

Regulatory Story

Company [Pan African Resources PLC](#)
TIDM PAF
Headline Further re RK1 Consortium
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18 May 2010

Pan African Resources PLC

(`Pan African' or the `Company' or the `Group')

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

Share code on AIM: PAF

Share code on JSE: PAN

ISIN: GB0004300496

Update on conditional acquisition of a 25% stake in the RK1 Consortium and withdrawal of cautionary announcement

Shareholders are referred to the announcement released on, 31 March 2010, in which Pan African advised that it had signed a conditional Sale and Purchase Agreement with Ivanhoe Nickel and Platinum Limited to acquire a 25% interest in the RK1 Consortium (`RK1') (the `Transaction'). RK1 owns a Chromite Tailings Retreatment Plant (`CTRP') situated at Kroondal on the Western Limb of the Bushveld Complex in the North West Province of South Africa, which produces Platinum Group Metals concentrate.

The Transaction was subject to, inter alia, the successful completion of a technical and financial due diligence investigation (`Due Diligence') by Pan African. Subsequent to the completion of the Due Diligence, the Company has elected not to proceed with the Transaction.

This decision will not affect the interim Exclusivity and Agreed Terms Agreement (the `Agreement`) entered into on 17 February 2010 between Pan African, its wholly-owned subsidiary Phoenix Platinum Mining (Pty) Limited (`Phoenix`) and International Ferro Metals SA (Pty) Ltd (`IFM`) which relates to the siting and construction of the Phoenix CTRP on the IFM Mine Property. This is progressing ahead of schedule and first production is still planned for September 2011.

Withdrawal of cautionary announcement

Shareholders are referred to the cautionary announcement first released on 31 March 2010 and subsequently renewed on 30 April 2010, and in terms of the Listings Requirements of JSE Limited are advised that, as the company has elected not to proceed with the Transaction, caution is no longer required to be exercised when dealing in the Company's securities.

ENDS

For further information on Pan African Resources please visit the website at www.panafricanresources.com

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