



Pan African Resources PLC

("Pan African" or "the company" or "the group")

(Incorporated and registered in England and Wales under Companies Act 1985 with registered number 3937466 on 25 February 2000)

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OPERATIONAL UPDATE FOR THE QUARTER ENDED 30 SEPTEMBER 2018

Pan African is pleased to provide an operational update for the first quarter of the 2019 financial year ("this quarter" or "first quarter"), and further information on the performance of the Elikhulu Tailings Retreatment Plant ("Elikhulu").

Pan African CEO Cobus Loots commented:

"Pan African recorded a commendable safety and production performance for the first quarter of the 2019 financial year. The group produced 37,729oz of gold during the quarter, and with Elikhulu now commissioned and running at design capacity, we are confident of achieving our production guidance of approximately 170,000oz for the 2019 financial year."

Elikhulu ramped-up to its design capacity of 1-million tonnes per month during October 2018, ahead of the original schedule and on budget. Average gold recoveries achieved were consistent with our forecasts, with further optimisation of recoveries expected in the short term. The incorporation of the Evander Tailings Retreatment Plant ("ETRP") into Elikhulu, which will increase Elikhulu's capacity to 1.2-million tonnes per month, is progressing on schedule, with full commissioning expected to be completed by January 2019.

Barberton Mines is on track to meet its full-year production guidance of 100,000oz, with the underground operations' production benefitting from Fairview Mine's high-grade 272 and 358 platforms, and the newly installed regrind mill at the Barberton Tailings Retreatment Plant ("BTRP") performing as anticipated.

At Evander Mines, we have commenced mining and vamping of the remnant high-grade stopes as part of the phased closure of the underground mining operations as an initiative to supplement Evander Mines' production, while commencing with the equipping and preparatory work to advance the mining of the 8 Shaft pillar and high-grade areas in proximity to the pillar. The first phase of the equipping and preparatory work is expected to be completed in the third quarter of the 2019 financial year.

The drilling programme on Barberton Mines' Royal Sheba prospect has been completed, and we look forward to updating shareholders on the progress of this exciting growth project in the coming months with an updated resource statement to be released by the end of November 2018, and the feasibility study still on schedule for release in February 2019."

Safety

The group has significantly improved its safety performance in the first quarter, and we remain committed and focussed to ensuring the safety of all our employees, while we continue to strive towards a zero harm environment.

- Fairview Mine achieved its one-million fatality-free shift milestone during July 2018;
- The group had no fatalities in this quarter (2018 Q1: no fatalities);
- The group's lost-time injury frequency rate improved significantly to 0.57 (2018 Q1: 3.64);
- The reportable injury frequency rate improved significantly in this quarter to zero (2018 Q1: 0.91); and
- The group is implementing recommendations from independent safety experts, following reviews of the respective mining operations' safety systems and controls.

Elikhulu

- As previously communicated, Elikhulu was successfully commissioned during September 2018, ahead of the original project schedule and on budget;
- During October 2018, the plant attained steady-state production with a throughput of 1-million tonnes per month. The average gold recoveries achieved were consistent with our forecasts, with further optimisation of recoveries expected in the next months; and
- The incorporation of the existing ETRP throughput into Elikhulu's processing capacity, which will result in an increased processing capacity of 1.2-million tonnes per month, is on track with full commissioning expected to be completed by January 2019.
- Barberton Mines Proprietary Limited ("Barberton Mines")
- Barberton Mines produced 27,201oz for this quarter, with underground mining operations contributing 21,278oz, and the BTRP contributing 5,923oz. Barberton Mines remains on track to deliver its annual production guidance of approximately 100,000oz for the 2019 financial year.
- Barberton Mines' underground operations are benefitting from increased underground mining flexibility due to, inter alia, both the high-grade 272 and 358 platforms being available at the Fairview Mine operation. The BTRP is also benefitting from

the commissioning of the regrind mill during May 2018, which has improved throughput and recoveries.

- Barberton Mines has increased development rates to further improve Fairview Mine's mining flexibility at the 11-block by developing towards an additional high-grade platform (256 platform), below the existing 272 and 358 platforms. This platform is expected to be in production by the end of the 2019 financial year.

Evander Gold Mines Proprietary Limited ("Evander Mines")

- Evander Mines has implemented the following initiatives to maximise Evander Mines' underground gold production:

1. Mining and vamping of the remnant high-grade stopes as part of the phased closure of the underground mining operations, which contributed 3,815oz during this quarter; and
2. While the above operations are ongoing, the mine has commenced equipping and preparatory work to advance mining of the 8 Shaft pillar and high-grade areas in proximity to the pillar, following a comprehensive review on the technical merits thereof. The first phase of the equipping and development of the 8 Shaft pillar and surrounding areas is estimated to be completed in the third quarter of the 2019 financial year.

- The ETRP and surface-source operations produced 3,819oz for this quarter, and the operation is investigating new sources of feed for the Kinross plant, once the ETRP operation is integrated into Elikhulu.

The financial information contained in this announcement has neither been reviewed nor audited by the company's auditors and is the responsibility of the directors of Pan African.

For further information on Pan African, please visit the company's website at www.panafricanresources.com

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