

**The following amendment has been made to the Corporate Update announcement released on 16 December 2016 at 11.53 a.m. under RNS Number 0959S. In the announcement the warrant price should have read '0.375 pence.' All other details remain unchanged. The full amended text is shown below.**

**For immediate release**

**19 December 2016**

**Premier African Minerals Limited  
("Premier" or the "Company")  
Corporate Update – Replacement**

**Improved Off-take terms, RHA and Zulu Update, Appointment of Chief Operating Officer,  
Loan Note Instrument, Corporate Statement**

Premier African Minerals Limited (AIM: PREM), the London-quoted mining and exploration company is pleased to announce the conclusion of an improved off-take agreement with Noble Resources International Pts Limited ("Noble"), the appointment of Anthony John Michalec as Chief Operating Officer, subscription for further Loan Notes and a general update on the RHA Tungsten Project ("RHA") and Zulu Lithium and Tantalum ("Zulu").

**Highlights**

- Improved off-take agreement guarantees the sale of higher production tonnages on better pricing terms.
- Production at RHA to commence in early 2017.
- Appointment of Anthony John Michalec as Chief Operating Officer (non-Board).
- Subscription for an additional 22 Loan Notes
- Continuing good progress at Zulu including over 37 meter mineralised intersection in drill-hole ZDD 10.

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

"The improved structure agreed by Noble, coupled with the purchase of the first 4,100 tonnes of concentrate produced at RHA, is as much a statement of confidence in RHA as an indication of improving demand and prices for wolframite concentrates. We are pleased to have successfully restructured our off-take agreement with Noble in a deal that enlarges the scope of our partnership and commercially benefits the project.

Progress at RHA has been good in certain aspects but slower than planned in others. Notable has been the recent release of the updated open pit resource statement and maiden underground resource. Work continues in further defining the underground resource and identifying the high grade areas that could be mined most efficiently now. We have identified significant high grade opportunities located off the 926 adit access level that do not need shaft haulage. Delays are being experienced in the completion of the shaft upgrades, which is now scheduled to be finished by the end of January 2017. With regards to the XRT sorter, Premier has elected to own the XRT sorter rather than to operate the XRT sorter on a toll processing basis. The financial benefits of owning significantly outweigh the cost of running the XRT on a toll basis and more than justify a short delay in the supply and installation of the system.

In order to oversee the successful transition to commercial production at RHA, we are delighted to announce the appointment of Anthony John Michalec as Chief Operating Officer (non-Board) to strengthen the key management team. Anthony is a first class mining professional with in excess of 35 years of experience in mining engineering gained at both open pit as well as underground operations across Africa with companies like Shanta Gold and First Quantum Minerals. He complements our existing team at RHA.

Zulu continues to excite and the pegmatite bodies of which there are several, may be much thicker than previously thought; the best intersection so far is 37.81m (drilled width) in drill-hole ZDD 10. In addition, there is high grade Tantalum mineralisation (up to 900ppm to date) and secondary lithium mineralisation in some host rocks, which could significantly boost the overall tonnage.

In my opinion Premier's market capitalisation is not reflective of the intrinsic value that our principle projects could reasonably be expected to achieve and the Company will seek advice and review each project in the coming months in an attempt to maximise shareholder value. I note further that Premier continues to enjoy a supportive relationship with Darwin and in particular that Darwin has limited early conversion of the loan notes to date. In reality, as the Company develops to a point when external financing is no longer necessary, Darwin represents a better solution than highly dilutive discounted placements."

### **RHA Tungsten Mine**

RHA reviewed the financial model incorporating the X-Ray Transmission ("XRT") sorter on a toll process basis and concluded that the financial arguments for an owner-operation justify a change of strategy and the short delay in the installation of the system. Accordingly, Premier has engaged an Engineering, Procurement, Construction and Management ("EPCM") contractor who has provided detailed engineering designs, installation support and quotation for a TOMRA sorter, which is now planned to be commissioned during the first quarter of 2017. When this is installed and commissioned, and all other upgrades completed, RHA projects expenditure on an EBITDA basis to reduce to approximately US\$682,000 per month from the US\$825,000 originally estimated (as

previously announced on 5 October 2016). The sorter and installation is part financed on a plant rental contract and part through Premier direct. Total cost of the sorter and installation is \$1.03m.

The new mining contractors, Afmine, are making steady progress with the upgrades to the shaft and preparation of the stopes at the 870 level, which are anticipated to be completed in late January. First run of mine production from high grade zones in the underground coupled to open pit material processed through the XRT sorter is now expected in Q1 2017.

### **The Off-take Agreement**

Under the amended Agreement, Premier will supply the first 4,100 Metric Tonnes of wolframite concentrate produced by the mine to Noble Resources International Pte Limited (“Noble”) over an anticipated two year period on favourable pricing terms. Pricing for concentrates will be based at a discount to the European Ammonium Para-Tungstate (“APT”) price published by Metal Bulletin. The most recently published price spread for APT is US\$182 to \$200 per mtu. Concentrates are sold in metric tonne units (“mtu”) where one mtu equates to ten kilograms of tungsten trioxide (“WO<sub>3</sub>”) contained in a concentrate at a declared percentage, normally between 60% to 65%. At a steady state of production, RHA could produce approximately 10,000 mtu per month of WO<sub>3</sub> contained in a concentrate grading +/-63% from both the open pit and underground operations.

### **About Noble Group**

Noble Group (SGX: N21) manages a portfolio of global supply chains covering a range of industrial and energy products. Operating from over 60 locations and employing more than 40 nationalities, Noble facilitates the marketing, processing, financing and transportation of essential raw materials. Sourcing bulk commodities from low cost regions such as South America, South Africa, Australia and Indonesia, the Group supplies high growth demand markets, particularly in Asia and the Middle East. For more information, please visit [www.thisisnoble.com](http://www.thisisnoble.com)

### **Loan Notes**

The Company subscribed for a further 22 Loan Notes of the available 35 Loan notes as part of the Issue Date Two of the Loan Note agreement with Darwin Strategic Limited (“Darwin”), full terms of which were set out in the announcement dated 22 August 2016. The 22 Loan Notes have a gross value of £550,000 which will be used for the development of the RHA mine as well as general working capital purposes. Darwin will be issued with 44,000,000 warrants at 0.375 pence per warrant as part of the subscription.

### **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 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 include 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 recently acquired a 52% controlling stake in Mozambique-based TCT Industrias Florestais Limitada, which owns a substantial limestone deposit and forestry business located on rail in the Sofala Province of Mozambique. In addition, The Company 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.

Premier also has a 4.5% interest in Casa Mining Limited, a privately-owned exploration company that has a 71.25% interest in the 1.2 million ounce inferred resource Akyanga gold deposit in the DRC.

**ENDS**