

PAN AFRICAN

RESOURCES



New Consort Mine
42 Level Prince Consort (PC) Shaft Project

30 JUNE 2020

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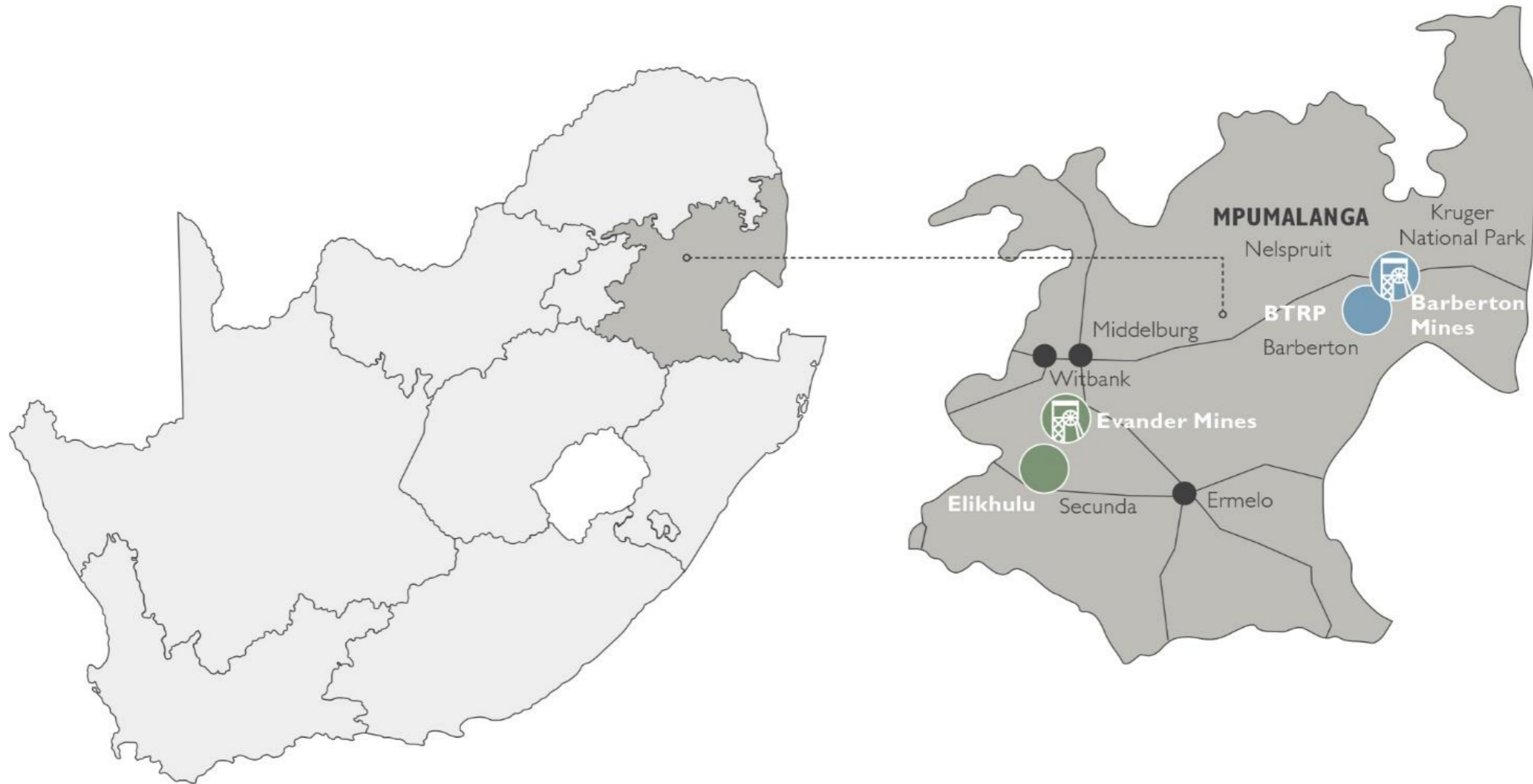
OVERVIEW OF PRESENTATION

- Overview of the New Consort Mine
- 42 Level PC Shaft Project (“the Project”)
- Geological modelling
- Mine design
- Geotechnical modelling
- Achievements during FY20
- Where to next – FY21 and beyond

Overview of the New Consort Mine

OVERVIEW OF OUR OPERATIONS

Pan African's business represents a unique combination of underground mining and surface re-mining



OVERVIEW OF THE NEW CONSORT MINE

New Consort Mine is an underground mine within the Barberton Mines' stable.

