

Regulatory Story

Company [Pan African Resources PLC](#)
TIDM PAF
Headline Statement re Metorex Disposes of stake in Pan African
Released 07:00 26-Jun-2009
Number 91717-6320



PAN AFRICAN RESOURCES PLC

(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

('Pan African' or the 'Company')

METOREX LIMITED ('METOREX')DISPOSES OF STAKE IN PAN AFRICAN

1. INTRODUCTION

Pan African has been informed that its controlling shareholder, Metorex, has been engaged in a bookbuilding exercise in order to dispose of its approximately 53.4% shareholding in Pan African ('the Metorex Bookbuild'). The results of the Metorex Bookbuild were announced by Metorex on SENS earlier today and notified in writing to the Company.

The Metorex Bookbuild was conducted exclusively in regard to the shares held by Metorex in Pan African and did not involve the issue of or subscription for any new Pan African shares. The Metorex Bookbuild is expected to significantly increase the liquidity of trading in Pan African shares as a consequence of the introduction of more institutional and retail shareholders to Pan African and the removal of Metorex as the controlling shareholder of Pan African.

Shanduka Gold (Proprietary) Limited ('Shanduka Gold') has, in addition to the share exchange ('the Shanduka Share Exchange') detailed in the announcement dated 19 June 2009 ('the Share Exchange Announcement'), increased its

shareholding in Pan African through the purchase of an additional 5% of the enlarged share capital of Pan African post the Share Exchange, subject to the terms and conditions set out in paragraph 4 below.

2. RESULTS OF THE BOOK BUILD

Pan African is pleased to note that the Metorex Bookbuild was oversubscribed. The price at which Metorex disposed of its Pan African shares through the Metorex Bookbuild was ZAR 0.65 per Pan African ordinary share (approximately 4.9 pence).

Pan African has been informed that the following entities acquired Pan African shares through the Metorex Bookbuild:

PreShanduka
Share Exchange

Acquired by	No of Shares	% of Pan African
Coronation Fund Managers Limited	244,400,000	21.97%
Allan Gray Limited	107,000,000	9.62%
Shanduka Gold 1	70,417,036	6.33%
JP Morgan Securities (United Kingdom)	60,000,000	5.39%
Investec Limited	50,000,000	4.49%
Other purchasers	61,923,440	5.57%

Total	593,740,476	53.37%
-------	-------------	--------

Note 1: Subject to the suspensive conditions set out in paragraph 4 below.

3. BLACK ECONOMIC EMPOWERMENT

Shareholders are referred to the Share Exchange Announcement. Shanduka has purchased an additional 70,417,036 shares in Pan African through the Metorex Bookbuild ('the Additional Shanduka Acquisition'), thereby raising its shareholding in Pan African to 26% of the share capital of Pan African as enlarged by the Shanduka Share Exchange, but subject to the conditions set out in paragraph 4 below.

Upon implementation of the Shanduka Share Exchange and the Additional Shanduka Acquisition, Pan African and all of its operations will be fully empowered. The Shanduka Share Exchange remains subject to the conditions precedent detailed in the Share Exchange Announcement.

4. CONDITIONS PRECEDENT TO THE ADDITIONAL SHANDUKA ACQUISITION

The Additional Shanduka Acquisition is subject to the following conditions precedent:

- * to the extent required, the South African Securities Regulation Panel ('SRP') ruling that the Additional Shanduka Acquisition is not an 'affected transaction' as defined in the Securities Regulation Code on Take-overs and Mergers and the Rules of the SRP and that Shanduka Gold shall accordingly not have any obligation to make a mandatory offer to the shareholders of PAR;

* Metorex delivering to Shanduka written confirmation from the United Kingdom Panel on Takeovers and Mergers confirming that the provisions of the City Code on Takeovers and Mergers shall not apply to the Additional Shanduka Acquisition; and

* Metorex obtaining a fairness opinion from an independent expert to the effect that the terms and conditions of the Additional Shanduka Acquisition are fair to Metorex shareholders.

5. OTHER

Upon implementation of the Additional Shanduka Acquisition, Metorex will no longer hold a disclosable interest in the Company. Prior to the Share Exchange, the new shareholders with a disclosable interest in the Company are as follows:

Subscribers	No of Shares	% of Pan African
Coronation Fund Managers Limited	244,400,000	21.97%
Allan Gray Limited	107,000,000	9.62%
Shanduka / Metorex 1	70,417,036	6.33%
JP Morgan Securities (United Kingdom)	60,000,000	5.39%
Investec Limited	50,000,000	4.49%

Note 1: Subject to implementation of the Additional Shanduka Acquisition.

6. PROPOSED TERMINATION OF THE METOREX MANAGEMENT CONTRACT IN RESPECT OF
BARBERTON MINES

Metorex currently has a management contract in respect of Barberton Mines (Proprietary) Limited ('Barberton Mines') ('the Metorex Contract'). Pan African and Metorex are in the process of negotiating an earlier termination of the Metorex Contract and full details of the termination terms and conditions will be announced as soon as the parties reach an agreement. The termination of the Metorex Contract will be executed in an orderly fashion and will not disrupt operations at Barberton Mines.

7. PROPOSED CHANGES TO THE PAN AFRICAN BOARD OF DIRECTORS

Following implementation of the Shanduka Share Exchange Agreement and the Additional Shanduka Acquisition, the board of directors of Pan African intends to invite Mr Cyril Ramaphosa and Mr Rowan Smith from Shanduka Gold to join the Pan African board. The Pan African board of directors has indicated that it would seek to elect Mr Ramaphosa as non-executive chair.

Furthermore, Mr Charles Needham, representing Metorex, has resigned from the Pan African board with immediate effect. In the interest of effecting a smooth exit and not to disrupt the affairs of Pan African, Mr Maritz Smith, currently the finance director of Pan African and also a Metorex representative, will tender his resignation as a director of Pan African as soon as Pan African appoints a new finance director.

Jan Nelson, Chief Executive Officer of Pan African, stated:

'We are pleased that Shanduka has become the long term empowerment partner for the entire Pan African Group at holding company level upon implementation of the

Shanduka transactions. We believe that the newly diversified shareholder base and the introduction of Shandukaat holding company level will reap further rewards for all our stakeholders.'

Rowan Smith, Managing Director of Shanduka Resources (Pty) Ltd, said:

'Shanduka has maintained a successful working relationship with Pan African for the last two years and is looking forward to developing this relationship in the future. The Shanduka Group has illustrated its confidence in Pan African through the acquisition of a further stake in the company during the Metorex Book building exercise.'

Date:

25 June 2009

Corporate Adviser to Pan African and sole bookrunner on the Metorex Bookbuild:

Barnard Jacobs Mellet Corporate Finance (Pty) Limited

Sponsor to Pan African:

Macquarie First South Advisers (Pty) Limited

Nominated Adviser to Pan African:

RBC Capital Markets

Martin Eales +44 20 7029 7881

END