

15 May 2014

Premier African Minerals Limited

('Premier' or 'the Company')

Circum Danakil Option Exercise

Premier African Minerals Limited is pleased to report that Circum Minerals Limited ("Circum") has exercised their exclusive option to acquire the entire issued share capital of Mandalore Development Limited ("Mandalore") (the "Option Exercise") and in so doing effectively consolidate the ownership of the Danakil Potash project, Ethiopia under Circum.

Further to the announcement of 13 May 2014, where Premier set out the details of this possible, indeed anticipated transaction, Premier is delighted to report that the effect of Circum exercising their option is:

- Premier is immediately paid US\$2.5 million net of any advance made by Circum to allow Premier to acquire Mandalore;
- Premier is issued two million new shares in Circum with a present estimated value of US\$1.4million;
- Premier will receive a further US\$1 million on the 15 of each of July, September and November 2014 and the 15 January 2015.

Commenting, George Roach said; "Through this transaction, Premier has effectively realised substantial early value from an exploration project in a capital market environment that is simply not supportive of mineral exploration and this sees Premier in an enviable position of not needing to approach the capital markets for normal operating and exploration finance for the foreseeable future. With US\$5 million effectively "in the bank", a retained value in Circum, several advanced exploration projects and our outstanding RHA Tungsten project at a virtual ready to build stage, I feel justified in approaching the future with confidence."

Background on the Danakil Potash Project (the "Project")

Mandalore owns a 30% interest in the Project, which encompasses a potentially significant potash deposit in the Danakil Depression of Ethiopia, with sylvinite horizons amenable to cost effective solution mining. The area covered by the current exploration license is comprised of two leases with a combined area of approximately 365 square kilometers. Circum is a private company and has a 70% interest in the Project. The operator of the Project is Plinian Capital LLP, a private equity company that specialises in mining investment and operation.

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

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Notes

Premier African Minerals Limited (AIM: PREM) is a multi-commodity exploration and development company focused in Southern and West Africa. 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.