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Company [Pan African Resources PLC](#)
TIDM PAF
Headline Manica: independent valuation
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Pan African Resources PLC

("Pan African" or "the Company")

Results of Independent Mining Valuation on Surface Mine at Manica project - Mozambique

Pan African Resources PLC (AIM : PAF), the African based gold exploration company, announces the results of an independent mining evaluation of the Fair Bride deposit on its Manica gold project in Mozambique.

Highlights of the evaluation are:

- **Life of mine (LOM) average production of 84,000 ounces of gold per annum**
- **Open pit mine life of 8.5 years**
- **Life of mine average cash operating cost of US\$387 / ounce**
- **IRR of 31%**
- **An ungeared, pre-tax and royalty project NPV of US\$39 million at a gold price of US\$600/oz and a discount rate of 12%**

Introduction

The Fair Bride prospect represents only one of several prospects within the Manica project. Work to date has been directed at evaluating the economic viability of mineralization at the Fair Bride prospect. Until recently only 12% of the mineralized strike-length had been explored. Pan African has been focusing its exploration activity on delineating drill targets within the other prospective areas. Based on the results from the mining evaluation it is the company's intent to complete its drill target delineation by year-end and commence drilling in Q1 of 2007. The focus of the drilling programme will be to identify and prove-up additional mineralized zones to Fair Bride.

About the Study

Mining and Engineering firm, Turgis Consulting (Pty) Ltd ("Turgis") has completed an independent mining evaluation on the company's Manica gold project in Mozambique and has concluded that the Manica project has definite economic potential considering the economic input parameters.

Jan Nelson, CEO, Pan African, commented: "The company is very pleased with the results from the independent mining evaluation completed by Turgis, which shows the deposit to be commercially viable under current economic conditions. There is still room for improvement on capital and working cost estimates, sulphide recoveries and the life of mine, and we are currently addressing these factors.

"Furthermore, the results from the recent bulk sampling at Fair Bride indicate a significantly higher sulphide grade of 3.73g/t in situ as opposed to a resource estimated sulphide grade of 2.61g/t in situ used in the Turgis study. This is an increase of over 1.12g/t and could significantly improve the current NPV of the project if validated. Work is currently underway to produce independent validation of these results after which Turgis will revisit their evaluation."

The independent mining evaluation is conceptual in nature and the current numbers are being finalised to pre-feasibility accuracy levels as part of pre-feasibility study to be completed before year-end. The economic potential of the deposit was determined by using Whittle software to optimise the open pit design. Input parameters from mining evaluation are:

| | |
|---------------------------|----------------------------------|
| Gold price: | US\$600/oz |
| Production rate: | 100,000 tonnes / month |
| Oxide recoveries: | 90.12% |
| Sulphide recoveries: | 86% |
| Mining recovery: | 100% |
| Mining dilution: | 5% |
| Mining operating cost: | US\$2/t mined (average over LOM) |
| Oxide processing cost: | US\$7/t (average over LOM) |
| Sulphide processing cost: | US\$11.25/t (average over LOM) |
| Capital cost: | US\$68 million |

About the Resource / Mining / Metallurgical estimates used in the study

The resource used in the mining evaluation study has been independently verified by ExplorMine which acts as Competent Person to the company. Resource estimates were calculated by independent geological and resource firm Geologix MRC.

Turgis has reviewed all technical information relevant to the mining study.

Metallurgical recoveries and capital cost estimates used in the mining evaluation were taken from an independent report compiled by Mr. Jan van Niekerk, Senior Metallurgical Consultant (Refractory Ores) for Gold Fields BIOX[®].

Geologix MRC has verified the results from the metallurgical bulk sampling exercise and confirm that the grade from the sulphide zone from the bulk sampling exercise is 1.12g/t higher than the resource estimate for the sulphide zone. Sulphide grade from bulk sampling is 3.73g/t as opposed to a resource estimated grade of 2.61g/t. This is a difference of 1.12g/t.

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For further information on Pan African Resources please visit the website at www.panafricanresources.com. A copy of the Mining Valuation report will be posted on the website.

Enquiries:

Pan African Resources

Jan Nelson, CEO
+27 11 886 1211
Colin Bird, Chairman
+44 (0) 20 7584 2155

Ambrian Partners

Richard Brown
+44 (0) 207 776 6400

Parkgreen Communications

Justine Howarth /
Victoria Thomas
+44 (0) 20 7493 3713

NOTES TO THE EDITOR

About the Consultants

Turgis Consulting was established in 1990 as a specialist technical consulting firm serving the mining industry. The company has worked with mining companies in South Africa, Zimbabwe, Ghana, Botswana, Madagascar, Chile, Brazil, Australia, Zambia, Ukraine, Norway and in the United Kingdom. Turgis specialises in all aspects of design and operation of mining, mechanical, electrical and logistic systems for surface and underground mines.

Turgis is committed to developing and applying integrated mine designs that result in projects that work practically and within design parameters. This is achieved by using experienced practitioners and professionals who have worked in both production and engineering disciplines on mines.

Turgis's independence is ensured by the fact that its ownership rests solely with its staff and that they have no ownership interests, either directly or indirectly, with any equipment supply company.

☞ ExplorMine Gold Consultants (Pty) Ltd is a South African based Resource & Geological Consultancy – the principle directors and geologists of the company are Graham Gavine and Garth Mitchell, who personally oversaw the CPR.

☞ Geologix MRC is a South African based Resource and Geological Consultancy – Deon van den Heever was responsible for the resource estimate.

☞ Both companies' geologists are SACNASP accredited and members in good standing of their respective professional societies. The resource statement is SAMREC compliant and this announcement has been verified by both geologists.

☞ SACNASP – South African Council for Natural Scientific Professions.

☞ SAMREC – South African Mineral Resource Code (A recognised reporting Code under the Resources Guidelines of the London Stock Exchange, May 2006).

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