

## Regulatory Story

**Company** [Pan African Resources PLC](#)  
**TIDM** PAF  
**Headline** Major zone of gold mineralisation defined at Royal Sheba  
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Pan African Resources PLC

("Pan African" or the "Company")

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

Major zone of gold mineralisation defined at the Royal Sheba prospect and resource upgrade reported for Barberton Mines

Pan African Resources PLC (JSE: PAN / AIM: PAF), has defined several zones of mineralisation following a two year drilling and underground development programme at its wholly owned Barberton Mines (Pty) Ltd ('Barberton Mines') in South Africa.

### Highlights

#### Royal Sheba mineralised zone

- \* Significant ore-body (named Royal Sheba) defined below historical mine workings at the Royal Sheba prospect within current mine lease area.
- \* Royal Sheba ore-body represents a total resource of approximately 506koz.
- \* The ore-body is on average between 5 metres and 25 metres wide at a non-refractory in situ grade of 2.97g/t which could become mineable from a depth of 350m below surface.
- \* Potentially mineable pillars within upper areas between surface and 350 metres below surface have been identified.
- \* Exploration drilling confirms the open-ended nature of the ore-body to a depth of 800 metres below surface.
- \* Feasibility study being undertaken to assess the potential economic extraction of the ore-body.

#### Total mine mineral resource upgrade

- \* Total mineral resource increased by 18% to 2.37Moz (11.77Mt at 6.29g/t in situ).
- \* Measured and Indicated ('M&I') mineral resource increased by 30% to 1.81Moz (9.43Mt at 5.99g/t in situ) inclusive of a significant tailings resource representing 116koz (1.34Mt at 2.69g/t in situ).

\* Mineral reserve increased by 6.8% to 661koz (2.31Mt at 8.87g/t in situ).

\* At an 85% conversion factor applied to the Measured and Indicated Mineral resource, Life of Mine ('LOM') increased by 50% to in excess of 15 years based on a depletion rate of 100koz per annum.

Jan Nelson, Chief Executive Officer of Pan African, commented: "The team's hard work over the past three years coupled with substantial capital allocated by the Board has shown that Barberton Mines has a future that is sustainable in the long term. The team will continue to investigate additional target areas identified that could have the potential to grow the production profile."

#### Royal Sheba defined zone of gold mineralisation

The Royal Sheba defined zone of gold mineralisation extends contiguous to historical mine workings at the Royal Sheba prospect from 350 metres below surface. The zone is between 5 metres and 25 metres wide, is non-refractory and represents a total resource of 506koz (5.48Mt at 2.87g/t). The M&I resource represents 400koz (4.24Mt at 2.97g/t). The zone of mineralisation identified has been tested with exploration drilling to a depth of 850 metres below surface and remains open ended. In addition, potentially mineable pillars left in situ in the area between surface and a depth of 350 metres below surface have also been identified.

The Company is completing a feasibility study to determine if this defined zone of mineralisation is economically viable. The focus of this feasibility study will target wider zones of mineralisation at lower grades through mechanised mining, which is expected to result in a reduction in working costs resulting in higher margins.

#### Total mine resource upgrade

Since the acquisition of Barberton Mines in July 2007, Pan African has increased the geological expertise at the mine as well as establishing a formalised Mineral Resources Management system. A Mineral Resources Manager was appointed in October 2009 to focus on increasing the LOM.

This approach combined with an exploration programme that comprised over 30,000 metres of underground exploration drilling and 3,000 metres of underground development has led to several new zones of mineralisation being defined.

The Company is pleased to report that as a result, assuming an 85% conversion factor applied to the M&I resource, the LOM has been extended to in excess of 15 years based on a depletion rate of 100koz per annum. Compared to the previous period, the LOM has increased by over 50%, which illustrates both the quality of the geological team as well as the potential of the mineral resource of the mine.

The total resource has been increased by 18% to 2.37Moz (11.77Mt at 6.29g/t in situ), and the M&I resource increased by 30% to 1.81Moz (9.43Mt at 5.99g/t). This resource also, for the first time, includes a tailings resource on surface representing 116koz (1.34Mt at 2.69g/t). Management is evaluating the potential to economically mine part of this tailings resource.

The mineral reserve increased by 6.8% to 661koz (2.31Mt at 8.87g/t in situ).

The table below sets out the 2010 SAMREC compliant mineral resource and mineral reserve inventory for Barberton Mines (100% accreditable):

Barberton Mines 2010				
	Tonnes	Grade	Gold	Gold
	(`000 t)	g/t	Kg	(`000 oz)
Mineral resources (total)	11,770	6.29	74,002	2,379
Inferred	2,331	7.50	17,489	562
Indicated	4,159	6.09	25,331	814
Measured	5,280	5.91	31,181	1,003
	Tonnes	Grade	Gold	Gold
	(`000 t)	g/t	Kg	(`000 oz)
Mineral reserves (total)	2,319	8.87	20,572	661
Probable	900	11.97	10,777	346
Proved	1,418	6.91	9,795	315

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Notes:

\* For the purpose of this announcement:

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- + Any single ore body that represents more than 15% of the current resource of 2.37Moz is deemed to be "significant" or "major"
- + A conversion factor of 85% is based on leaving 15% as mine design pillars when taking the M&I resource to reserve and further assumes that, except for stabilisation pillars, all of the M&I resource is converted to reserve.

- \* Geologix MRC (Pty) Limited is a South African resources and geological consultancy - D. Briggs is SACNASP accredited and was responsible for the Royal Sheba resource estimate. He has consented to the inclusion of the technical information in this announcement in the form and context in which it appears.
- \* Martin Bevelander, Group Consulting Geologist for Pan African, is SACNASP accredited and was responsible for validating the geological model and valuation database. He has consented to the inclusion of the technical information in this announcement in the form and context in which it appears.
- \* The resource statement is SAMREC compliant.
- \* SACNASP - South African Council for Natural Scientific Professions.

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