	291,912	13,380	27,840	79,754	312,370	448	8,824	(9,272)	-	433,344
Finance costs	(18,652)	(12,244)	(14,202)	(2,770,125)	-	-	-	(2,815,223)	(6,048)	(7,383)	(7)	(1,434,811)	(489)	-	489	-	(1,448,249)
Profit / (loss) before taxation and inter-company charges from continuing operations	34,440,125	(9,036,043)	(3,571,370)	1,173,783	2,830,779	(7,178,931)	4,348,152	23,006,495	30,476,278	10,260,302	(5,787,608)	(1,041,666)	(537,353)	365,695	171,658	-	33,907,306
Taxation	(5,654,821)	6,006,087	(531,248)	(62,960)	(782,022)	276,657	505,365	(242,942)	(8,492,721)	(757,683)	701,414	(29,144)	118,266	226,037	(344,303)	-	(8,578,134)
Profit / (loss) after taxation from continuing operations before inter-company charges	28,785,304	(3,029,956)	(4,102,618)	1,110,823	2,048,757	(6,902,274)	4,853,517	22,763,553	21,983,557	9,502,619	(5,086,194)	(1,070,810)	(419,087)	591,732	(172,645)	-	25,329,172
Loss/(profit) after taxation from discontinued operations	-	-	-	-	-	-	(4,853,517)	(4,853,517)	-	-	-	-	-	-	172,645	-	172,645
Profit / (loss) after taxation before inter-company charges after discontinued operations	28,785,304	(3,029,956)	(4,102,618)	1,110,823	2,048,757	(6,902,274)	-	17,910,036	21,983,557	9,502,619	(5,086,194)	(29,144)	(419,087)	591,732	-	-	25,501,817
Inter-company transactions																	
Management fees	(2,805,797)	(2,075,362)	5,673,540	(92,522)	(438,989)	(260,870)	-	-	(1,439,394)	(1,137,529)	2,749,883	-	(107,226)	(65,734)	-	-	-
inter-company interest charges	(760,141)	(1,513,938)	(654,122)	2,778,372	28,225	121,604	-	-	(331,029)	(750,800)	(135,868)	1,130,359	79,849	7,489	-	-	-
Profit / (loss) after taxation after inter-company charges after discontinued operations	25,219,366	(6,619,256)	916,800	3,796,673	1,637,993	(7,041,540)	-	17,910,036	20,213,134	7,614,290	(2,472,194)	59,549	(446,464)	533,502	-	-	25,501,817
Segmental assets (total assets excluding goodwill)	73,762,949	190,009,717	19,611,819	1,092,051	-	5,610,475	-	290,087,011	56,651,503	146,201,423	3,180,048	632,954	9,991,120	15,034,211	-	-	231,691,259
Segmental liabilities	25,157,858	52,481,513	4,589,589	11,914,856	-	362,834	-	94,506,650	27,035,796	48,372,120	5,154,888	15,725,303	883,249	4,545,415	-	-	101,716,771
Goodwill	21,000,714	-	-	-	-	-	-	21,000,714	21,000,714	-	-	-	-	-	-	-	21,000,714
Net assets (excluding goodwill)	48,605,091	137,528,204	15,022,230	(10,822,805)	-	5,247,641	-	195,580,361	29,615,707	97,829,303	(1,974,840)	(15,092,349)	9,107,871	10,488,796	-	-	129,974,488
Capital expenditure	11,216,853	23,054,756	79,285	-	875,298	314,802	-	35,540,994	6,513,408	7,179,831	46,950	-	316,726	40,251	-	-	14,097,166
Adjusted EBITDA	39,198,250	(3,331,968)	(9,217,150)	3,765,252	3,434,336	(358,334)	(3,076,002)	30,414,384	34,031,067	16,673,250	(5,867,355)	80,775	(225,442)	505,604	(280,162)	-	44,917,737

Note 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.

Note 2: Other expenses exclude inter-management fees and dividend received.

Note 3: Uitkomst Colliery disposal was effective on 30 June 2017. The disposal of Pan African Resources Coal Holdings Proprietary Limited and Uitkomst Colliery was completed on 30 June 2017 and this business was classified as a discontinued operation.

Note 4: Phoenix Platinum was classified as held for sale and as a discontinued operation at 30 June 2017.

Summarised unaudited consolidated ZAR segment report for the year ended 30 June 2017

