

Premier African Minerals Limited ('Premier' or 'the Company')

Agreement of finance package

Issue of Shares

Premier African Minerals Limited, the AIM traded, multi-commodity natural resource company with mineral projects located in Western and Southern Africa, is pleased to announce that it has entered into a £3 million Standby Equity Distribution Facility (“SEDA”) and a £500,000 subscription agreement and, separately, an equity swap agreement with YA Global Master SPV, Ltd. (“YAGM”), described further below, to provide funds for the continuing development of the Company’s RHA Tungsten Project (“RHA”) in Zimbabwe and ongoing overheads. The Company has also issued 1,079,550 new ordinary shares of no par value in Premier (“Ordinary Shares”) to a consultant to the Company for a total value of approximately £21,591.

Terms of the SEDA

The Company may request an advance from the £3 million SEDA agreement with YAGM, subject to certain limited restrictions, at any time over the next 36 months. Following delivery of an advance notice, the Company will issue new Ordinary Shares to YAGM. The Company may, at its sole discretion, determine the timing, minimum issue price and amount of any advance. There are no penalty fees payable to YAGM for non-use or termination of the facility and the Company is under no obligation to request an advance.

The SEDA subscription price will be set at a 4.5 per cent. discount to the average of the 3 lowest daily VWAPs (Volume Weighted Average Prices) over the 10 day period following delivery of an advance notice by the Company (the “Pricing Period”), subject to a minimum price set by the Company at its sole discretion.

The maximum amount which can be advanced to the Company under the SEDA at any one time must not exceed:

- (i) £500,000;
- (ii) an amount equal to 200 per cent. of the average daily trading value of Ordinary Shares in the five consecutive trading days prior to the issue of the relevant advance notice; and
- (iii) such amount as together with the aggregate of all previous amounts paid by YAGM to the Company under the SEDA, would exceed the commitment amount.

In connection with the SEDA, the Company has agreed to pay YAGM a commission of 2.5 per cent. of the amount payable by YAGM to the Company in respect of an advance, to be satisfied by the issue to YAGM of new Ordinary Shares. In addition, the Company has

issued a warrant to YAGM to subscribe for up to 9 million new Ordinary Shares at a price of 1.25p per new Ordinary Share, exercisable at any time prior to the expiry of 36 months from the date of the SEDA.

Subscription Agreement

Premier has entered into a £500,000 subscription agreement, and, separately, an equity swap agreement covering Ordinary Shares (“Subscription Shares”). YAGM has agreed to subscribe (“the Subscription”) for a total of 42,735,030 new Ordinary Shares in the Company at a price of 1.17p per Ordinary Share (the “Subscription Price”).

Completion of the Subscription is conditional on, inter alia, admission of the Subscription Shares to trading on AIM.

Equity Swap Agreement

The Company and YAGM have entered into an equity swap agreement (the “Equity Swap Agreement”) calculated by reference to the 42,735,030 Subscription Shares. In return for a payment by the Company to YAGM of £300,000 (the “Swap Payment”), 15 monthly settlement payments in respect of such payment will be made by YAGM to the Company, or payments may be made by the Company to YAGM, based on a formula related to the difference between the prevailing market price (as defined in the Equity Swap Agreement) of Ordinary Shares in any month and a “benchmark price” that is equal to the Subscription Price. Thus the monthly payments received by the Company in respect of the Swap Payment will be dependent on the future price performance of the Ordinary Shares.

Consultant Shares

The Company has issued 1,079,550 new Ordinary Shares at a price of 2 pence each to Brendan Ross, a consultant to the Company, for a total value of approximately £21,591 (the “Consultant Shares”) in full and final settlement of the consideration owed by the Company to Mr. Ross for the services that he has rendered to the Company.

The Subscription Shares and the Consultant Shares, amounting to 43,814,580 new Ordinary Shares in aggregate (together the “New Shares”), will rank *pari passu* with the existing Ordinary Shares. Application will be made for the New Shares to be admitted to trading on AIM, which is expected to occur on 4 February 2014.

Following the issue of the New Shares, the Company's issued share capital consists of 432,283,126 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.

George Roach, CEO of Premier, commented:

“With an expected upgraded resource and mining study for RHA planned for later this quarter, ongoing negotiations intended to secure the funds required to bring RHA into production and finalisation of the off-take agreement, this facility is opportune and appropriate at this time.”

For further information please visit www.premierafricanminerals.com or contact the following:

Pamela Hueston	Premier African Minerals Limited	Tel: +44 (0) 755 778 3855
Michael Cornish / Roland Cornish	Beaumont Cornish Limited (Nominated Adviser)	Tel: +44 (0) 207 628 3396
Jerry Keen/Edward Mansfield	Shore Capital Stockbrokers Limited	Tel: +44 (0) 207 408 4090
Tim Blythe/Halimah Hussain	Blythe Weigh Communications	Tel: +44 (0) 207 138 3204

About Premier African Minerals

Premier African Minerals Limited (AIM: PREM) is a multi-commodity exploration and development company focused in Southern and West Africa. In addition to its 42 per cent. shareholding in TSX-Venture quoted AgriMinco (see www.agriminco.com), the Company has a diverse portfolio of multi-commodity projects which includes tungsten, rare earth elements, gold, lithium, tantalum and uranium in Zimbabwe and Togo, which span from brownfield projects with near-term production potential to grass-roots exploration.

****ENDS****