

Pan African Resources PLC

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

Share code on AIM: PAF

Share code on JSE: PAN

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("Pan African" or "the Company")

## **PAN AFRICAN RESOURCES' EGOLI PROJECT FEASIBILITY STUDY PRESENTATION**

On 10 July 2020, Pan African released its operational update for the year ended 30 June 2020, wherein shareholders were advised that an independent review had been completed on the feasibility study at Evander Mine's Egoli Project ("Egoli Project"). A copy of the presentation summarising the findings of this study, is now available on Pan African's website at [www.panafricanresources.com/investors/company-presentations/](http://www.panafricanresources.com/investors/company-presentations/)

The Egoli Project is a long life, low cost brownfield project, that will capitalise on the Evander mine's existing established infrastructure during its development and exploitation. This synergy has materially reduced Egoli's upfront capital investment, when benchmarked against other development projects of similar scale, and contributed to its compelling and robust economic returns. The project has an initial life of mine of 9 years, with annual gold production of approximately 72koz at an average head grade of 6.61g/t (LOM gold production of 17,771 kg (c.570koz)). First gold is expected to be produced approximately 20 months after construction commences, with ramp up to steady state production over the following 16 months. Additional geological and operational upside exists when the Inferred Resources are accessed as underground development proceeds, potentially increasing LOM to 14 years.

The feasibility study demonstrates a compelling organic growth project, with the following salient financial parameters:

- Peak funding: R1,05 billion (US\$66m)
- Capital payback period: 3.8 years (from project inception)
- NPV<sup>10.7%</sup>: R2,01 billion/USD 131,25 million, at a gold price of R850,000/kg (US\$1,650/oz) and an exchange rate of ZAR/US\$:16.00)
- IRR (post tax real): 50.1%
- AISC: R399,600/kg (US\$777/oz)

Detailed project scheduling and planning is in progress and is expected to be completed in the first quarter of the 2021 financial year. Non-dilutive funding options are currently being explored following receipt of a number of financing offers from investors and institutions. Funding is expected to be finalised in the second quarter of the 2021 financial year.

Inception of the Egoli project is scheduled to commence in the second quarter of the 2021 financial year with the dewatering of the decline followed by re-quipping, standard footwall development, further deeping of the decline and on-reef development.

Egoli is expected to directly employ approximately 1,200 people, mainly from the local communities surrounding Evander and will provide additional economic and supplier development opportunities for this region of the Mpumalanga Province.

The project has strong Environmental Social & Governance credentials, as it is already fully licenced and empowered, the closure cost rehabilitation liability is fully funded and the Company intends to utilise the existing TSF at Evander for the project, resulting in there being no additional environmental footprint. The Evander solar plant, which will be completed in the next year, is expected to also contribute to cost savings and reduced emissions at Evander's operations.

The Mineral Reserves and Mineral Resources on which the feasibility study is based is shown in the tables below:

**Egoli Mineral Reserve Statement\* (as at 30 November 2019)**

Reserve Category	Mt	Grade (g/t)	Tonnes gold	Ounces (Moz)
Proved	0.45	5.90	2.64	0.08
Probable	2.99	6.72	20.08	0.65
<b>Total Reserve</b>	<b>3.44</b>	<b>6.61</b>	<b>22.72</b>	<b>0.73</b>

**Egoli Mineral Resource Statement\* (as at 30 June 2019)**

Resource Category	Mt	Grade (g/t)	Tonnes gold	Ounces (Moz)
Measured	0.44	8.60	3.80	0.123
Indicated	2.94	9.85	28.93	0.930
Inferred	6.26	9.68	60.58	1,948
<b>Total Resource</b>	<b>9.64</b>	<b>9.69</b>	<b>93.33</b>	<b>3.001</b>

*\*Mineral Resources and Mineral Reserves are reported in accordance with the SAMREC Code*

The Competent Person for Pan African, Mr Hendrik Pretorius, the Group Mineral Resource Manager, has reviewed and approved the information contained in this announcement. Mr Pretorius is a member of the South African Council for Natural Scientific Professions as well as a member in good standing of the Geological Society of South Africa.

Rosebank

30 July 2020

For further information on Pan African, please visit the Company's website at [www.panafricanresources.com](http://www.panafricanresources.com)

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## Glossary of Technical Terms

"AISC"	All In Sustaining Costs
"g/t"	grammes per tonne, equivalent to parts per million
"Inferred Resource"	that part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes which may be limited or of uncertain quality and reliability
"Indicated Resource"	that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed
"kg"	kilogram
"koz"	thousand troy ounces of gold
"Measured Resource"	that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and grade continuity
"Mineral Resource"	a concentration or occurrence of material of intrinsic economic interest in or on the Earth's crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories when reporting under JORC
"Mt"	million tonnes
"oz"	troy ounce (= 31.103477 grammes)
"Reserve"	the economically mineable part of a Measured and/or Indicated Mineral Resource
"t"	tonne (= 1 million grammes)