

Regulatory Story

Company [Pan African Resources PLC](#)
TIDM PAF
Headline Statement re Resource Upgrade for Phoenix
Released 07:00 20-May-2010
Number 01817-C548



20 May 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

Resource Upgrade for Phoenix

Pan African Resources PLC (AIM: PAF, JSE: PAN) is pleased to announce the results of a resource statement compiled for its Phoenix Platinum Project (`Phoenix Project'), situated in the Bushveld Complex in South Africa.

Highlights

- Total resource increased by 15.8% to 469,000 ounces 4E Platinum Group Metals (`PGM 4E's')
- In situ grade increased by 2.6% to 3.15g/t PGM 4E's

The Phoenix Project

The Phoenix Project is 100% owned by Phoenix Platinum Mining (Pty) Limited (`Phoenix'), a wholly owned subsidiary of Pan African.

Phoenix concluded an exclusivity agreement with International Ferro Metals SA (Pty) Limited (`IFM') on 18 February 2010, which agreement sets out the terms and conditions under which Phoenix may construct a Chromite Tailings Retreatment Plant (`CTRP') on the IFM property. The site position for the CTRP was agreed on 31 March 2010 and the detailed engineering design of the CTRP is ahead of schedule. Construction is anticipated to commence during the first quarter of 2011 while first production is planned for September 2011.

Metallicon Process Consulting (Pty) Limited was appointed by Pan African to validate and verify all procedures relating to the resource estimate. The estimation process was carried out through a comprehensive drilling, sampling and assaying programme that underpins the resource calculation.

The process resulted in the metal content increasing by 15.8% from 405,000 ounces PGM 4E's reported in the Company's unaudited interim results for the six months ended 31 December 2009, to 469,000 ounces PGM 4E's. The grade increased by 2.6% from 3.07g/t PGM 4E's to 3.15g/t PGM 4E's. The resource is summarised below:

Phoenix Resource Estimation

SURFACE TAILINGS RESOURCE - 100% Attributable to Pan African

| | Category | Volume (m ²) | Tonnes | Grade(4E) | g/t* | Kilos* | Ounces* |
|----------------|-----------|--------------------------|-----------|-----------|------|--------|---------|
| Dumps and Pits | Measured | 774 000 | 1 627 000 | | 2.54 | 4 130 | 133 000 |
| Dumps and Pits | Indicated | 83 000 | 175 000 | | 2.03 | 355 | 11 000 |
| Dumps and Pits | Inferred | 77 000 | 162 000 | | 2.00 | 324 | 10 000 |
| | Total | 934 000 | 1 964 000 | | 2.45 | 4 809 | 154 000 |

CURRENT ARISINGS RESOURCE - 100% Attributable to Pan African

| | Category | Volume (m ²) | Tonnes | Grade(4E) | g/t* | Kilos* | Ounces* |
|------------------|-----------|--------------------------|-----------|-----------|------|--------|---------|
| Current Arisings | Measured | 761 000 | 1 597 000 | | 3.66 | 5 845 | 188 000 |
| | Indicated | 211 000 | 443 000 | | 3.66 | 1 622 | 52 000 |
| | Inferred | 305 000 | 642 000 | | 3.66 | 2 348 | 75 000 |
| | Total | 1 277 000 | 2 682 000 | | 3.66 | 9 815 | 315 000 |

TOTAL RESOURCE - 100% Attributable to Pan African

| Area | Category | Volume (m ²) | Tonnes | Grade(4E) | g/t* | Kilos* | Ounces* |
|-------|-----------|--------------------------|-----------|-----------|------|--------|---------|
| All | Measured | 1 535 000 | 3 224 000 | | 3.09 | 9 975 | 321 000 |
| All | Indicated | 294 000 | 618 000 | | 3.20 | 1 977 | 63 000 |
| All | Inferred | 382 000 | 804 000 | | 3.33 | 2 672 | 85 000 |
| Total | | 2 211 000 | 4 646 000 | | 3.15 | 14 624 | 469 000 |

Jan Nelson, CEO of Pan African, commented:

"The increase in the total resources, assuming a 50% recovery, extends the life of the Phoenix Project from 13 years to approximately 16 years, based on a production rate of 15,000 ounces PGM 4E's per annum. In addition, the drilling programme underpins the high quality of the asset and will further enhance the operating margin of the project and increase the value to Pan African's bottom line".

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

Notes to the Editor:

The resource estimate has been compiled in accordance with the South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves ('SAMREC'). The verification and validation of the data and the information contained in this announcement was managed by Martin Bevelander, Group Consulting Geologist for Pan African, who is accredited with the South African Council for Natural Scientific Professions ('SACNASP'). He has consented to the inclusion of the technical information in this announcement in the form and context in which it appears.

The services of additional independent consultants and experts were also secured to assist and support this process.

- Sampling and Drilling: Plat-Tau Mining Services, Gold Mine Sand and Slime Dams Drillers CC and Dump & Dune;

- Assaying, mineralogy and metallurgical testwork: Mintek and SGS Lakefield Resources Africa (Pty) Limited;

- Geological modelling and data conversion for the resource estimate: Geologix MRC (Pty) Limited, a South African Resources and Geological Consultancy: Deon van den Heever is accredited with the SACNASP. He has consented to the inclusion of the technical information in this announcement in the form and context in which it appears.

- Michael Valenta of Metallicon Process Consulting (Pty) Ltd is a professional engineer with the Engineering Council of South Africa ('ECSA') and on the International Register of Professional Engineers as specified under the Washington Accord. He has consented to the inclusion of the technical information in this announcement in the form and context in which it appears.

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