

Regulatory Story

Company [Pan African Resources PLC](#)
TIDM PAF
Headline Statement re Phoenix Platinum Plant site
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19 February 2010

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

Pan African enters into exclusivity agreement and agrees to terms for the establishment of the Phoenix Plant site and withdrawal of cautionary announcement

Pan African is pleased to announce the conclusion of an interim Exclusivity and Agreed Terms Agreement (the `Agreement') between itself, its wholly-owned subsidiary Phoenix Platinum Mining (Pty) Ltd (`Phoenix') and International Ferro Metals SA (Pty) Ltd (`IFM') (collectively the `Parties'). The Agreement relates to the siting and construction of the Phoenix Chrome Tailings Retreatment Plant (`CTRP') on the IFM Mine Property ("IFM Property") as well as the potential acquisition of the 25% Net Profit Interest ("NPI") held by IFM in respect of the Platinum Group Metals contained in the IFM Lesedi operations tailings fraction treated through the CTRP. The effective date of the Agreement was 18 February 2010.

The Agreement allows the Parties to negotiate exclusively for a 12 month period ("Exclusivity Period") to finalise the exact CTRP site location on the IFM Property, and also to resolve technical issues relating to the required services and associated facilities and utilities. The Exclusivity Period may be extended by a further six months by mutual agreement. The Agreement also stipulates the terms under which Phoenix may acquire IFM's 25% NPI and fixes the total consideration for the CTRP site location and acquisition of the NPI at ZAR80 million (approximately £6.8 million), payable in cash. A non-refundable exclusivity fee of ZAR2 million cash (approximately £170,000) was paid by Phoenix to IFM on the effective date.

Jan Nelson, Chief Executive Officer of Pan African, commented: "The signature of this agreement marks a significant milestone in advancing our Phoenix project to production. Final plant design engineering work is expected to be completed within four months after the conclusion of a formal CTRP and NPI agreement, whereupon the CTRP construction will commence. We expect that the CTRP should be commissioned within 12 months from commencement of earthworks, which means that H1 of 2012 is a realistic production start-up date."

Withdrawal of cautionary announcement

Shareholders are referred to the cautionary announcement first released on 26 November 2010 and subsequently renewed on 7 January 2010 and 10 February 2010, and in terms of the listings requirements of JSE Limited are advised that, as

the possible transaction referred to therein has now been announced, caution is no longer required to be exercised when dealing in the Company's securities.

ENDS

For further information on Pan African Resources and a presentation providing more detail on the Phoenix acquisition, please visit the website at www.panafricanresources.com

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END