

**For immediate release**

**18 October 2016**

**Premier African Minerals Limited  
("Premier" or the "Company")**

**Premier buys into significant gold asset in the DRC and Private Placement**

Premier African Minerals Limited (AIM: PREM), the London quoted mining exploration and production company, is pleased to report that it has acquired a 4.5% stake in Casa Mining Limited ("CASA"), a private company registered in Mauritius that holds prospective gold mining and exploration licences in the Democratic Republic of Congo ("DRC"). Premier has also today raised £300,000 (before costs and expenses) through the issue of new Ordinary Shares at an issue price of 0.32 pence per new Ordinary Share, which will fund the investment in CASA as well as for general working capital purposes.

**Highlights:**

- Premier subscribed US\$250,000 for an initial interest of 4.5% in the enlarged share capital of CASA.
- CASA holds the rights to three mining licenses (133km<sup>2</sup>) located in the highly prospective South Kivu province in the eastern Congo gold belt of the DRC;
- Over US\$30 million spent by CASA since 2009, identifying a 60km long 'corridor' prospective for gold, multiple prospects identified with some drill and trench tested returning significant intercepts;
- CASA has reported an initial near surface inferred resource of 1.2 Moz @ 1.7 g/t Au at Akyanga Deposit; open along strike and down dip;
- Positive Scoping Study at Akyanga confirmed the potential viability of an 80,000 oz gold per year heap leach operation, with a total cash operating cost of US\$628/oz based on current resources; and
- CASA plans to commence a 5,000 metre exploration program to validate the 3 million oz potential target at Akyanga and issue a revised scoping study by the end of 2017.

**George Roach, Premier's CEO, commented:**

"This investment in CASA secures exposure to an exciting gold project in a very prospective region. The Akyanga deposit has a large and well defined resource base as well as the potential to be brought into production relatively quickly. The scoping study potentially demonstrates a technically viable and

economically robust project. And, the plan to commence an exploration programme to validate the 3 million ounce potential target should generate significant value for the Company. I am also delighted that our lender, Darwin, has consented to this investment which we believe provides excellent value at a time when investment demand in the gold sector is picking up.”

### **The Investment**

Through a private placement carried out by CASA, Premier has subscribed for 312,500 new CASA shares for a consideration of US\$250,000, equating to approximately a 4.5% interest in the enlarged share capital of CASA. Premier has been granted a pre-emptive right whereby it is able to maintain a minimum 4.5% of the entire issued share capital of CASA. The pre-emptive right must be exercised within 30 days as of the issuance of any new ordinary shares by CASA on the same terms as all other participants.

Furthermore, Premier has been granted an irrevocable right to acquire a further interest of up to 30% of the total issued share capital in the CASA within 60 days as from the date of this announcement, on terms to be mutually agreed by the parties.

### **About Casa Mining Limited**

CASA is a private Mauritian registered company that is the 71.25% owner and operator of the Misisi Gold Project located in South Kivu, eastern DRC which is approximately 350km south of Bukavu and 180km north of Kalemie.

The CASA licence holdings consist of three contiguous mining licenses (133km<sup>2</sup>), issued in March 2015 and valid for 30 years. These licenses, which encompass a 60km strike length of the Tanganyika graben within the Rusizian belt ("Misisi Corridor"), include the Akyanga deposit along with the Lubitchako, Tulongwe, Kilombwe and Mutshobwe prospects (targets).

Over the last six years approximately US\$30m was spent by CASA developing these licenses. In addition to the regional geophysical surveys completed over these license areas in 2011, CASA has carried out 19,522m of diamond drilling, 2,720m of reverse circulation drilling and excavated 6,274 line metres of trenches on their respective licenses.

At CASA's most advanced project, the Akyanga deposit, SRK reported a SAMREC compliant Mineral Resource with a US\$1,200/oz gold selling price and 0.5 g/t Au cut-off grade optimised pit shell, which comprises a gross Inferred oxide gold Mineral Resource of 5.5 Mt at a grade of 1.5 g/t Au for approximately 272 koz of contained metal. SRK has further reported a gross Inferred transition gold Mineral Resource of 16.2 Mt at a grade of 1.8 g/t Au for approximately 927 koz of contained metal.

MDM Engineering Projects Ltd ("MDM"), in conjunction with SRK Consulting UK Limited ("SRK"), completed a scoping feasibility study for the Akyanga deposit resulting in an ungeared NPV (8%) and IRR of US\$171m and 35% respectively at a US\$1,300/oz gold price. This assumed a

contract mining scenario with an initial capital cost estimate of US\$87.4m and a total operating cost of US\$628/oz.

CASA is currently planning a 5,000 metre drilling program with the aim to validate the 3 million ounce potential of the Akyanga deposit. Subsequent to this exploration program, CASA will issue a revised scoping study for a potentially larger gold mining operation.

CASA most recent available accounts are for the year ended 31 December 2015. CASA's pre-revenue loss for the year ended 31 December 2015 US\$2,741,000. Total assets as at 31 December 2015 amounted to US\$683,000. Further details on Casa's activities are available from its website, <http://www.casamining.com>.