Gold mineralisation was first discovered in 1884 by prospectors in the New Consort Mine district, close to Barberton, Mpumalanga province, South Africa. Small scale mining operations were thereafter consolidated and in 1928, the first major production took place at the Consort Mine. The mine has since been operating without interruption.

Production was managed through a series of vertical shafts, sub-vertical shafts, declines and adits utilising shrinkage mining and up-dip conventional mining methods. To date, New Consort Mine has produced over 2.1Moz of gold. More recently, the increasing depth of mining and related higher cost have resulted in declining production volumes. Currently the New Consort operation produces approximately 12Koz of gold per year.

During the past two years, Pan African Resources (PAR) has intensified exploration activities, resulting in the identification of prospective new project areas at New Consort to potentially arrest the downward trend in production and rising costs. The initial project being executed into is the 42 Level PC Shaft project.

Current Mineral Reserves at the New Consort Mine estimates an 8 year remaining Life of Mine (LoM). To extend this LoM, more than 30 exploration targets have been identified between 2017 and 2019 and which are being actively pursued through a systematic diamond drilling programme.

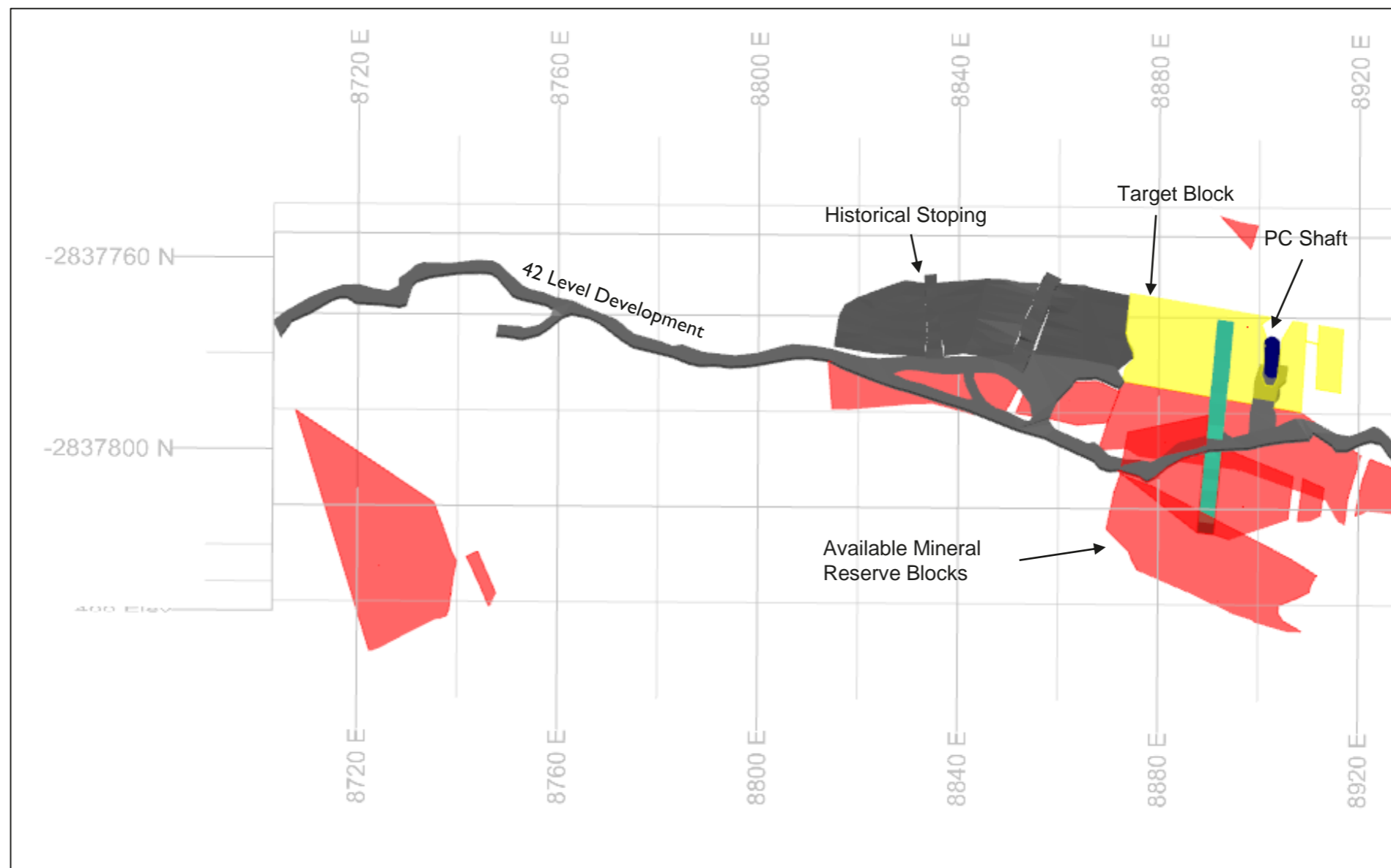




42 Level PC Project Highlights

42 LEVEL PC SHAFT PROJECT

The 42 Level PC Shaft Project block occurs approximately 1.1km below the PC Adit level and the centre of the mining block is located only 21m from the 42 Level PC shaft station. Previous mining in this region was halted prior to the 1990's, due to geological complexity and possible interference /interaction of mining activities on the PC shaft barrel. At that time, the 42 Level station was sealed with concrete and all mining activities from the region withdrawn.



42 LEVEL PC SHAFT PROJECT

Gaining access to the target block

During December 2019, the PAR team attempted to access the target block on 42 Level through a series of sub-inclines from 44 Level up to 42 Level, using ladders for a 200m near vertical climb. Upon entry onto the 42 Level development, it was found that unloaded material in an ore pass from previous mining and a fall of ground further blocked access to the target block.

