

For immediate release

14 September 2016

Premier African Minerals Limited
(“Premier” or the “Company”)
Drilling programme on Zulu has commenced
Further review of strategic options for Zulu
Appointment of Consultant

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 announce that it has started an extensive diamond drilling programme on the Company’s substantial Zulu Lithium Project (“Zulu”). The drilling programme has two objectives. Firstly, to test for strike and depth extensions of the current known 3.5 kilometre surface strike length. And, secondly to establish a maiden resource. In addition, Premier will be reviewing the strategic options for the development of Zulu and potential monetisation of value, including possible strategic partnerships and / or the possibility of a separate listing for Zulu. Zulu Lithium Mauritius Limited (“Zulu Lithium”) has agreed terms with Mr. David Lenigas to conduct a consultant’s review of Zulu based on his expertise in the lithium development sector.

Highlights

- Premier initiates a diamond drilling programme on the largest undeveloped lithium enriched spodumene pegmatite in Zimbabwe.
- 1.55% Li₂O contained in bulk sample (see RNS 1 July 2016).
- Zimbabwe is the only African country with a history of successful exploitation of lithium bearing mineralisation.
- Drilling focused on establishing a code-compliant resource.
- Review of strategic options for development and monetisation of Zulu.
- Appointment of Mr. David Lenigas as a consultant to review Zulu.

George Roach, Premier’s CEO, commented:

“Based on the known 3.5 kilometre strike length and depth extensions of 200 meters with true widths varying from typically 10 to 25 meters, we are excited to finally commence the long-awaited drilling programme on Zulu. Zimbabwe is the World’s 5th largest lithium producer and the only lithium producer on the African continent.

We believe that the potential scale and size of Zulu is analogue to other world-class spodumene/pegmatite deposits hence we believe that Zulu has the potential to be a company making asset. Premier will also progress its review of strategic options for the development of Zulu and the options for unlocking value for the Company and its shareholders, including possible strategic

partnerships and / or the possibility of a separate listing for Zulu Lithium. I am also pleased that Zulu has agreed a consultancy agreement with Mr. David Lenigas to access his accumulated knowledge and experience in the junior resources lithium sector, in which he was an early investor, and in particular to assist in identifying potential partners for Zulu Lithium. I look forward to providing a further update on our strategic review as it progresses.”

Zulu drilling

A 20-hole, 2,500m diamond drilling programme is underway. The initial 600m will focus on the currently known strike boundaries in the north and south areas of the Zulu. The remaining 1,900m will target the spodumene zone in the south-centre in order to better define the main ore body, both along strike and at depth.

Premier uses Geodrill Private Limited a local drilling contractor based in Bulawayo to conduct the drilling programme. Logging and sample preparation will be conducted at the RHA Tungsten project (“RHA”) and the prepared pulps will be sent to SGS South Africa (Pty) Ltd for multi-element assays (sodium peroxide fusion followed by acid digestion and ICP-OES/ICP-MS).

We expect a rapid turnaround in results with in-house sample preparation and core management given the proximity to our existing operations at RHA.

David Lenigas Consultancy Appointment

Zulu Lithium has agreed terms with Mr. David Lenigas to conduct an independent review of Zulu based on his expertise in the lithium development sector. The review will focus on the potential introduction to Zulu Lithium of third-party strategic investors and joint-venture partners at a corporate or project level as well as corporate or project-level debt and / or equity investments (“Services”). Mr. David Lenigas will not have any involvement in the Group’s flagship tungsten operations at RHA nor its other projects. His appointment is advisory only and non-exclusive. Zulu Lithium has agreed to pay Mr. David Lenigas in relation to the Services a fee of £500 per month together with a warrant to subscribe for twenty-three million new ordinary shares in Premier African Minerals Limited. The warrant shall be exercisable at the 1st February 2017 and shall be valid for 3 years at a strike price 0.8 pence.

