

Regulatory Announcement

Company Pan African Resources PLC
TIDM PAF
Headline Interim Results
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Pan African Resources PLC ("Pan African" or "the Company")

Interim report for the six months ended 30 September 2006

Pan African Resources PLC (AIM: PAF)("Pan African" or "the Company"), the African based gold exploration Company, announces the interim statement as at 30 September 2006 and operational review.

Highlights

- Confirmation of high (90% for oxides and 86% for sulphides) gold recoveries at the Manica project in Mozambique
- Scoping study confirmed viability of Manica project as an open pit mine in Mozambique

Post Interim Period Results

- Signature of a conditional agreement to establish Pan African as a significant gold producer

Chairman Colin Bird commented:

"The Manica gold project in Mozambique is showing tremendous development potential and drilling in the Central African Republic will be underway in the New Year. The Company has taken the first step, by signing a conditional agreement for the purchase of gold mines in South Africa, to building a balanced portfolio of gold production and exploration ounces. The Company is positioning itself as an emerging mid-tier gold company."

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

PAN AFRICAN RESOURCES PLC

Six Month Interim Statement at 30 September 2006 and Operational Review

Chairman's statement

Result for the period

During the period under review, the Group returned a loss of £98,491 as compared with a loss of £791,293 in the eighteen-month period to 31 March 2006. As at 30 September 2006 the Company had a cash balance of approximately £ 1,058,993 .

Operational Review

Metallurgical testwork and engineering mine design work has taken place during the period in the group's Manica gold project in Mozambique. Gold-in-soil and stream sediment sampling was ongoing at the Bogoin and Dekoa gold projects in the Central African Republic.

Metallurgical testwork at the Manica project indicated recoveries of 90,12% for oxide material and 86% for sulphide material. The Company is currently completing optimisation work to assess the possibility of increasing the recoveries even further. An independent scoping study on the viability of an open pit mine at the Manica project on the Fair Bride prospect indicated an ungeared, pre-tax and royalty NPV of US\$39 million and an IRR of 31%. Optimisation work is currently underway on capital and working cost estimates. Furthermore the results from a recent bulk sampling programme at the Fair Bride prospect indicate a significantly higher sulphide grade of 3.73g/t insitu as opposed to a resource estimated sulphide grade 2.61g/t in situ used in the mine engineering scoping study. This is an increase of 1.12g/t and could significantly improve the current NPV if validated. Work is currently underway to produce independent validation of these results after which Turgis will revisit their evaluation . Drilling is planned to commence in Q1 of 2007 to validate these results.

In the Central African Republic, the regional gold-in-soil programme at the Bogoin gold project has been completed and drilling is expected to commence in Q1 of 2007 to test the 12km gold-in-soil anomaly identified to date. Stream sediment sampling is underway at the Dekoa gold project.

The company is evaluating other opportunities in a number of African regions and announcements will be made in due course as appropriate.

Post Interim Period Events

In addition to the above mentioned the Company announced on 20 December that it has signed a conditional Sale of Shares Agreement with Metorex Limited to purchase 74% of Barberton Mines Limited in South Africa. The proposed transaction is intended to provide the Company with a strong production base to further pursue its exploration and development strategy.

The directors are proactively seeking new opportunities as well as advancing the Company's existing interests with a view to delivering above normal returns to shareholders. The directors are confident that the second half year will be as productive as the first with further positive progress being made in all aspects of the business.

By Order of the Board

Colin Bird
Chairman

PAN AFRICAN RESOURCES PLC

UNAUDITED CONSOLIDATED PROFIT AND LOSS ACCOUNT

Six Months Ended 30 September 2006

	Six-Month Ended 30.9.2006 £	Eighteen-Month Ended 31.3.2006 £
Exploration Costs	-	(464,575)
Administrative expenses – (operating loss)	(117,617)	(346,827)
Interest receivable	19,126	30,759
Amount written off investments	-	(10,650)
Loss on ordinary activities before taxation	(98,491)	(791,293)
Tax on loss on ordinary activities	-	-
Loss for the financial period	(98,491)	(791,293)
	=====	=====
Loss per ordinary share – basic	(0.02p)	(0.22p)
	===	===

PAN AFRICAN RESOURCES PLC

UNAUDITED CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2006

	As at		As at	
	30 September		31 March	
	2006		2006	
	£	£	£	£
FIXED ASSETS				
Intangible assets	5,316,658		4,847,630	
Investments	4,800		4,800	
	-----		-----	
	4,321,458		4,852,430	
 CURRENT ASSETS				
Debtors	23,910		3,225	
Cash at bank	1,058,993		1,874,702	
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	1,082,903		1,877,927	
Creditors: amounts falling due within one year	(171,951)		(399,455)	
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	910,952		1,478,472	
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Total assets less current liabilities	6,232,410		6,330,902	
	=====		=====	
 CAPITAL AND RESERVES				
Share capital	4,077,532		4,077,532	
Share premium account	3,978,178		3,978,178	
Merger reserve	1,485,000		1,485,000	
Profit and loss account	(3,308,300)		(3,209,808)	
	-----		-----	
Shareholders' funds	6,232,410		6,330,902	
	=====		=====	

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UNAUDITED CONSOLIDATED CASH FLOW STATEMENT
Six Months Ended 30 September 2006

	Six Months Ended 30.09.2006 £	Eighteen Months Ended 31.03.2006 £
CASH FLOW STATEMENT		
Net cash outflow from operating activities	(230,155)	(503,901)
Returns on investments and servicing of finance	19,126	30,759
Capital expenditure and financial investment	(604,680)	(697,170)
Financing	-	1,820,881
(Decrease) / Increase in cash	<u>(815,709)</u> =====	<u>650,569</u> =====

PAN AFRICAN RESOURCES PLC

NOTES TO THE UNAUDITED INTERIM ACCOUNTS Six Months Ended 30 September 2006

- 1 The calculation of earnings per share is based on the losses of £98,491 and on the number of shares in issue being the adjusted weighted average number of shares in issue totalling .

The fully diluted earnings per share are based on 407,753,235 ordinary shares allowing for the full exercise of outstanding share purchase options and the earnings as stated above. There is no dilutive effect in the period and in the previous period in accordance with FRS 14 paragraph 56.

No change has been made to share based payments under FRS in respect of share options granted, as the Directors consider that the effect will not be material.

- 2 The current period for the company is a twelve-month period ending 31st March 2007.
- 3 The comparative figures were for the eighteen-month period ended 31st March 2006.
- 4 The interim statement for the six months ended 30th September 2006 is unaudited and was approved by the Directors on 22 December 2006. The financial information set out above does not constitute statutory accounts within the meaning of s.240 of the Companies Act 1985.
- 5 Copies of the Interim Report are available to the public free of charge from the company at Manfield House, 2nd Floor, 1 Southampton Street, London WC2R 0LR during normal office hours, Saturdays, Sundays and bank holidays excepted, for 31 days from today.

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