

Pan African Resources PLC

(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 Resources" or "the Company" or "the Group")



ANNOUNCEMENT REGARDING SOUTH AFRICAN 21-DAY LOCKDOWN AND SUSPENSION OF 2020 PRODUCTION GUIDANCE

Shareholders are referred to the South African Government directive of Monday evening, 23 March 2020, enacted in terms of the South African Disaster Management Act (the "Order"), which requires a 21-day national lockdown, effective midnight 26 March 2020 to midnight 16 April 2020 (the "National Lockdown"), in order to contain the spread of the COVID-19 (coronavirus) pandemic. The full Government announcement can be found at <http://www.thepresidency.gov.za>.

The National Lockdown requires all non-essential businesses and activities to be suspended, with people confined to their homes. The lockdown will therefore impact all South African mining operations, including the operations of Pan African Resources. Under the Order, "companies whose operations require continuous processes such as furnaces or underground mine operations will be required to make arrangements for care and maintenance to avoid damage to their continuous operations".

The health and safety of its employees and communities are of paramount importance to Pan African and the Group has already implemented a number of measures to mitigate the risk of the Covid-19 virus spreading at its operations. The Group is implementing contingency plans to ensure that all operations are safeguarded and secured during the National Lockdown period. The Group is also engaging with all stakeholders, including the South African Government, to obtain further detail on permitted activities during the National Lockdown.

The Group's liquidity position is robust, with immediately available facilities of US\$20m. In addition, Rand Merchant Bank has already agreed, subject to final credit approval, to defer the last three tranches of the existing gold loan's redemption, constituting 5000 ounces (US\$7.8m), to the first quarter of the 2021 financial year. Furthermore, the Group has access to an additional gold loan facilities of approximately US\$11m, should it be required. In the event that the National Lockdown is extended for a prolonged period, the Company will look to reschedule its short term senior debt obligations. The Company's banking Consortium has also confirmed its support for the Group should further liquidity be required during this period.

In consideration of the National Lockdown and its impact on the Group's operations, FY2020 production guidance is suspended until the Company is in a better position to quantify the full impact of the lockdown. The Company will continue to monitor the situation, and will inform shareholders as new information becomes available.

Cobus Loots, CEO of Pan African Resources, commented: "Pan African supports all measures to limit the impact of COVID-19 on the people of South Africa. Even though the National Lockdown will impact negatively on our operational performance in the short term, our Group is well positioned and our operations robust. In South African Rand terms, the gold price is now at

a record level, and we look forward to resuming full-scale operations to the benefit of all of our stakeholders as soon as it is possible and safe to do so”.

Rosebank

24 March 2020

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

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