

Pan African Resources PLC

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 3937466 on 25 February 2000)

Share code on AIM: PAF

Share code on JSE: PAN

ISIN: GB0004300496

ADR ticker code: PAFRY

(Pan African or the Company or the Group)

TRADING STATEMENT FOR THE SIX MONTHS ENDED 31 DECEMBER 2020 (CURRENT REPORTING PERIOD)

In terms of paragraph 3.4(b) of the Listings Requirements of the JSE Limited, a listed company is required to publish a trading statement as soon as it is satisfied that a reasonable degree of certainty exists that the financial results for the period to be reported upon next, will differ by at least 20% from those of the six months ended 31 December 2019 (Corresponding Reporting Period).

Pan African's presentation currency is the United States dollar (US\$). All Group subsidiaries are incorporated in South Africa and their functional currency is the South African rand (ZAR). The Group's business is conducted in ZAR and the accounting records are maintained in the same currency, except precious metal product sales, which are conducted in US\$ prior to conversion into ZAR.

The US\$/ZAR exchange rate affects the reporting of the Group's results in US\$. The average US\$/ZAR exchange rate is used in translating ZAR financial performance into US\$.

During the Current Reporting Period, the average US\$/ZAR exchange rate was US\$/ZAR:16.26 (2019: US\$/ZAR:14.70), and the closing US\$/ZAR exchange rate as at 31 December 2020 was US\$/ZAR:14.70 (2019: US\$/ZAR:14.08).

The year-on-year change in the average and closing exchange rates of 10.6% and 4.4%, respectively, must be considered when comparing period-on-period results. The weighted average number of outstanding shares remained unchanged at 1,928,329,479 shares (2019: 1,928,329,479 shares) during the Current Reporting Period.

Pan African advises shareholders that its headline earnings per share (HEPS) and earnings per share (EPS) for the Current Reporting Period are expected to be as follows:

- HEPS of between US 2.05 cents per share and US 2.17 cents per share compared to US 1.13 cents per share for the Corresponding Reporting Period, being an increase of between 81% and 92%, respectively.
- EPS of between US 2.05 cents per share and US 2.17 cents per share compared to US 1.14 cents per share for the Corresponding Reporting Period, being an increase of between 80% and 90%, respectively.

The increases in EPS and HEPS for the Current Reporting Period, relative to the Corresponding Reporting Period, are largely as a result of an 38.4% increase in gold revenue to US\$183.8 million (2019: US\$132.8 million), attributable to the following:

- the average US\$ gold price received increased by 27.4% to US\$1,865/oz (2019: US\$1,464/oz); and
- gold sold increased by 8.6% to 98,386oz (2019: 90,602oz).

The financial information contained in this announcement has neither been reviewed nor audited by the Company's auditors. The Group's interim results for the six months ended 31 December 2020 will be released on 16 February 2021.

Rosebank

8 February 2021

For further information on Pan African, please visit the Company's website at

www.panafricanresources.com

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