

## Pan African Commences Diamond Exploration Program

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### Establishes Sample Processing Laboratory

VANCOUVER, British Columbia--(BUSINESS WIRE)--Sept. 7, 2004--PAN AFRICAN MINING CORP. (TSX VENTURE:PAF - [News](#); the "Company") is pleased to announce that it has now commenced its formal diamond exploration program in the field in Madagascar, under the direction of South African diamond geologist Jessica Schloemann. The primary objective of the program is the discovery of kimberlitic diamond sources. As a secondary objective, the Company will investigate the possibility of locating rich alluvial deposits and commercial deposits of other precious stones.

Through its operating subsidiary, PAM Madagascar Sarl, the Company holds 10-year research permits covering in excess of 3000 square kilometres in areas deemed prospective for diamond exploration in various regions of the country. These areas were identified based upon the geological history of Madagascar and presence of the cratonic core, as well as historic discoveries of alluvial diamonds and other kimberlite indicator minerals. Data from the BRGM, a French governmental research organization, and other historic sources were among tools utilised by the Company's geologists. Most of the Company's diamond claims were established in 2003 prior to the recent diamond exploration activity by other companies in Madagascar.

The present thrust of the Company's diamond exploration is a reconnaissance stream sampling program now being undertaken to locate and identify kimberlite indicator minerals. These include ilmenite, chromite, pyrope garnet and chrome diopside. The Company's geologists are now in the field carrying out regional sampling in four areas chosen for initial investigation. Among the areas is the Sud-Est, where two large, gem quality diamonds weighing 23.82 and 8.39 carats respectively were found last year by alluvial sapphire miners. It is hoped that the Company's first phase of sampling will be carried out in these four areas prior to the end of the 2004 dry season. Other areas will be investigated thereafter. Up to three sampling teams will be utilised in the field by the Company from time to time. Since April, the Company has been undertaking desktop studies and preliminary field reconnaissance.

As part of its program, the Company has now established its own sample processing laboratory in Antananarivo in close proximity to its administrative offices. It is designed to process samples from various regions, which have been pre-concentrated in the field by panning. Thereafter they will be sent to the laboratory for drying, sieving and picking. The +500 micron fraction will be picked for kimberlite indicator minerals in the Company's laboratory. The 300-500 micron fraction will be shipped to Cape Town for picking. Processing at the Company's Antananarivo laboratory will be carried out by a geologist qualified in the recovery of indicator minerals and in Cape Town by Mineral Logic Laboratories. Kimberlite indicator minerals recovered from both fractions will be sent for microprobe analysis as deemed appropriate to confirm their kimberlitic nature and to determine whether or not they are diamond associated.

#### About Pan African

The Company is an exploratory resource company with approximately 10,000 square kilometres of diversified mineral properties in Madagascar. The Company intends to explore these properties for gold, precious stones, base metals and industrial commodities. Its operations in Madagascar are carried out through its operating subsidiary, PAM Madagascar Sarl. The Company has offices in Vancouver, Canada and Antananarivo, Madagascar.

ON BEHALF OF THE BOARD OF DIRECTORS OF PAN AFRICAN MINING CORP.

"Irwin A. Olian"

Irwin A. Olian

Chief Executive Officer

The statements made in this press release may contain certain forward-looking statements that involve a number of risks and uncertainties. Actual events or results may differ from the Company's expectations.

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of the content of the information contained herein.

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Source: Pan African Mining Corp.