The team subsequently attempted to gain access to the area through sub-incline 12 (SI 12) from 43 Level. This enabled an initial inspection of the current workings to be conducted in close proximity to the target block on 42 Level, and to also obtain initial samples. During this period, the concrete filling on the 42 Level PC Shaft station was removed and the station was re-established for work during March 2020.

Development of the crosscut to the target block was delayed by the COVID-19 pandemic and subsequent lockdown restrictions on underground mines in South Africa. In May 2020, underground mining activity at New Consort Mine was allowed to resumed at a reduced rate, when the target block was subsequently intersected by the newly established crosscut.

The ore body intersected in the crosscut contains a relatively high amount of visible native gold mineralisation and arsenopyrite associated with the gold mineralisation, which is characteristic of the Consort Bar ore body types. Initial chip sampling of the crosscut indicated local grades in excess of 300g/t. The total target block is estimated to contain an average grade of 25g/t.



Geological modelling

GEOLOGICAL MODELLING

The New Consort 42 Level PC Shaft project comprises a series of unmined Mineral Reserve blocks that are situated in close proximity to the PC Shaft infrastructure.

The ore body is associated with a chert bar (the Consort Bar) which provided competency contrast, during the deformation and gold mineralisation events, relative to the country rocks.

This competency contrast resulted in fractures and pressure shadows that resulted in the deposition of sulphide hosted gold mineralisation (pyrite and arsenopyrite) along with native gold in thin quartz veins.

The mineralisation is persistent down-dip and along strike with a thickness of approximately 1m – 2m.

The Consort Bar represents the main mineralisation type and has been mined extensively within the New Consort operation.

Due to the presence of native gold, grades can be highly variable (up to 10kg/t of gold locally) while on a mining level, economic grades at over 10g/t are obtained for the larger lode structure.

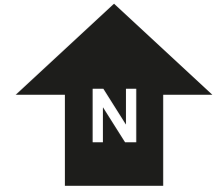
The target block is estimated to contain 5,000 tonnes at an average grade of 25g/t. This is comparable to the famous Golden Quarry (at Sheba Mine) which was recorded to have produced 5,000oz of gold from 13,000 tonnes of ore (equating to 12g/t).





