

21 July 2016

**Premier African Minerals Limited**  
**(“Premier” or the “Company”)**  
**Zulu Lithium and Tantalum update**

**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 provide this update in regard to process development at Zulu Lithium and Tantalum project (Zulu) located at Fort Rixon in Zimbabwe.

**Highlights**

- Excellent correlation between historic and current exploration programs confirms potential for massive lithium rich mineralisation.

**George Roach, CEO, commented:**

“Recently completed 3D modelling of the Zulu pegmatite indicates a direct correlation of both historic data from Rhodesian Selection Trust (RST) with surface and drilling results from Premier’s more recent exploration activities. RST suggested a mineralised ore body over some 460 meters and to a depth of some 50 meters. Premier’s exploration on surface has extended the strike of the pegmatite to 3,500 meters and in limited drilling to test depth extension, has indicated continuity to 200 meters. This represents a seven times increase on strike and a four times increase in depth and potentially increases RST’s exploration target most substantially. The ore body remains open on strike and depth. The Company’s new exploration programme at Zulu is expected to commence shortly and will test the strike extensions to a limited depth and focus on establishing an initial code-compliant resource for Zulu. Bulk samples for flowsheet development are already at the laboratory and our intention is to target production of a saleable bulk concentrate in as low a capex operation as possible.”

**About Zulu**

Zulu is regarded generally as potentially the largest undeveloped lithium bearing pegmatite in Zimbabwe. Zulu 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 with 70° to 90° to the west. Parts of the pegmatite are quite rich in tantalite-Mn.

In 1958, O.J. Arnett of Rhodesian Selection Trust (RST) carried out a detailed investigation of the Zulu Project area in order to establish the extent of the lithium mineralisation within the pegmatites. A seven (7) borehole drilling programme was undertaken, details of which were set out in the competent persons report (“CPR”) prepared by Venmyn Rand (Pty) Limited (“Venmyn”) and included in Premier’s Admission Document issued in December 2012. The CPR noted a non-compliant estimation of the lithium mineralisation by RST on the mixed spodumene or lepidolite pegmatites which indicated a possible tonnage of 1Mt to a depth of 60m averaging 1.3% Li<sub>2</sub>O (see CPR page 111). The calculation of tonnages was complicated by the incomplete exposure, irregular distribution and discontinuous nature of the pegmatites. As further reported in the CPR, an assessment conducted by Mr R.Tyler in 2009 based on the trenching and drilling undertaken by RST, suggested the presence of 1.4Mt at 1.4% Li<sub>2</sub>O to a depth of 75m (see CPR page 112). The exploration targets identified by Arnett and Tyler are not minerals resources and can only be considered conceptual in nature.

Premier completed further surface mapping and trenching and diamond drilling in 2011 which confirmed the presence of mineralised pegmatites at depth and as previously reported, subsequent pitting and sampling of the eluvial cover confirmed the presence of discrete grains of tantalite and scheelite in the overburden

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.

Besides the production of lithium minerals (petalite, spodumene and lepidolite), the Zulu Pegmatite 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. Yet unproven is the existence of pollucite, the only major caesium ore, and coloured gemstones like, for example, emerald.

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 concession and Premier believes that the potential exploration target based in the additional work undertaken by Premier should be considerably higher than Arnett and Tyler’s non-compliant exploration targets.

The objective of the next phase of exploration work at Zulu will therefore be to further delineate the lithium pegmatite bodies in the northern half of the concession and to establish a code compliant resource in the southern half.

### **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.

### **Glossary of Technical Terms**

“**adit**” means a horizontal or nearly horizontal passage driven from the surface for the working or dewatering of a mine.

“**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

“**Li<sub>2</sub>O**” means Lithium oxide

“**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.

“**pollucite**” is the mineral name for caesium sodium aluminium silicate  $(\text{Cs,Na})_2(\text{Al}_2\text{Si}_4\text{O}_{12}) \cdot 2\text{H}_2\text{O}$  an important ore of caesium.

“**scheelite**” is the mineral name for calcium tungstenate  $\text{CaWO}_4$  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-Mn].

### **Enquiries**

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### **Notes**

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**