

Regulatory Announcement

Company [Pan African Resources PLC](#)
TIDM PAF
Headline Project Update
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Pan African Resources plc

("Pan African" or "the Company")

Project Update

Manica Project, Mozambique and Wa Project, Ghana

Manica Project (Mozambique) – Exploration update

Pan African Resources PLC (AIM: PAF), the African based gold exploration company, announces that a recently completed dipole-dipole geophysical programme at its Manica Project in Mozambique has delineated nine new drill targets adjacent to historically mined areas. In total these drill targets represent a combined strike-length of 4.5km in the vicinity of Pan African's Dot's Luck, Fair Bride North, Fair Bride West, Fair Bride East and Guy Fawkes prospects.

The new drill targets at the Dot's Luck and Fair Bride prospects represent strike extensions of the Fair Bride Central prospect, which is the subject of a pre-feasibility study on the potential of an opencast mine. The company is currently completing geological work that will see these targets tested by drilling before year-end. The Dot's Luck and Fair Bride prospects occur along the Andrada shear zone where the mineralization is conducive to possible opencast mining methods.

Part of the recently completed geophysical survey also focussed for the first time on prospective exploration targets adjacent to the Guy Fawkes underground mine. The mine historically mined narrow but high grade quartz veins. Four historical boreholes drilled by Pangea Exploration (Pty) Ltd in November 2003 within part of the newly defined drill targets adjacent to the mine made intersections of:

Borehole Mac002	3m @ 4.13g/t	(from 9 to 12m)
Borehole Mac003	1m @ 13.95g/t	(from 54m to 55m)
Borehole Mac006	1m @ 5.29g/t	(from 92m to 93m)
Borehole Macd002	1m @ 7.20g/t	(from 109m to 110m)

A re-sampled exploration drive (level 715) extending into one of the drill targets has been re-mapped and sampled by Pan African geologists to give an average value of 5.75g/t over an average width of 1.21 m along a strike-length of 80m (samples were taken across the roof of the exploration drive perpendicular to the strike of the reef at intervals of approximately 1.7m).

Jan Nelson, Chief Executive of Pan African, commented: "Our exploration programme on the Manica Project is advancing well and we are encouraged by the results from the geophysical survey. Recent underground sampling and mapping by our geologists, together with historical drill data, show that the identified geophysical anomalies are prospective for gold. As a result we have fast tracked our exploration programme at Manica and increased the size of our geological team on the ground."

The historical borehole data and underground sampling data was checked and verified by Explormine Geological Consultants (Pty) Ltd ("Explormine"), a South African based Resource & Geological Consultancy. Explormine also act as Competent Person for the company on the Manica project.

Wa project – Ghana

Pan African, through its wholly-owned subsidiary, Mistral Resource Development Corporation ("Mistral"), has given formal notice to Kenor ASA ("Kenor"), of its decision to terminate its option agreement regarding the Wa Project in Ghana. After a re-assessment of the underlying fundamentals of the project based on recent exploration and geological information, the project fails to meet the criteria of: (a) significant resource in excess of 750,000oz; (b) imminent development; and (c) the potential to add significant new ounces.

Jan Nelson, Chief Executive of Pan African, commented: "This termination is consistent with our policy only to pursue projects that meet the aforesaid criteria and deliver consistent shareholder value. We will maintain our focussed efforts on our current exploration projects and continue to review other project opportunities which satisfy our stringent criteria".

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

Enquiries:

Pan African Resources

Jan Nelson, CEO

+27 11 886 1211

Colin Bird, Chairman

+44 (0) 20 7584 2155

Ambrian Partners Limited

Richard Chase

+44 (0)20 7776 6461

Parkgreen Communications

Justine Howarth / Victoria Thomas

+44 (0) 20 7493 3713

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