

For immediate release

23 January 2015

**Premier African Minerals Limited (“Premier” or “the Company”)
Circum Minerals Update**

Premier African Minerals Limited, the AIM-traded, multi-commodity natural resource company with mineral projects located in Southern and Western Africa, today provides an update on progress of Circum Minerals Limited (“Circum”) in which Premier holds 2 million shares (representing 2.15 per cent. of Circum on a fully diluted basis). Circum owns the Danakil Potash Project in the northern margin of the Danakil Depression in Ethiopia. Circum is a private company that reports direct to its shareholders. The information provided below has been extracted from the December 2014 status report prepared by the board of Circum (“Circum 2014 Status Report”).

Highlights:

- Circum has received a further US\$5m on an exercise of investor warrants which, at the exercise price of US\$1.25 per Circum share, values Circum at US\$116 million on a fully diluted basis.
- Implies a current value for Premier’s interest in Circum of US\$2.5 million.
- Circum has completed the road construction, drilling and seismic portion of its feasibility study. A new updated resource is expected in the first quarter of 2015.
- Circum currently plans to complete its Definitive Feasibility Study (“DFS”) in mid-2015.

George Roach, CEO of Premier, commented:

“Should Circum’s DFS establish the Danakil Project as a potential major world class potash project under development with robust economics as currently anticipated by Circum, then Premier would expect a substantial uplift on the value of its interest in Circum which, at the most recent issue price of US\$1.25 per Circum share, currently values Premier’s interest at US\$2.5 million. We believe that the completion of the resource estimate by K-UTECH AG Salt Technologies and the proposed DFS should provide an opportunity for Premier to realise its investment at an attractive valuation during the latter part of the course of this year.”

The Circum 2014 Status Report

The Circum 2014 Status Report provided the following update on Circum’s drilling programme. The Operator of the Danakil Project, Plinian Capital LLP, and Circum Minerals Limited, have consented to the release of the information contained herein.

Circum completed its drilling programme on the Western Area resource at the end of November 2014 and the Eastern Area in December 2014. The seismic survey was also completed in December 2014. Circum has advised its shareholders that it currently expects the completion of a new resource estimate by its resource consultant K-UTECH, in the first quarter of 2015. The company is currently conducting a DFS on a project to produce 2.75 million tonnes per year saleable potash salts (MOP and SOP) over a minimum period of 30 years.

Other elements of the feasibility study to be completed in 2015 include definition of its water resources, plant design, operating and capital costs and completion of its transportation and port infrastructure plans.

Forward Looking Statements

Circum Minerals Limited is a private company and any resource estimates or targets or other forward looking information on the Danakil Project provided by Circum to Premier are neither compliant to any mineral code unless and until reviewed and reported on by a Competent Person nor have they been independently verified. 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.

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Notes

Premier African Minerals Limited (AIM: PREM) is a multi-commodity exploration and development company focused in Southern and Western Africa. The Company has a diverse portfolio of multi-commodity projects which includes tungsten, rare earth elements, gold, lithium, tantalum, graphite and uranium in Zimbabwe and Togo, which span from brownfield projects with near-term production potential to grass-roots exploration. The Company holds 2m shares in Circum Minerals Ltd (“Circum”), the owners of the Danakil Potash Project. At inception, the shares had a fair value of US\$1.4m. Circum is fully funded to completion of feasibility study.

Glossary

Mineral Resource	A Mineral Resource is a concentration or occurrence of diamonds, natural solid inorganic material, or natural solid fossilized organic material including base and precious metals, coal, and industrial minerals in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge
MOP	Muriate of Potash
Mt	Million tonne
SOP	Sulphate of Potash