

Pan African Resources PLC

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

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ISIN: GB0004300496

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

ELIKHULU TAILINGS RETREATMENT PLANT’S INAUGURAL GOLD POUR

Pan African is pleased to announce the inaugural gold pour at its Elikhulu tailings retreatment plant (“Elikhulu” or the “Project”) on 16 August 2018.

Pan African Resources CEO Cobus Loots commented:

“The completion of Elikhulu’s construction and the inaugural gold pour, ahead of schedule and in line with the Project budget, is a further significant milestone as we deliver into our strategy of repositioning the Group as a low-cost, long-life gold producer.

Elikhulu is delivering much needed new employment opportunities and is an economic boost for our local communities and for South Africa’s Mpumalanga province.

The professional way in which the Project was executed, delivering into all milestones in a safe and sustainable manner, again demonstrates our team’s ability to conceptualise, plan and complete very substantial growth projects.

We expect Elikhulu to be a flagship operation within our low-cost, long-life asset base, and we will continue to focus on improving and expanding our portfolio in a sustainable manner to the benefit of all stakeholders.”

The construction of Elikhulu was completed ahead of schedule and within its R1.74-billion budget. The Project’s commissioning phase is scheduled to be completed in September 2018, with steady-state production of approximately 55,000oz of gold per annum, at an all-in sustaining production cost of between US\$650/oz and US\$700/oz.

As previously announced, the incorporation into Elikhulu of the Evander Tailings Retreatment Plant (“ETRP”), which has a throughput of 200,000 tonnes per month, is on track and scheduled for completion in December 2018, after which the enlarged Elikhulu plant is forecast to process throughput of 1.2-million tonnes per month and is expected to produce approximately 70,000oz of gold per annum.

Elikhulu’s construction phase employed as many as 1,769 people and will directly employ more than 350 permanent employees and contractors during its operational life of 14 years.

During its construction phase, more than R162 million was paid as preferential procurement to community contractors for services rendered during this phase of the Project to date.

Over the life of the Project, Elikhulu is expected to produce 674,000oz of gold with a value of approximately R11.5 billion at a gold price of R550,000/kg, inject R5.3 billion into the South African economy for sourced goods and services, and contribute an estimated R1.3 billion to the South African revenue authorities in taxes and royalties.

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

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

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