	30 June 2017								30 June 2016								
	Continuing operations				Discontinued operations				Group	Continuing operations				Discontinued operations			Group
	Barberton Mines	Evander Mines	Corporate	Funding Company	Uitkomst Colliery (Note 3)	Phoenix Platinum (Note 4)	Reclass journal			Barberton Mines	Evander Mines	Corporate	Funding Company	Phoenix Platinum	Uitkomst Colliery	Reclass journal	
	ZAR million	ZAR million	ZAR million	ZAR million	ZAR million	ZAR million	ZAR million	ZAR million	ZAR million	ZAR million	ZAR million	ZAR million	ZAR million	ZAR million	ZAR million	ZAR million	
Revenue																	
Gold sales (Note 1)	1,679.2	1,246.1	-	-	-	-	-	2,925.3	1,921.8	1,538.3	-	-	-	-	-	3,460.1	
Platinum sales	-	-	-	-	-	82.2	(82.2)	-	-	-	-	-	74.7	-	(74.7)	-	
Coal sales	-	-	-	-	432.8	-	(432.8)	-	-	-	-	-	-	98.0	(98.0)	-	
Realisation costs	(10.5)	(21.0)	-	-	-	-	-	(31.5)	(8.6)	(11.9)	-	-	-	-	-	(20.5)	
On - mine revenue	1,668.7	1,225.1	-	-	432.8	82.2	(515.0)	2,893.8	1,913.2	1,526.4	-	-	74.7	98.0	(172.7)	3,439.6	
Gold cost of production	(1,056.2)	(1,255.4)	-	-	-	-	-	(2,311.6)	(975.2)	(1,180.3)	-	-	-	-	-	(2,155.5)	
Platinum cost of production	-	-	-	-	-	(86.4)	86.4	-	-	-	-	-	(74.1)	-	74.1	-	
Coal cost of production	-	-	-	-	(375.0)	-	375.0	-	-	-	-	-	-	(91.8)	91.8	-	
Depreciation	(81.9)	(99.1)	-	-	(12.2)	(15.0)	27.2	(181.0)	(76.4)	(138.0)	-	-	(6.7)	(3.2)	9.9	(214.4)	
Mining Profit	530.6	(129.4)	-	-	45.6	(19.2)	(26.4)	401.2	861.6	208.1	-	-	(6.1)	3.0	3.1	1,069.7	
Other income/(expenses) (Note 2)	81.3	(21.8)	(159.0)	65.0	2.7	(2.0)	(0.7)	(34.5)	(155.6)	18.7	(125.7)	1.7	(5.4)	5.0	0.4	(260.9)	
Profit on disposal of investment	-	-	4.6	-	-	-	-	4.6	-	-	-	-	-	-	-	-	
Profit on disposal of subsidiary	-	-	91.3	-	-	-	-	91.3	-	-	-	-	-	-	-	-	
Impairment costs	-	-	-	-	-	(100.9)	100.9	-	-	-	-	-	-	-	-	-	
Royalty costs	(17.5)	(5.5)	-	-	(1.2)	-	1.2	(23.0)	(52.6)	(7.1)	-	-	-	(0.4)	0.4	(59.7)	
Net income / (loss) before finance income and finance costs	594.4	(156.7)	(63.1)	65.0	47.1	(122.1)	75.0	439.6	653.4	219.7	(125.7)	1.7	(11.5)	7.6	3.9	749.1	
Finance income	0.1	0.9	0.9	3.1	1.8	-	(1.8)	5.0	0.3	0.6	1.7	6.7	-	0.2	(0.2)	9.3	
Finance costs	(0.4)	(0.2)	(0.2)	(47.8)	-	-	-	(48.6)	(0.1)	(0.2)	-	(30.8)	-	-	-	(31.1)	
Profit / (loss) before taxation and inter-company charges	594.1	(156.0)	(62.4)	20.3	48.9	(122.1)	73.2	396.0	653.6	220.1	(124.0)	(22.4)	(11.5)	7.8	3.7	727.3	
Taxation	(97.5)	103.6	(9.2)	(1.1)	(13.5)	4.8	8.7	(4.2)	(182.2)	(16.3)	15.1	(0.6)	2.5	4.9	(7.4)	(184.0)	
Profit / (loss) after taxation before inter-company charges	496.6	(52.4)	(71.6)	19.2	35.4	(117.3)	81.9	391.8	471.4	203.8	(108.9)	(23.0)	(9.0)	12.7	(3.7)	543.3	
(Loss)/profit after taxation from discontinued operations	-	-	-	-	-	-	(81.9)	(81.9)	-	-	-	-	-	-	3.7	3.7	
Profit / (loss) after taxation before inter-company charges after discontinued operations	496.6	(52.4)	(71.6)	19.2	35.4	(117.3)	-	309.9	471.4	203.8	(108.9)	(23.0)	(9.0)	12.7	-	547.0	
Inter-company transactions																	
Management fees	(48.4)	(35.8)	97.9	(1.6)	(7.6)	(4.5)	-	-	(30.9)	(24.4)	59.0	-	(2.3)	(1.4)	-	-	
inter-company interest charges	(13.1)	(26.1)	(11.3)	47.9	0.5	2.1	-	47.9	(7.1)	(16.1)	(2.8)	24.2	1.7	0.1	-	-	
Profit / (loss) after taxation after inter-company charges after discontinued operations	435.1	(114.3)	15.0	65.5	28.3	(119.7)	-	309.9	433.4	163.3	(52.7)	1.2	(9.6)	11.4	-	547.0	
Segmental assets (total assets excluding goodwill)	1,251.0	3,222.6	332.6	18.5	-	95.2	-	4,919.9	1,120.6	2,891.9	61.6	12.5	198.6	297.4	-	4,582.6	
Segmental liabilities	426.7	890.1	77.8	202.0	-	6.2	-	1,602.8	534.8	956.8	98.9	311.0	17.5	92.9	-	2,011.9	
Goodwill	303.5	-	-	-	-	-	-	303.5	303.5	-	-	-	-	-	-	303.5	
Net assets (excluding goodwill)	824.3	2,332.5	254.8	(183.5)	-	89.0	-	3,317.1	585.8	1,935.1	(37.3)	(298.5)	181.1	204.5	-	2,570.7	
Capital expenditure	193.5	397.7	1.4	-	15.1	5.4	-	613.1	139.7	154.0	1.0	-	6.8	0.9	-	302.4	
Adjusted EBITDA	676.2	(57.6)	(159.0)	65.0	59.3	(6.2)	(53.1)	524.6	729.8	357.7	(125.7)	1.7	(4.8)	10.8	(6.0)	963.5	

Note 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.

Note 2: Other expenses exclude inter-management fees and dividend received.

Note 3: Uitkomst Colliery disposal was effective on 30 June 2017. The disposal of Pan African Resources Coal Holdings Proprietary Limited and Uitkomst Colliery was completed on 30 June 2017 and this business was classified as a discontinued operation.

Note 4: Phoenix Platinum was classified as held for sale and as a discontinued operation at 30 June 2017.