

Pan African Resources PLC
(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 3937466 on 25 February 2000)
Share code on AIM: PAF
Share code on JSE: PAN
ISIN: GB0004300496
ADR ticker code: PAFRY
(“Pan African” or the “Company” or the “Group”)

Pan African Resources Funding Company Limited
Incorporated in the Republic of South Africa with limited liability
Registration number: 2012/021237/06
Alpha code: PARI

Â (Key features are reported in South African rand (ZAR) and United States dollar (US\$))

COMPLETION OF MINTAILS PROJECT FUNDING

Pan African is pleased to announce the completion of a ZAR400 million (US\$21.6 million*) transaction (the Transaction) with Rand Merchant Bank a division of FirstRand Bank Limited (RMB), as the final component to the funding package for the Mintails Project's construction.

Following the successful issue of the Group's inaugural Domestic Medium Term Note programme of ZAR800m (US\$43.2 million*) in December 2022 (announced on SENS on 9 December 2022), and receipt of a ZAR1.3bn (US\$70.3 million*) credit approved and underwritten term sheet from RMB for the senior debt tranche of Mintails Project's funding, the full upfront capital of ZAR2.5bn (US\$135.1 million*) has been secured with the Transaction.

Under the terms of the Transaction, the Company will sell 4,846 ounces of gold per month, for 24 months commencing March 2023, at a fixed price of ZAR 1,025,000/kg (US\$1,723/oz*), and receive an upfront premium of US\$21.6 million* (ZAR400 million). The effective price at which the Group sold the 3,617kg of gold, representing approximately 30%# of annual group production, over the 24 months, is ZAR1,135,604/kg (US\$1,909/oz*).

The Mintails Project senior debt facility, which is subject to the fulfilment of conditions typical for transactions of this nature, is at drafting stage and the intent is for it to become effective by April 2023.

Next steps and envisaged Mintails project execution timeline

Pan African is in the process of finalising detailed engineering optimisation studies for the Mintails Project, with environmental authorisation and related permitting expected within the next four months. Commencement of construction is expected by June 2023, with steady state production forecast by December 2024.

The Mintails Project is being constructed by substantially the same internal teams that successfully completed Pan African's previous three tailings retreatment projects.

Cobus Loots, Chief Executive Officer of Pan African Resources, said:

“We are pleased that Pan African has managed to capitalise on the current attractive Rand gold price to secure the full funding package for Mintails, without any dilution to our shareholders. The Group's track record of bringing tailings retreatment projects of this nature to fruition is impressive. Mintails payback period, post commissioning, is approximately three and a half years, at prevailing rand gold prices, and the operation will significantly contribute towards Pan African's future gold production over its 20-year life-of-mine. We are excited to commence with the project's construction in the next months.”

* converted at an exchange rate of US\$/ZAR: 18.50

assuming annual production of 200 000 ounces

Certain information communicated in this announcement was, prior to its publication, inside information for the purposes of Article 7 of Regulation 596/2014.

Rosebank

13 March 2023

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

www.panafricanresources.com

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