

Regulatory Announcement

Company Pan African Resources PLC
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Pan African Resources plc ("Pan African" or "the Company")

Acquisition of Exploration Rights in Ghana

Pan African Resources plc (AIM: PAF), the African based exploration company, announces that it has signed an agreement with SEMS Exploration Services Limited ("SEMS") and Birim Goldfields (Ghana) Limited ("Birim") to acquire 90% of the licence rights of the Akrokerri Exploration Property ("Akrokerri") in southern Ghana.

- **Acquisition of a substantial exploration property next to the largest gold producer in Ghana.**
- **Advanced exploration play with major defined exploration targets.**

Pan African has acquired a 90% interest in Akrokerri from SEMS and Birim for a cash consideration of £52,632 and the issue of 12,000,000 ordinary shares of 1p each ("Shares") at a value of 6p (for a total value of £720,000 of which SEMS is being issued 6,120,000 Shares and Birim 5,880,000 Shares). The interest will be held in a local special purpose entity in Ghana. Under the terms of the acquisition agreement both SEMS and Birim have agreed not to dispose of any Shares granted to them for a period of at least six months and thereafter the Company has the right to place the Shares should either party elect to dispose of their shareholding.

The remaining 10% interest in the Akrokerri will continue to be held by Birim as a free carried interest which Pan African has the right to acquire once the project reaches Bankable Feasibility Stage ("BFS"), at a value determined by the BFS. Upon the granting of a mining licence, a 10% interest in the project will be transferred to the Ghanaian government as a free carry.

The newly acquired licence covers an area of 46.8km² and is contiguous to the largest gold producer in Ghana, the Obuasi Gold Mine, which has produced approximately 40Moz of gold. Historical underground mining by Akrokerri Ashanti Mines Limited from 1900 to 1909 within the licence area yielded approximately 74,000 ounces of gold at a recovered grade of 24.6g/t. During 1996 Birim drilled nine boreholes totalling 1998.8m with two of the best intersections yielding 1m @ 24.8g/t and 1m @ 12.3g/t.

Jan Nelson, CEO of Pan African, said: "Pan African successfully acquired this licence in a highly competitive market by establishing good relations with our local business partners. Moving into Ghana gives effect to our stated strategy of balancing geographic risk and investing in projects with potential to deliver significant returns."

NOTES TO THE EDITOR

Graham Gavine, MGSSA, MSAIMM, BSc(HonsPrSciNat, from ExplorMine Consultants who act as Competent Person to the Company and who meets the criteria of a qualified person under the AIM guidance note for mining, oil and gas companies, has reviewed and approved the technical information contained within this announcement.

ENDS

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