

## Regulatory Story

**Company** [Pan African Resources PLC](#)  
**TIDM** PAF  
**Headline** Results of Drilling Programme at Bramber Tailings Dam  
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Pan African Resources PLC

(`Pan African' or the 'Company' or the `Group')

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

Share Code on AIM: PAF

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Encouraging results of drilling programme at Bramber tailings dam at Barberton Mines (Pty) Ltd

Pan African Resources PLC (`Pan African'), the African focused precious metals producer, announces the results of a drilling programme on the Bramber tailings dam at Barberton Mines (Pty) Ltd (`Barberton Mines').

### Highlights:

- Indicated mineral resource declared of 148koz (3.130Mt @ 1.47g/t in situ) independently verified at a cut off grade of 0.5g/t
- Initial metallurgical test work indicates recoveries of 45% to 55%
- Order of Magnitude (`OME') study estimates capital for the project for a Carbon-in-Leach plant at ZAR120 million (approximately £11m) to treat 1.2Mt of tailings per annum at Barberton Mines for a period of approximately three years
- An additional 9Mt of dump material is currently being investigated that could increase the life of project (`LOP') from three years to ten years
- If viable this project could increase production at Barberton Mines by another 20koz per annum over the LOP
- Feasibility study on the project will be completed by Q2 of 2011/12 financial year

Jan Nelson, Chief Executive Officer of Pan African, commented: "We are very encouraged by these results that show that the re-treatment of tailings at Barberton Mines is developing into a significant stand alone gold project. Not only could it increase the current production profile of the Company by 20koz per annum but also increase the operating margin and reduce unit costs. The project at a 10% real discount rate yields a net present value of approximately ZAR350 million with an internal rate of return of approximately 85% assuming a gold price of ZAR300,000/kg. We continue to focus on organic growth opportunities within the Group to grow our earnings."

The Bramber tailings dam, which has been used as a tailings storage facility at Barberton Mines since 1986, reached the end of its operational life in January 2011. A new tailings facility was commissioned at that time. Due to the current high gold price and low cost associated with the re-treatment of tailings dams, the Company undertook a drilling programme to evaluate the dam as a source of additional production ounces.

A total of 308 auger drillholes were drilled on a grid of 20 metre x 20 metre representing approximately 6,074 metres. Samples of each hole were taken at 1.5 metres intervals and composited at 3 metres intervals representing a total of 2,344 samples taken for assaying. Modeling and geological profiling of the boreholes confirmed two distinct depositional populations across the tailings dam which is the result of separate historical deposition that took place in two separate compartments, a higher grade BIOX® tail section and a lower concentrator/flotation tail section. Geostatistical modeling indicates 74.6koz (758kt at 3.06g/t in situ) for the BIOX® section and 72.9koz (2.369Mt at 0.96g/t in situ) for the concentrator/flotation section. This represents a total indicated resource of 148koz (3.130Mt at 1.47g/t in situ).

A total of 10 composite samples representative of the tailings dam were submitted for metallurgical recovery test work. Initial excess cyanide test work indicates recoveries varying between 45% and 55%. Kinetic test work is being done to determine residence time that guides the process flow design for plant optimum configuration to be used in the feasibility study. The feasibility study covering plant design, final process flow design, volume throughput, chemical and reagent consumption, recoveries and capital and operating expenditure will be completed by quarter two of the 2011/12 financial year. If feasible a new plant will be constructed to treat 1.2Mt per annum of tailings for three years. An OME study completed by Matomo Projects (Pty) Ltd ('Matomo') estimates the capital cost of the plant at approximately ZAR120 million (approximately £11m). Plant construction is estimated to take 12 months.

The Company is currently drilling another 9Mt of tailings which if viable could extend the LOP from approximately three to ten years and increase the annual production profile at the mine by approximately 20koz. The drilling programme and associated metallurgical test work applicable to the expansion is expected to be completed within three months.

#### Bramber Tailings Mineral Inventory

| Project                 | Resource Category | Mass<br>(kt) | Grade<br>(g/t) | Mineral<br>(kg) | Resource<br>(koz) |
|-------------------------|-------------------|--------------|----------------|-----------------|-------------------|
| Surface Tailings        |                   |              |                |                 |                   |
| Bramber<br>Tailings Dam | Measured          |              |                |                 |                   |
|                         | Indicated         | 3,130        | 1.47           | 4,600           | 148               |
|                         | Inferred          |              |                |                 |                   |
|                         | Total             | 3,130        | 1.47           | 4,600           | 148               |
| Total Surface Tailings  |                   | 3,130        | 1.47           | 4,600           | 148               |

#### Barberton Mines Mineral Inventory

\* Inclusive of the Bramber Tailings Mineral Inventory

| Barbeton<br>Mines Mineral<br>Inventory | Resource<br>Category | Mass<br>(kt) | Grade<br>(g/t) | Contained<br>(kg) | Gold<br>(koz) |
|--|----------------------|--------------|----------------|-------------------|---------------|
|  | Measured             | 2,750        | 8.45           | 23,300            | 750           |
|  | Indicated            | 7,340        | 5.50           | 40,300            | 1,300         |
|  | Inferred             | 2,510        | 8.01           | 20,100            | 650           |
|  | Total                | 12,600       | 6.64           | 83,700            | 2,700         |

|                              |        |       |                |       |
|------------------------------|--------|-------|----------------|-------|
| Total Measured and Indicated | 10,090 | 6.30  | 63,600         | 2,050 |
| Reserve Category             | Mass   | Grade | Contained Gold |       |
|                              | (kt)   | (g/t) | (kg)           | (koz) |
| Proved                       | 1,220  | 7.27  | 8,900          | 290   |
| Probable                     | 2,610  | 8.48  | 22,200         | 710   |
| Total Proved and Probable    | 3,830  | 8.12  | 31,100         | 1,000 |

Notes:

- Please note differences may occur due to rounding.

- The table above is only with respect to Barberton Mines.  
The Company is currently updating the Group's Mineral Inventory statement and this will be announced in due course.

- Frans Chadwick, a member of the South African Council for Professional and Technical Surveyors and an employee of Barberton Mines, has signed off on the above Mineral Inventory for Barberton Mines.

- Dave Briggs, a member of South African Council for Natural Scientists and an independent Geological Consultant signed off on the Mineral Inventory for the Bramber Tailings Inventory.

- The above resource is compliant with the South African Mineral Resources Code.

Johannesburg

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