

Premier African Minerals Limited / Ticker: PREM / Index: AIM / Sector: Mining  
**For immediate release**  
**18 October 2016**

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

Premier African Minerals Limited (AIM: PREM), the London quoted mining exploration and production company, is pleased to announce that it has received a shareholder update from Circum Minerals Limited ("Circum" or "the Company") in which Premier holds 2 million shares, equivalent to approximately 2% shareholding. In its update, Circum Management reaffirmed its belief that:

- The wholly-owned Danakil project is a unique and world-class potash project with one of the largest potash resources in the world.
- The project features lowest quartile industry operating costs for both SOP and MOP.
- The project will be able to deliver substantial production to the Asian market at the lowest cost per tonne of any producer.

Circum's update further stated that:

- The optimized after-tax NPV (at a 10% discount rate) amounted to US\$2.1 billion and nominal IRR amounts to 26%.
- The mining licence agreement negotiation is well advanced and Circum expects this to be completed before year end.
- Morgan Stanley is running a process to help find a strategic partner for Circum and/or provide a liquidity alternative to shareholders.
- Whilst current events in Ethiopia may have slowed the process, Circum continues to engage with interested parties and also contemplates a possible flotation on an appropriate exchange.

For further detail in regard to this project, please refer to [www.circumminerals.com](http://www.circumminerals.com).

**George Roach, Premier's CEO, commented:**

"This project is a very valuable asset and it is encouraging to see that Circum has made considerable progress in developing the project. In value comparative terms, the much smaller Yara project to the south of Circum was recently funded on a valuation of US\$200 million (i.e. equivalent to Circum at \$2 per Circum share). It is reasonable to conclude that Circum is likely to achieve a significantly higher value on its much bigger project."

**Forward Looking Statements:**

Certain statements in this announcement, are, or may be deemed to be, forward looking statements. Forward looking statements are identified by Circum's 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.

**Enquiries:**

Fuad Sillem	Premier African Minerals Limited	Tel: +44 (0)7734 922074
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
Charles Goodwin/Aidan Stanley /Dominic Barretto	Yellow Jersey PR Limited	Tel: +44 (0) 7584 085 670

**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 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.

**Glossary**

MOP: Muriate of Potash

SOP: Sulphate of Potash

**ENDS**