

Pan African Resources PLC

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

AIM Code: PAF

JSE Code: PAN

ISIN: GB0004300496

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

DISPOSAL OF PAN AFRICAN RESOURCES SHARES BY PAR GOLD PROPRIETARY LIMITED

Pan African Resources has been notified that PAR Gold Proprietary Limited (“**PAR Gold**”) has disposed of 130-million shares in Pan African Resources, representing 5.8% of the issued share capital of the Company, at a price of R1.15 per share, representing a 5.0% discount to the Company’s last closing price of R1.21 on 29 May 2018 (the “Disposal”).

Following the Disposal, PAR Gold continues to hold 306.36-million Pan African Resources shares, representing 13.7% of the issued share capital of the Company. Participants in the private placement include existing institutional shareholders.

The Pan African Resources shares held by PAR Gold are treated as treasury shares and eliminated on consolidation for purposes of calculating earnings per share. Following the Disposal, the Company’s number of issued shares is reconciled as follows:

Total issued shares:	2 234 687 537
Less: Shares held by PAR Gold (subsequent to Disposal):	306 358 058
Shares taken into account for earnings per share calculations going forward:	1 928 329 479

Pan African Resources is an indirect 49.9% shareholder in PAR Gold and, given the economic rights attached to its shareholding, will receive the majority of the proceeds from this Disposal. The proceeds, net of costs and capital gains taxes, are approximately R126 million and will be used for general corporate and liquidity purposes and to fund the expansion of the Elikhulu project’s throughput to 1.2-million tonnes per month.

Following receipt of the proceeds from the Disposal, the Company has, in conjunction with its existing debt facilities, the necessary resources to meet its operational and immediate growth objectives and fund its ongoing capital requirements. The Disposal will not impact the Group’s black economic empowerment (“BEE”) holdings due to the conclusion of a BEE restructure as previously announced on 15 December 2017.

Macquarie Advisory and Capital Markets South Africa Proprietary Limited acted as Sole Bookrunner.

The information contained in this announcement has not been reviewed or reported on by Pan African Resource’s auditors and is the responsibility of the directors of Pan African Resources.

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

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