Mine design

MINE DESIGN OF THE CURRENT MINING BLOCK



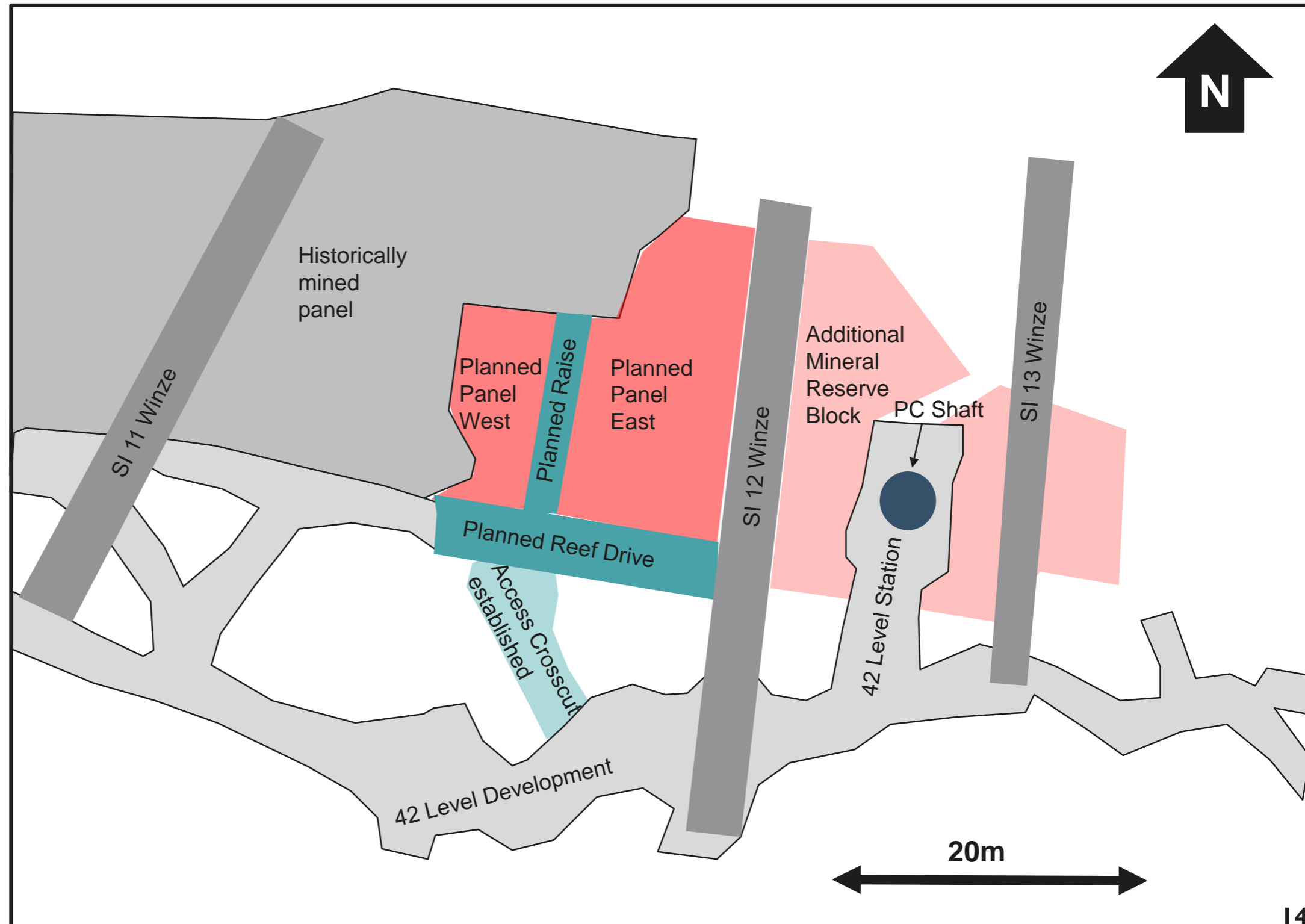
10m access crosscut established on the 42 Level main haulage in March 2020, 21m from the 42 Level PC Shaft station.