About the Zulu Lithium Project

To date, lithium bearing pegmatites (mainly spodumene and lepidolite) have been identified not only at vertical depths of over 200 meters but also along a strike length of some 3,500 meters on the Zulu concessions and Premier believes that the potential exploration target based on historic and more recent additional work undertaken by Premier is massive. Zulu is located 80km east of Bulawayo and easily accessible by road. The project comprises 14 claims covering a surface area of 3.5km². Zulu is generally regarded as potentially the largest undeveloped lithium bearing pegmatite in Zimbabwe. The project was first pegged in 1955 and intensely explored until the early 1960s. Minor petalite production was reported for 1961 and 1962. The pegmatite bodies intruded along serpentine and

sedimentary rocks over a strike length of several kilometers. The width varies between 10 and 25 meters. The bigger pegmatites to the north of the Machakwe River are rich in spodumene and lepidolite, the smaller pegmatites south of the Machakwe River are rich in petalite. The pegmatite bodies strike N20° and dip between 70° - 90° to the west. Parts of the pegmatite are quite rich in tantalite-manganese.

The competent person's report ("CPR") prepared by Venmyn Rand (Pty) Limited ("Venmyn") and included in Premier's Admission Document issued in December 2012 details historic exploration, which include:

- Hole DD1 intersected 46.7m at 1.2% Li₂O
- Hole DH6 intersected 1.2m at 1.42% Li₂O
- Hole DH2 intersected 34.7m at 0.82% Li₂O
- Hole DH4 intersected 18.9m at 1.5% Li₂O
- Hole DH3 intersected 15.2m at 1.5% Li₂O

More recent trenching and outcrop sampling by Premier have extended the length of the lithium pegmatite bodies to 3,500 meters underlining the potential for industrial scale mining.

In addition to the potential production of lithium minerals (petalite, spodumene and lepidolite), the Zulu pegmatites offers the potential to produce tantalite from hard rock and eluvial resources, scheelite from eluvial resources and feldspar for the ceramic industry from the pegmatite.

The Zulu project is discussed in more detail in the recent Premier presentation and is available at https://www.youtube.com/results?search_query=premier+african+minerals.

Qualified Person

Gerard Evans, Senior Resource Geologist and Wolfgang Hampel, Exploration Manager of Premier African Minerals Limited have reviewed and approved this release. Mr Evans has 25 years' experience in the mining industry specialising in resource geology. Mr Evans has a B.Sc Hons degree in geology from the University of the Witwatersrand and is a registered member of SACNASP (400015/08), GSSA and GASA. Mr Hampel has 25 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.

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.

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

About Premier African Minerals Limited:

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.

Technical Glossary

“**eluvial**“ is said of an incoherent mineral deposit resulting from the decomposition or disintegration of rock in place. The material may have slumped or washed downslope for a short distance but has not been transported by a stream.

“**lepidolite**“ is the mineral name for lithium bearing mica $\text{KLi}_2\text{Al}(\text{Si}_4\text{O}_{10})(\text{F},\text{OH})_2$ an important ore of lithium

“**Li₂O**“ means Lithium oxide

“**Manganese**“ is a chemical element with symbol Mn and atomic number 25. It is not found as a free element in nature; it is often found in minerals in combination with iron.

“**pegmatite**“ is an exceptionally coarse-grained igneous rock, with interlocking crystals, usually found as irregular dikes, lenses, or veins, esp. at the margins of granitic intrusions.

“**petalite**“ is the mineral name for lithium aluminium silicate $\text{LiAl}(\text{Si}_4\text{O}_{10})$ an important ore of lithium.

“**scheelite**“ is the mineral name for calcium tungstenate CaWO_4 an important tungsten ore.

“**spodumene**“ is the mineral name for lithium aluminium silicate $\text{LiAlSi}_2\text{O}_6$ an important ore of lithium.

“**tantalite**“ a mostly dark grey to black mineral, iron bearing varieties are called ferrotantalite or tantalite-Fe, a major tantalum ore [manganese bearing varieties are called tantalite-manganese].

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