

Pan African Resources PLC

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

PAN AFRICAN RESOURCES INITIATES GOLD EXPLORATION PROGRAMME IN THE REPUBLIC OF THE SUDAN

Pan African is pleased to advise shareholders that the Group has secured five prospecting concessions (or exploration licences) in north-eastern Sudan (the Block 12 concessions), covering an area of almost 1,100km² and located approximately 70km northwest of Port Sudan. The Group was awarded the licences by Sudan’s Ministry of Minerals for a period of three years, with the option to renew for a further two years.

Further details on the Block 12 concessions are as follows:

- Exploration rights to five individual highly prospective areas were obtained in the Arabian-Nubian Shield (ANS) and more specifically the Nakasib Suture Zone (NSZ). These blocks comprise Block 12A and B (394km²); Block 12D (189km²); Block 12E (298km²) and Block 12K (200km²)
- The concessions are located within close proximity to Port Sudan, a regional trading and shipping hub
- Block 12 and the regional area contains a large number of artisanal workings and gold tolling operations
- 14 rock samples obtained during site reconnaissance yielded an average grade of 13.6g/t, as depicted in the table below:

Sample ID	Type	Lithology	Au (g/t)
I8201	Rock	Quartz vein	0.1
I8202	Rock	Quartz vein	1.2
I8203	Rock	Phyllite	0.2
I8204	Rock	Quartz vein	0.9
I8205	Rock	Quartz vein	0.0
I8206	Rock	Quartz vein	<0.01
I8207	Rock	Quartz vein	2.1
I8208	Rock	Quartz vein	3.4
I8209	Rock	Quartz vein	0.3
I8210	Rock	Quartz vein	1.8
I8211	Rock	Quartz vein	145.0
I8212	Rock	Quartz vein	32.5
I8213	Rock	Diorite	2.2
I8214	Rock	Mud	0.6
Average			13.6

- Exploration spend will be phased, with limited expenditure of approximately US\$2.5m expected to be incurred during the 2022 financial year.

Block 12 and the Exploration Programme

The Block 12 concession areas were selected following a detailed due diligence analysis by Pan African's technical team, which included site reconnaissance visits in Sudan and detailed desktop studies, which were used to inform the Company's exploration strategy.

Ten initial target areas have been identified for further exploration, based on the size, extent of artisanal workings, presence of alluvial workings and associated tailings, prospectivity and upside potential. Block 12 is located on the same suture zone as the Hassai Gold Mine, which is the largest gold producer in Sudan, with historic production of some 0.1 Moz per year. On 31 December 2011, the previous operators of the Hassai Gold Mine reported Proven and Probable Mineral Reserves of 5.5Mt grading 2.3g/t, with Measured and Indicated Mineral Resources of 6.5Mt, grading 2.5g/t and Inferred Mineral Resources of 2.8Mt, grading 2.8g/t.

The Company's concession areas are sparsely populated and arid, with rugged topography in places, varying between 100m and 1,750m above sea level. Block 12 has undergone limited modern exploration in the past, which consisted mainly of soil and grab samples, channel sampling and trenching on a few targets, and shallow drilling.

Exploration activities in Sudan are expected to commence in the second calendar quarter of 2022 to verify the results for the initial identified targets and endeavour to identify additional targets. The Group has embarked on a phased approach for its exploration work programmes, with the budgeted expenditure allocated for the first financial year estimated at US\$2.5 million.

Geology and mineralisation

Block 12 is located within the ANS, where gold has been mined for over 5,000 years. The ANS formed during the Pan African orogeny that occurred between 500 million and 900 million years ago (Ma) and consists of a number of terrains that are separated by suture zones which are represented by wide shear zones. Pan African's concession area straddles the NSZ, a structure that is host to the Hassai Gold Mine, which exploits a number of Volcanogenic Massive Sulphide (VMS) deposits and quartz veins. The area is dominantly underlain by metamorphosed volcanic and volcanoclastic rocks, as well as a number of intrusive phases including syn-orogenic diorites and late-stage orogenic granite.