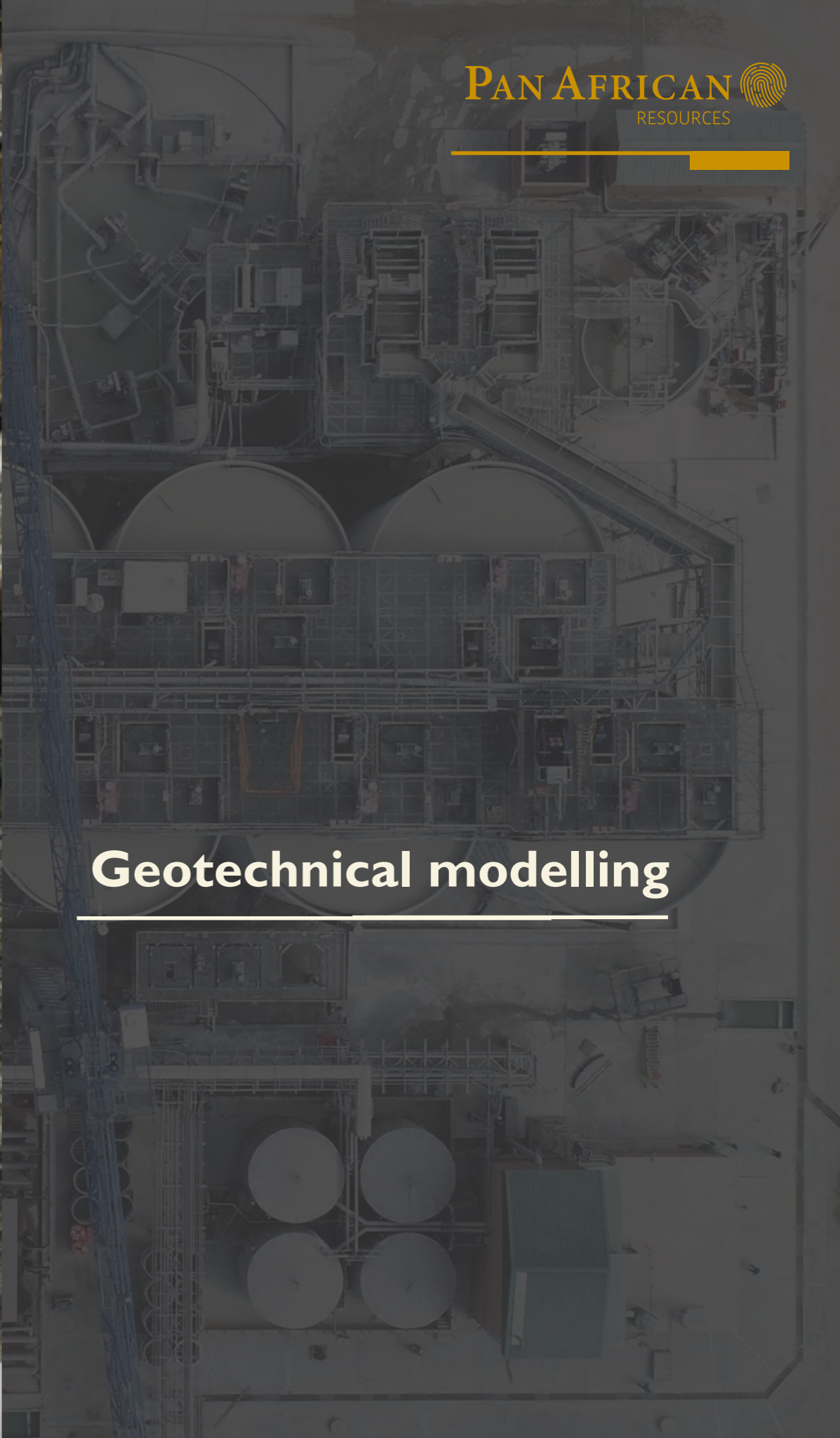
Reef drive planned to follow the strike of the ore body, as intersected in early May.

The planned raise will result in two active production faces, Panel East and Panel West, yielding mining flexibility.

Ore will be removed through the raise, loaded into carts on 42 Level and hoisted to the PC adit.

This mining is planned to add an additional 6kg of smelted gold per month for the New Consort operation.





Geotechnical modelling

GEOTECHNICAL MODELLING

The Mineral Reserve block (target block) occurs some 1.1km below the PC Adit and only 21m from the 42 Level PC Shaft station.

