

3 January 2017

**Premier African Minerals Limited
("Premier" or the "Company")
Zulu Lithium and Tantalum Project Update, based on results to date the
expansion of current drilling programme approved**

Premier African Minerals Limited (AIM: PREM), the London quoted mining exploration and production company, is pleased to report that it has completed 1,958 metres of the current 2,500 metre drilling programme at the company's Zulu Lithium and Tantalum Project ("Zulu").

Highlights:

- **15 diamond drill holes completed for 1,842 metres.**
- **2 drill rigs now operating.**
- **Drilling programme designed to increase known resources over the known 3.5 km strike length.**
- **Only 22% of assay results received to date from the South African assay laboratories.**
- **Core logging of completed diamond drill holes has identified more lithium and tantalum mineralisation than previously anticipated.**
- **Drilling programme to be expanded from the original 2,500 metre programme.**

To date, lithium bearing pegmatites (mainly spodumene and petalite) have been identified not only at vertical depths of over 200 meters but also along the strike length of some 3.5 km on the Zulu concessions, with some holes showing visible lithium mineralisation over drilled widths of up to 37 metres.

The current 2,500 metre drilling programme is expected to be completed in the middle of February and significant drill intersections will be reported when they become available.

George Roach, Premier's CEO, commented:

"The drill programme at Zulu Lithium Project is progressing very well and we are seeing significantly more lithium mineralisation from the drilling than originally anticipated. The results to date warrant an extension of the current drilling programme and Premier believes that Zulu has the potential to rank as one of the best global hard rock lithium projects being explored at this time."

About the Zulu Lithium Project:

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 kilometres. 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 pegmatites are rich in tantalite-(Mn).

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 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.

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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.

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

“**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

“**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

“**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, manganese bearing varieties are called manganotantalite or tantalite-(Mn); a major tantalum ore.

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