

[Regulatory Announcement](#)

**Company** [Pan African Resources PLC](#)  
**TIDM** PAF  
**Headline** New CAR Exploration Licences  
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**13 March 2006**

**Pan African Resources PLC**

("Pan African" or "the Company")

***New exploration licenses in the, Central African Republic***

***and***

***Increase in JV Holding***

Pan African Resources PLC (AIM: PAF), the African based gold exploration company, announces that, together with its Joint Venture ("JV") partner International Mining Investments ("IMI"), it has been granted three exclusive exploration licences in the Central African Republic ("CAR"). The newly acquired licences – at Bozoro, Daya and Boufoyo – cover an area of approximately 3,000km<sup>2</sup> in the northern part of the Dekoa greenstone belt.

**Highlights**

- **Three exclusive exploration licenses covering an area of 3,000km<sup>2</sup> are granted to Pan African and its JV partner in the CAR**
- **Pan African acquires a 55% controlling stake in the CAR JV**

Pan African has acquired an additional 10% interest in the JV from Goldiam SARL for £112,000 satisfied by a cash consideration of £53,000 and the issue of 1,072,727 ordinary shares at a value of 5.5p per share (total value of £59,000). This interest will be held in a local special purpose vehicle in the CAR.

Pan African will also pay Goldiam US\$2 per reserve ounce upon successful completion of a bankable feasibility study ("BFS") on any and all of the gold exploration projects in the CAR discovered as part of the original Joint Venture Agreement.

Pan African has acquired the interest as a free carry, together with Goldiam's vote in managing the JV, effectively giving it management control over all the gold projects for which the JV holds title in the CAR. Because the additional shareholding is a free carry, Pan African and its remaining partner, IMI, will continue to equally fund the JV. Goldiam, as Pan African's local partner, provides in-country services at cost.

As part of the deal Pan African has also acquired Goldiam's option to purchase an additional 20% of any gold project developed as part of the JV. The cost of this option will be based on 20% of the net present value of the project determined by the BFS. A discount of 25% will then be applied to that value.

Jan Nelson, CEO of Pan African, said: "Our gold exploration activity and strategy in the CAR is now a regional play in a country where the prospectivity is as significant as Tanzania's was in the early 1990's. The three new exploration licenses in the Dekoa greenstone belt, together with our Bogoin exploration licence, gives us approximately 4,000km<sup>2</sup> of greenstone belt that is highly prospective for large-scale gold mineralisation. Furthermore, we now have effective management control of the JV and the exploration activities, whilst our JV partner still contributes equally to the expenditure. We consider this a good deal for the Company and our shareholders."

**- ENDS -**

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