The strike extent of the potential ore body is less than 400m, from which less than 60% has historically been extracted. The project area would not classify as a quintessential shaft pillar as the extremities of the potential ore body is not of sufficient width to generate high stresses.

Less than 20% of the remaining unmined area is envisaged to be extracted /mined.

Numerical modelling of the mined-out areas, available Mineral Reserve blocks and the PC Shaft barrel resulted in the following stress regimes:

1. Major Principle stress is orientated parallel / sub-parallel to the ore body
2. The minor principle stress is orientated perpendicular to the ore body
3. The (predicted) states of stress were well within the designed rock mass strength

The results of the geotechnical modelling are:

- The effect of the perpendicular stress on the existing and designed pillars to be left in-situ is not of sufficient magnitude to cause sudden pillar failure.
- Support design to be used is a stiff active support regime between in-stope pillars
 - The rock mass will inherently unravel, as a result of the schist rock mass being prone to fracturing over time
 - For this purpose, a permanent aerial support system in the form of blast-on high tensile steel mesh was introduced in conjunction with in-stope bolting and rock props
- Two mining panels mining in a down-dip sequence will be used to extract the block and the lead lag will not exceed 10m.

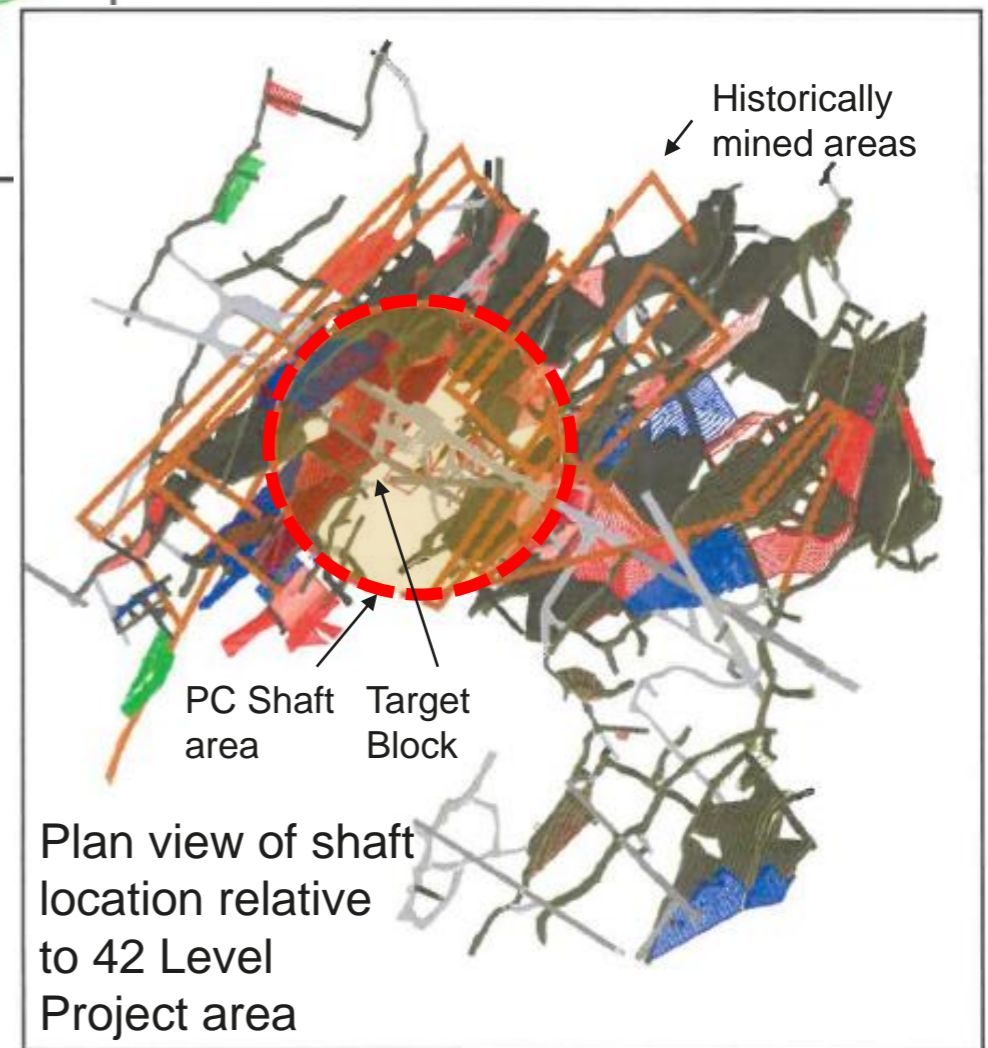
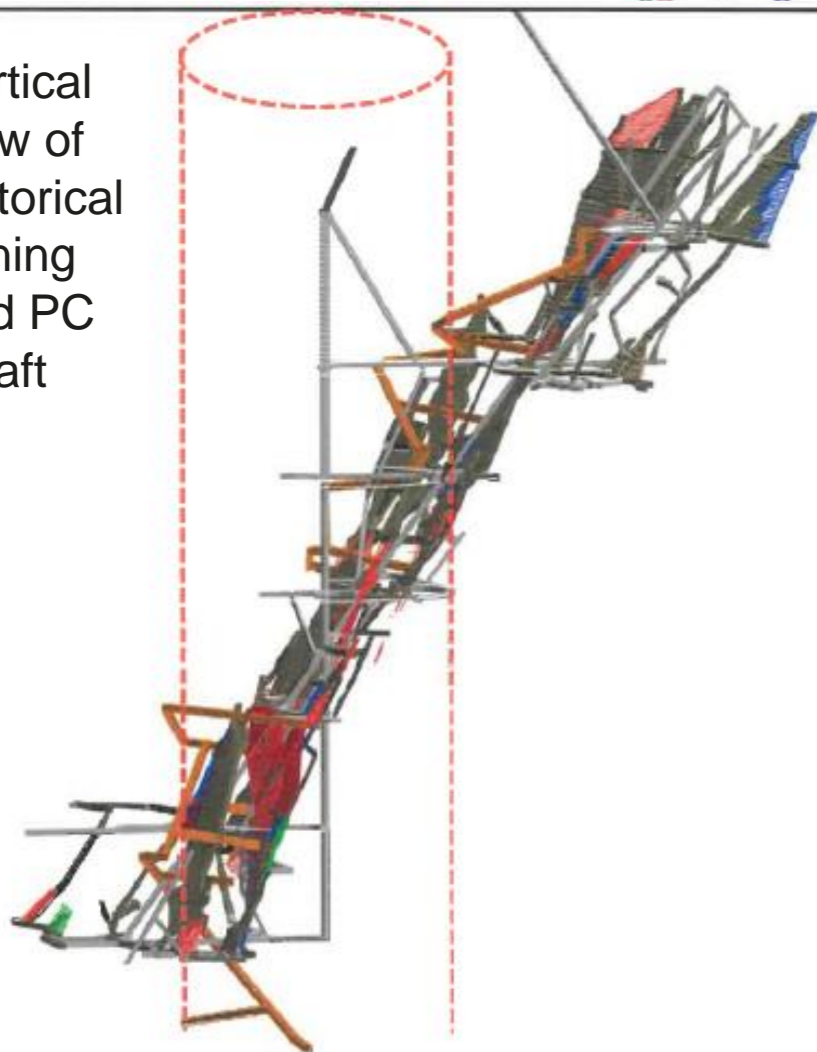


