

**For immediate release**

**22 August 2016**

**Premier African Minerals Limited**  
**(“Premier” or the “Company”)**  
**Corporate Update**

**Summary**

Premier African Minerals Limited, the AIM-traded, multi-commodity mining and natural resource development company focused on Southern and Western Africa, is pleased to provide an update on progress at RHA Tungsten project (RHA), Zulu Lithium and Tantalum project (Zulu), and the proposed acquisition of 52% of TCT Industrias Florestais Limitada (TCT) in Mozambique. Premier is the operator and holds 49% of RHA.

**Highlights:**

- Optimisation continues. Installation and recommissioning complete at RHA
- Zulu Lithium drill ready and test work underway
- Due diligence progressing and closing closer in Mozambique limestone project
- New resource statement at RHA nears completion

**RHA Operations and Update**

Optimisation has indicated that the original 6mm screen does not pass material in excess of 4mm on average and this has necessitated the replacement of the 6mm panels with larger 10mm panels. These are expected to be installed before the end of August. This is the principal cause for this extension of the optimisation process. The larger 10mm screens that will be fitted before the end of August are available on short notice. Ore from underground operations fed through the plant has returned a head grade greater than 4kg per ton and a recovery of up to 70% of the contained metal. Concentrate produced is at grades of up to 65%. Target throughput is 8,000 tons per month at a grade of 6kg per ton and a recovery of 80% of contained wolframite. Sensitivities indicate that RHA is profitable when the recovery is at 70% and the selling price of Ammonium para-tungsten (APT) is US\$180 per metric ton unit (mtu).

Major sections of underground development have been channel sampled, geology has been mapped, drill cores have been re-examined and further assays on these cores completed and trench data from the benches within the open pit have been re-assayed and are being re-evaluated. Whilst the mineralised quartz vein are identifiable and exhibit strike continuity within the existing underground development, the wolframite mineralisation does not show the same level of consistency. Tungsten grades show extreme variability and range from sub-economic to more than 300kg per ton over short strike distances. This variability in wolframite mineralisation may make application of normal geostatistical methodologies unreliable and this has resulted in the extended sampling and re-evaluation process described above. We anticipate an end to this phase of sampling before the end of August and our new resource model during September 2016.

Final decisions in regard to the reestablishment of open pit operations and further development of the X-ray transmission (XRT) upgrade process will follow release of the updated resource.

Other developments at RHA include the construction of a conveyor link from our run of mine (ROM) pad to our crushing circuit, provision of feed bins to feed the conveyor system, an internal ore pass to expedite delivery of underground ore and electrification of the entire project. These developments are expected to positively impact our financial performance, particularly the conveyor system and connection to the grid.

**George Roach, CEO, commented:**

“The additions to our plant at RHA are now commissioned and as I reported on the 18<sup>th</sup> July 2016, optimisation has commenced. Most encouraging is that the combination of improved crushing circuits and higher grade ore from underground mining operations has seen a significant increase in the concentrate grade being produced. Optimisation is advancing and the plant is expected to achieve its design rate during September 2016. Wolframite concentrate shipments are expected to resume in September. Considerable work has gone into developing a revised resource for RHA and we will provide a further update in September 2016.

Ongoing surface exploration at Zulu pegmatites has brought this project to a drill ready state. Final site preparations and negotiations with a drilling contractor are underway. Due diligence in regard to our Mozambique acquisition is nearing completion and is now expected to close within the next 30 days. In advance of closing, discussions have been held in regard to both possible off-take agreements for agricultural lime and funding for development of the deposit, while performance of the timber operations continue to show improvement. I look forward to updating on progress in this area shortly after the transaction closes.”

**Qualified Person**

Wolfgang Hampel, Exploration Manager of Premier African Minerals Limited has reviewed and approved this release to the extent that reference is made to the Zulu tenements. Mr Hampel has 24 years' experience in the African, American, European and Asian exploration and mining industry and holds a Diploma in Economic Geology (Dipl.-Geol.) from the Technical University of Munich. He is a registered European Geologist (EurGeol), n° 1261, with the European Federation of Geologists.

Bruce Cumming has reviewed and approved the commentary above to the extent reference is made to geological resource and resource grade at RHA Tungsten. Mr. Cumming holds a Bachelor of Science (Honours) in Geology from the University of Cape Town and is accredited to the South African Counsel for Natural Scientific Professionals (SACNASP). Mr. Cumming has sufficient geological experience (>40 years).

## Forward Looking Statements

Certain statements in this announcement, are, or may be deemed to be, forward looking statements. Forward looking statements are identified by their use of terms and phrases such as “believe”, “could”, “should” “envisage”, “estimate”, “intend”, “may”, “plan”, “will” or the negative of those, variations or comparable expressions, including references to assumptions. These forward looking statements are not based on historical facts but rather on the Directors’ current expectations and assumptions regarding the Company’s future growth, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, business prospects and opportunities. Such forward looking statements reflect the Directors’ current beliefs and assumptions and are based on information currently available to the Directors. A number of factors could cause actual results to differ materially from the results discussed in the forward looking statements including risks associated with vulnerability to general economic and business conditions, competition, environmental and other regulatory changes, actions by governmental authorities, the availability of capital markets, reliance on key personnel, uninsured and underinsured losses and other factors, many of which are beyond the control of the Company. Although any forward looking statements contained in this announcement are based upon what the Directors believe to be reasonable assumptions, the Company cannot assure investors that actual results will be consistent with such forward looking statements.

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014.

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## Notes

Premier African Minerals Limited (AIM: PREM) is a multi-commodity mining and natural resource development company focused in Southern and Western Africa with production started at its flagship RHA project in Zimbabwe.

The Company has a diverse portfolio of projects, which includes tungsten, rare earth elements, gold, lithium and tantalum in Zimbabwe and Benin, encompassing brownfield projects with near-term production potential to grass-roots exploration. The Company also holds 2 million shares in Circum Minerals Limited ("Circum"), the owners of the Danakil Potash Project in Ethiopia, which has the potential to be a world class asset. At present those shares are valued at US\$4 million based on the latest price at which Circum has accepted subscriptions.

**ENDS**