### **Subscription**

Premier has today raised £300,000 million (before costs and expenses) through, conditional on admission, an issue of 93,750,000 new ordinary shares ("Subscription Shares") at a subscription price of 0.32 pence per Subscription Share (the "Subscription"). The proceeds of the Subscription will be used to fund the initial investment in Casa as well as general working capital purposes of Premier.

The Subscription Shares will, when issued, rank *pari passu* in all respects with the existing ordinary shares. Application will be made for the Subscription Shares to be admitted to trading on AIM and admission is expected to take place on or around 24 October 2016.

### **Related Party Transaction**

Michael Foster, a Director of Premier, is a director and Chairman of CASA. In addition, Michael Foster is interested in approximately 5.6% of the issued share capital of CASA. Accordingly, the Investment in CASA has been treated as a related party transaction for the purposes of the AIM Rules. The Board of Premier, other than Michael Foster, have not participated in the Investment and are therefore independent under the AIM Rules for the purposes of considering the Investment (the "Independent Directors"). The Independent Directors consider, having consulted with the Company's nominated adviser, that the terms of the Investment are fair and reasonable insofar as the Company's shareholders are concerned.

### **Total Voting Rights**

Following the issue of the Subscription Shares, the Company's issued share capital consists of 1,979,963,770 Ordinary Shares, with voting rights. This figure may be used by shareholders in the Company as the denominator for the calculation by which they will determine if they are required to notify their interest in, or a change to their interest in, the share capital of the Company under the Financial Conduct Authority's Disclosure and Transparency Rules.

### **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**

<b>“Au”</b>	Gold.
<b>“carbon-in-column”</b>	Carbon-in-column or CIC means a technological operation in which gold and silver dissolved in clean leach solution are absorbed onto activated carbon which is layered horizontally in vertical columns.
<b>“Core drilling”</b>	A drilling method that uses a rotating barrel and an annular-shaped, diamond impregnated rock-cutting bit to produce cylindrical rock cores and lift such cores to the surface, where they may be collected, examined and assayed.
<b>“cut-off grade”</b>	The minimum grade at which mineralized material can be economically mined and processed (used in the calculation of ore reserves).
<b>“diamond core drilling”</b>	A method of exploration in which rock samples from underground are retrieved as core (whole rock cylinders) for further examination and assaying.
<b>“Dip”</b>	The inclination of a geologic structure (bed, vein, fault, etc.) from the horizontal; dip is always measured downwards at right angles to the strike.
<b>“Exploration”</b>	Activity ultimately aimed at discovery of ore reserves for exploitation. Consists of sample collection and analysis,

	including reconnaissance, geophysical and geochemical surveys, trenching, drilling, etc.
<b>“Ga”</b>	Billion years.
<b>“Graben”</b>	An elongated block of the earth's crust lying between two faults and displaced downwards relative to the blocks on either side, as in a rift valley.
<b>“g/t”</b>	Gram per tonne.
<b>“heap leach”</b>	A technological operation in which crushed material is laid on a sloping, impervious pad where it is leached by cyanide solution to dissolve gold and/or silver. Metals are subsequently recovered from pregnant leach solution by CIC or the Merrill Crowe process.
<b>“Inferred resource”</b>	The part of a resource for which tonnage, grade and content can be estimated with a low level of confidence. It is inferred from geological evidence 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 which may be limited or of uncertain quality and reliability.
<b>“Km”</b>	Kilometres.
<b>“Koz”</b>	Thousand ounces.
<b>“m”</b>	Metres.
<b>“MDM”</b>	MDM Engineering Projects Ltd.
<b>“Mineral Resource”</b>	A concentration or occurrence of material of intrinsic economic interest in or on the Earth's crust in such form, quality and quantity that there are reasonable prospects for eventual 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. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.
<b>“Moz”</b>	Million ounces.
<b>“Mt”</b>	Million tonnes.
<b>“Optimised Pit Shells”</b>	The most profitable open pit, given a mineral resource and a set of economic and metallurgical parameters.
<b>“Oz”</b>	Troy ounce (31.1035 g).
<b>“Production”</b>	The amount of pure precious metals, measured in thousands of ounces for gold, millions of ounces for silver and tonnes for copper, produced following processing.

<b>“Prospect”</b>	A mining property, the value of which has not been determined by exploration.
<b>“Reverse circulation”</b>	A drilling method that uses a rotating cutting bit within a double-walled drill pipe and produces rock chips rather than core. Air is circulated down to the bit between the inner and outer wall of the drill pipe. The chips are forced to the surface through the centre of the drill pipe and are collected, examined and assayed.
<b>“SAMREC”</b>	South African Code for Reporting of Mineral Resources and Mineral Reserves.
<b>“SRK”</b>	SRK Consulting (UK) Limited (SRK) is an associate company of the international group holding company, SRK Consulting (Global) Limited (the SRK Group).
<b>“Strike”</b>	A horizontal extension of an ore body or mineralisation.
<b>“Tonne”</b>	Metric ton.
<b>“Trench”</b>	A long, narrow excavation dug through overburden, or blasted out of rock, to expose a vein or ore structure.

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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.

**ENDS**