GEOTECHNICAL ANALYSIS OF MINING AREA

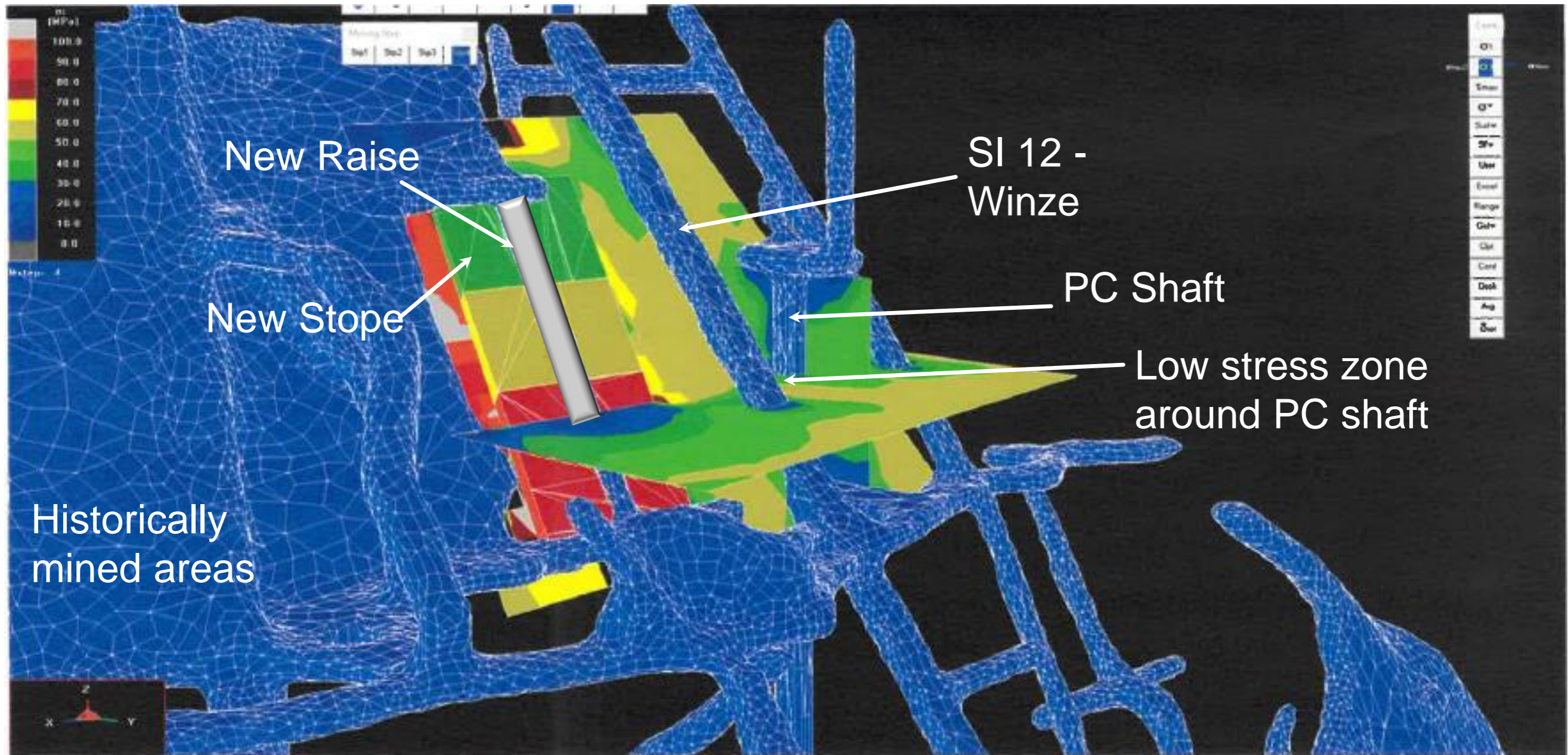
Long section of 42 Level



Vertical view of historical mining and PC Shaft



GEOTECHNICAL MODEL



Modelled stresses are well within industry acceptable safety factors



Achievements during FY20

ACHIEVEMENTS DURING FY20

- 42 Level station Shaft concrete removed to gain access to the target block
- 42 Level station rehabilitated and equipped
- Sub-incline 12 rehabilitated and secured to allow travelling over the winze
- Updated geological modelling of the Consort Bar around the PC Shaft area
- Modern numerical modelling implemented to identify stresses induced by mining operation on surrounding excavation and the design of the optimal support structure
- Improved mine design considering geological, geotechnical and ventilation requirements were undertaken prior to establishing access to the target block
- Development of the 42 Level crosscut
- Intersection of the target block mineralisation in early May 2020, containing visible gold and arsenopyrite mineralisation, with initial chip sampling indicating local grades in excess of 300g/t
- New Consort Mine's monthly production increasing from an average of 20kg to 26.38kg smelted in June 2020, with further improvements in production expected during FY21



PHOTOS OF ORE SAMPLED FROM THE CROSSCUT



Where to next - FY21 and beyond

FY21 AND BEYOND

- Fully develop the raise and initiate stoping
- Access identified secondary target blocks within the PC shaft area between 40 Level and 45 Level
- Explore additional exploration targets to increase the New Consort operation's Life of Mine



THANK YOU

