

Pan African Resources plc

14:29 11 Sep 2019

Pan African Resources guides to improved full year earnings

Pan African Resources plc (LON:PAF) said full year earnings per share from its continuing operations are likely to have grown 124%-134%, boosted by the reversal of an impairment charge.

In a trading statement on Wednesday afternoon, South Africa-based gold miner said total EPS are likely to come in for the 12 months to 30 June at between 1.63 US cents and 2.32 US cents. This compares with a loss per share a year ago of 6.79 cents.

Guidance for EPS from continuing operations was given as 1.93 cents to 2.02 cents, versus 0.86 cents a year earlier.

Total EPS benefited from the reversal of an impairment charge of US\$17.9mln which was recognised following commencement of development at Evander Mines' 8 Shaft Pillar Project, otherwise 'headline' EPS was guided to rise 15%-25% to between 1.14 cents and 1.24 cents.

The group's presentation currency changed for its financial results changed to US dollars from pounds sterling. Last year total EPS was 5.15p and from continuing operations 0.63p.

'Headline' EPS from continuing operations are likely to fall 23%-13% as the weighted average number of shares in issue increased by 6.6%, the South African rand weakened against the dollar and the average gold price dipped slightly over the year.

The rand was down 10.4% against the dollar, from ZAR14.19 to ZAR12.85, while the average gold price received was down 2.7% to US\$1,266 per oz.

Pan African reported in July that gold output rose by 7.5% to 172,442 ounces, or 54% when considered in terms of continuing operations, having stopped high-cost underground mining at Evander Mines, while successfully commissioning the Elikhulu tailings retreatment plant and achieving a significant increase in production at Barberton Mines.

Price: 11.4

Market Cap: £219.83 m

1 Year Share Price Graph



January 2019 July 2019 January 2020

Share Information

Code: PAF

Listing: AIM

52 week High Low
14.7037 8.5

Sector: Gold & silver

Website: www.panafricanresources.com

Company Synopsis:

Pan African Resources is a mid-tier African-focused gold producer with a production capacity in excess of 170,000oz of gold per annum. The Company's strategic focus is on the exploitation of high-grade ore bodies that yield high margins with a relatively low cost base. Pan African Resources has successfully grown profitable gold production in recent years via organic and acquisitive growth.

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