

MEDIA RELEASE

Pamodzi Gold Announces First Quarter Results 2008

HIGHLIGHTS

- Gold production increased by 35% from previous quarter
- Operating profit of R17,6 million rand for the quarter before hedge and foreign exchange losses
- Increased production dilutes hedged production from 36% for the December 2007 quarter down to 27% for the March 2008 quarter
- Acquisition of the Orkney and President Steyn Operations concluded
- Opening of the North West Shaft on East Rand Operations, 12 May 2008
- One million fatality free shifts achieved at the East Rand Operations in January 2008

Johannesburg, 12 Monday 2008 - South Africa's black owned junior gold mining company Pamodzi Gold Limited today announced its financial results for the quarter ended 31 March 2008.

The company reported a net operating loss of R104 million after taxation for the quarter, which included a foreign exchange loss of R56 million. A critical improvement however has seen the operating loss for the quarter decrease by 71% when compared to the previous quarter's operating loss of R24.4 million.

Commenting on the quarterly results, Peter Steenkamp, Chief Executive Officer says, "The management improvement in operations, industry expertise, increased capital expenditure, and acquisitive strategy, has resulted in tremendous growth in revenue despite the recent external operational challenges. Our turnaround strategy involving our recent acquisitions is in progress which will ensure that we meet our 1 million ounce target in the next two years. Most importantly today coincides with the opening of Ndlovu Shaft, at our Consolidated Modderfontein operation.

As part of its 2008 production outlook, Pamodzi's recent acquisitions of Orkney and President Steyn as well as the opening of Ndlovu Shaft, are expected to boost the company's gold production output to between 360 and 373 thousand ounces from

the current 135 thousand ounces per annum. To help achieve this, the company is looking to capital expenditure of between R343 and R360 million.

Chairman of Pamodzi Ndaba Ntsele says, "We have continued in this quarter to focus on meeting our deliverables, driving growth, development, profitability and safety for our operations which remains at the core of the company's mining ethos. Effective safety management is non negotiable principle at all Pamodzi mining operations.

Ends

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Editors' Notes:

- Pamodzi Gold Limited is a black owned South African junior gold mining company
- It has assets on the Witwatersrand gold basin.
- The company portfolio includes production ounces, near production ounces and blue sky potential adjacent to its current operations.
- Pamodzi Gold's mining operations are situated on the East and West Rand of Gauteng, North West and Free State Province
- The East Rand Operation employs 4000 miners
- The company has recently concluded two transactions, acquiring Orkney and President gold mine in the North West province. These acquisitions will drive their growth strategy
- Pamodzi Gold aims to be a significant gold mining company by creating wealth and growth through innovative gold production and prioritising safety performance.

Fact Sheet

About Ndlovu Shaft:

- The shaft is situated at the Consolidated Modderfontein mine, East Rand.

- North West Shaft as it was previously known, has been renamed 'Ndlovu', a Nguni word for elephant (which represents resilience, wisdom, power, dominance).
- The shaft (rectangular unlined) is 3 x 13 metres; the number of compartments following the new configuration, have been reduced from 6 to 3.

About Consolidated Modderfontein Mine:

- The mine closed down in 1962 due to a harsh economic climate: gold price, exchange rate and working costs.
- One million tons of ore at 7.6 g/t remained at the shaft when operations ceased in 1956.
- The envisaged output levels are estimated between 30 000 & 32 000 tonnes per month: that is both ore and waste.
- Mining is scheduled to begin immediately with the hoisting of 15 000 tonnes of ore by November; the shaft is expected to operate at full capacity by the end of 2009.
- Planned reserves are available up to the year 2015 while there are additional areas within the mine set to boost production for an added period of 4 years of mining.
- Three hundred and fifty people (350) will be employed for the operation.