Numerous styles of gold mineralisation have been identified in the concession areas, including:

1. Alluvial/placer gold:
These deposits are currently being worked by artisanal miners as the gold is easily extracted from the alluvial sands, having been liberated from *in situ* gold veins by mechanical breakdown from weathering.
2. Orogenic gold and VMS:
This orogenic gold mineralisation is associated with narrow, sub-vertical quartz veins (typically 10cm to 100cm wide) and may extend for tens or even hundreds of metres. Gold values are reportedly high and crushing and panning operations observed in the field confirm these reports. Three principle mineralised trends have been identified in the concession areas, where the quartz vein sets form as a number of widely spaced individual veins that would lend themselves to shallow underground mining, while the broader mineralised zones observed may represent potential open-cast targets.

The gold associated with VMS deposits, including at the Hassai Gold Mine, is predominantly stratiform accumulations of sulphide minerals that precipitated from hydrothermal fluids on or below the seafloor in a wide range of ancient and modern geological settings.

About Sudan

Sudan produced approximately 90 tonnes of gold in 2021, making it the third largest gold producer in Africa after Ghana and South Africa, and the tenth largest producer in the world with production in 2021 – equivalent to Peru’s gold production.

Despite the recent political unrest in Sudan’s capital city of Khartoum, mining producers and developers have been able to continue operating uninterrupted in the country.

Cobus Loots, Pan African’s CEO commented: *“Our management team has been visiting Sudan for the last two years to identify prospective gold mining sites. We believe that the Block 12 concessions are highly prospective, and we look forward to reporting exploration results from these properties in due course. Our exploration programme will be phased, with expenditure of approximately US\$7m expected to be incurred during the first three years, to ensure we limit the Group’s financial risk. Furthermore, before making any material investment decisions we would need to be comfortable with the country’s operating environment.*

Recently announced investments in Sudan by other international mining companies, including Perseus Mining’s recently announced US\$155 million acquisition of Orca Gold, validates our views on the region’s prospectivity for gold exploration and mining.

In the medium to longer term, these Sudanese exploration activities have the potential to further add production growth to Pan African’s already impressive project pipeline.”

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

Rosebank

14 March 2022

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

www.panafricanresources.com

Corporate information	
Corporate office	Registered Office
The Firs Office Building	Suite 31
2nd Floor, Office 204	Second Floor
Corner Cradock and Biermann Avenues	107 Cheapside

<p>Rosebank, Johannesburg</p> <p>South Africa</p> <p>Office: + 27 (0) 11 243 2900</p> <p>info@paf.co.za</p>	<p>London</p> <p>EC2V 6DN</p> <p>United Kingdom</p> <p>Office: + 44 (0) 20 7796 8644</p>
<p>Chief executive officer</p> <p>Cobus Loots</p> <p>Office: + 27 (0) 11 243 2900</p>	<p>Financial director</p> <p>Deon Louw</p> <p>Office: + 27 (0) 11 243 2900</p>
<p>Head: Investor relations</p> <p>Hethen Hira</p> <p>Tel: + 27 (0)11 243 2900</p> <p>E-mail: hhira@paf.co.za</p>	<p>Website: www.panafricanresources.com</p>
<p>Company secretary</p> <p>Phil Dexter/Jane Kirton</p> <p>St James's Corporate Services Limited</p> <p>Office: + 44 (0) 20 7796 8644</p>	<p>Nominated Adviser and Joint Broker</p> <p>Ross Allister/Alexander Allen</p> <p>Peel Hunt LLP</p> <p>Office: +44 (0) 20 7418 8900</p>
<p>JSE Sponsor</p> <p>Ciska Kloppers</p> <p>Questco Corporate Advisory Proprietary Limited</p> <p>Office: + 27 (0) 11 011 9200</p>	<p>Joint Broker</p> <p>Thomas Rider/Nick Macann</p> <p>BMO Capital Markets Limited</p> <p>Office: +44 (0) 20 7236 1010</p>