

Pan African Resources PLC

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

Share code on AIM: PAF

Share code on JSE: PAN

ISIN: GB0004300496

ADR ticker code: PAFRY

(“Pan African” or the “Company” or the “Group”)

PAN AFRICAN CLOSSES TRANSACTION TO ACQUIRE MINTAILS SA ASSETS

Pan African is pleased to inform shareholders that the Company has closed the transaction to acquire the total share capital and claims of Mogale Gold Proprietary Limited (Mogale Gold) and Mintails SA Soweto Cluster Proprietary Limited (MSC), (collectively, the Sale Transaction). Both Mogale Gold and MSC are 100% owned by Mintails Mining SA Proprietary Limited (Mintails SA), which was placed in provisional liquidation during 2018.

The Sale Transaction aggregate cash consideration of ZAR50.0 million (approximately US\$2.8 million at an exchange rate of US\$/ZAR:18.00) was settled on closing.

The details of the Sale Transaction, Mineral Resources potential and strategic rationale for the acquisition were outlined in the Company’s announcement of 6 November 2020.

Pan African completed a definitive feasibility study (DFS) on the Mogale Gold tailings storage facilities (TSFs) (the Project) and announced the results of this study on 30 June 2022 (the Study). The Study demonstrated compelling economics and the potential to significantly increase Group gold production (an increase in excess of 25% compared to current Group annual production) over an initial life of mine (LOM) of 13 years. Re-mining of the MSC TSFs has the potential to add further production upside and extend the LOM to 21 years.

Envisaged Project financing

The Group has agreed a credit approved and underwritten term sheet with FirstRand Bank Limited, acting through its Rand Merchant Bank division, for US\$80 million of senior debt for part funding of the Project’s construction. The Group is in the process of evaluating a number of additional funding options for the balance of the capital budget requirement.

Way forward and envisaged Project execution timeline

Following the completion of the DFS, Pan African commenced detailed engineering optimisation studies and the impact assessments required for the environmental authorisation process, stakeholder engagements and permitting. Commencement of construction is currently anticipated in 2023 with an estimated Project timeline as per below.

Activity	Estimated date
Detailed engineering optimisation	September 2022 – March 2023
Funding package finalised	March 2023
Environmental approvals	March 2023
Construction commences	April 2023
Commissioning	July 2024 – December 2024

Cobus Loots, CEO of Pan African, commented: “Pan African is pleased to have finally closed the Sale Transaction. Our studies have demonstrated robust operational and financial economics, with the

Project having the potential to further increase our high-margin, long-life production from tailings retreatment operations.

The area where Mintails is situated presents a number of environmental and social challenges. We will require the assistance of the government and all the other legitimate stakeholders to successfully address those challenges, remediate the site and develop a world-class project. We look forward to continue to work with those stakeholders in this regard.”

Rosebank

6 October 2022

For further information on Pan African, please visit the Company's website at

www.panafricanresources.com

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