Premier African Minerals Limited / Ticker: PREM / Index: AIM / Sector: Mining

For immediate release

5 October 2016

Premier African Minerals Limited
("Premier" or the "Company")
RHA Tungsten Mining Operations - Update
Available Tonnage and Processing Plant Upgrades

Premier African Minerals Limited (AIM: PREM), the London quoted mining exploration and production company, is pleased to report that a review of immediately available tungsten rich material at its RHA Tungsten Operations ("RHA") in Zimbabwe has been completed and this review has shown that there is sufficient tonnage immediately available both in the open pit and underground operations to support an initial 3 years' of operations at 39,000 tons per month once the proposed use of X-Ray Transmission ("XRT") system for ore sorting has been installed at RHA's ore processing plant. Target date for installation is the end of November this year.

The XRT ore sorter is expected to be supplied on a toll basis and the company is fully funded for this RHA upgrade. At the planned 39,000 tonnes per month of ore mined, it is estimated that RHA should be producing about 10,000 metric ton units (mtu) of tungsten trioxide concentrate per month, which is equivalent to approximately US\$1.12 million per month in gross revenue at the current net price of US\$112 per mtu, which would be received by RHA. A mtu is equal to ten kilograms of tungsten trioxide equivalent contained in a concentrate and is the standard weight measure of wolframite. Tungsten concentrate prices are generally quoted as US dollars per mtu discounted off the European price for ammonium para-tungstate (APT).

RHA Management budgets a monthly total expenditure on an EBITDA basis at \$825,000 when XRT is fully operational and projected tonnages, recoveries and grades are achieved.

George Roach, Premier's CEO, commented:

"The review at the Company's RHA tungsten mine indicates that we have at least 3 years of tungsten rich material immediately available from the open pit and underground operations. We are targeting a mining and processing rate of 39,000 tonnes per month, with 23,000 tonnes per month coming from the open pit and 16,000 tonnes per month scheduled from underground. The successful installation of the XRT ore sorting unit, in combination with sufficient tonnage able to be mined with little or no development will result in significantly higher feed grades to the plant with higher production at lower cost and the Company is now pushing hard to increase production and bring the project into profit by the end of December this year."

RHA Tungsten Mine - Processing Plant Upgrades:

X-Ray Transmission ("XRT") test work on the RHA tungsten ore was originally commissioned back in October 2015 with an initial sample, which showed excellent results. As a result of this original test work further test work was subsequently conducted earlier this year by processing specialists Cronimet Mining Processing South Africa ("Cronimet") on a larger 7 ton bulk sample of the RHA mine's tungsten ore. The test work showed that run-of-mine ore with a head grade containing 1.62 kg per tonne (0.162%) of tungsten oxide (WO₃) resulted in the XRT sorter achieving a concentrate grade of the ore to the plant prior to final processing of 86 kg (8.6%) WO₃ per tonne.

The feasibility of the installation of a 50 tonne per hour XRT sorter into the existing crushing circuits at RHA has already been established and the Company is in final negotiations with the supplier of the XRT sorter to supply and install the unit at the RHA processing plant by the end of November 2016.

RHA Tungsten Mine - Available Tonnage:

The review of resources contained in the open pit projected to a further 20 meter depth, and bulk mined with no stripping ratio, indicates the immediate availability of 1.030 million tonnes of open pit resource grading at 1.5 kg per tonne WO₃ in the inferred category as included within the SAMREC compliant resources reported by the Company in May 2014 and October 2014 ("October 2014 Resource Estimate").

The Company's estimate of underground material accessible from existing underground development (without the need for further drives or shafts), is 505,000 tonnes. RHA mined and processed material from underground in September 2016 and the recoveries indicated a ROM grade in excess of 4kg per tonne. The Company's technical team is confident of the grade continuity in the known underground system. No cut-off grades were applied to these estimates of available tonnages due to the planned use of XRT ore sorting.

Historically, the Company reported resources at RHA in the October 2014 Resource Estimate in regard to lodes 1 and 2 systems only. The available tonnage estimate in the underground workings is in respect of lode systems 4 to 7 and relates only to material contained off existing developed drives and semi-developed stope areas from 100 meters below the 870 level to surface. No SAMREC compliant resource estimate has yet been prepared or reported in respect of lode systems 4 to 7. This ore body remains open on strike and at depth and ongoing underground sampling and lateral drilling expected to commence this quarter, may significantly increase the confidence and size of the target underground resource as and when a SAMREC compliant resource estimate on this section is reported.

Qualified Person:

Gerard Evans, Resource Geologist for Premier African Minerals, has reviewed and confirmed the statements related to open pit and underground resources set out herein. Gerard Evans has 25 years'

experience in mining industry specialising in resource geology and holds a B.Sc Hons degree in geology from the University of the Witwatersrand. He is registered member of SACNASP (400015/08), GSSA and GASA.

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.

Glossary of Technical Terms

"(Fe, Mn) WO₄"

Chemical composition of wolframite

"Indicated Resource"

That part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed

"Inferred Resource"

That part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and sampling and assumed but not verified geological and/or grade continuity. It is based on information gathered through

appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that may be limited or of uncertain quality and reliability

"kg/t" Abbreviation for kilogramme per tonne

"Lode" Previous workers identified continuous to semi-continuous mineralised quartz

veins as Lodes

"Measured mineral

resource"

That part of a mineral resource for which quantity, grade or quality, densities, shape, and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity

"Mineral resource"

Concentration or occurrence of diamonds, natural solid inorganic material or natural fossilized organic material including base and precious metals, coal, and industrial minerals in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge

"SAMREC"

"Tungsten"

South African Code for Reporting of Mineral Resources and Mineral Reserves Metallic element known also as wolfram with the chemical symbol W and atomic number 74

"wolframite"

Mineral name for iron-manganese tungstate; (Fe,Mn)WO₄, an ore of tungsten. The ratio of iron to manganese varies; iron-rich wolframite is known as ferberite FeWO₄, manganese-rich wolframite is known as hübnerite MnWO₄

"WO3"

Tungsten trioxide

"XRT technology"

X-ray sorting technique where specific mineral (e.g. wolframite) bearing rock can be separated from specific mineral-poor rock and other impurities. This upgrades in metal terms the material feed to the plant energy and lowers the tonnage of rock requiring processing which results in substantially improved the economics for mineral processing operations.

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Notes to Editors:

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.

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