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Premier African Minerals Limited
("Premier" or the "Company")
Completion of the acquisition of controlling interest in TCT IF

Summary

Further to the announcement on 27 April 2016, Premier African Minerals Limited, the AIM-traded, multi-commodity mining and natural resource development company focused on Southern and Western Africa, is pleased to announce that it has completed the acquisition of a 52% interest in Mozambique-based TCT Industrias Florestais Limitada ("TCT IF"), which owns a substantial limestone deposit located on rail in the Sofala Province of Mozambique. TCT IF is the holder of the exploration licence together with significant forestry operations.

Highlights

- TCT IF is self-sustaining and will contribute positively to group cash flows in 2017
- Early test-work and import replacement opportunities supported by local demand for lime for cement production, agricultural and many other important applications including aggregates, assures the market for low capital cost industrial scale production
- Revenue and infrastructure from existing forestry operations expected to significantly reduce exploration and development costs of the deposit
- TCT IF's limestone deposit covers 27 km²
- The Tete/Beira rail link, complete with 3-line siding, runs adjacent to the northern boundary of the property

George Roach, CEO of Premier African Minerals, commented: "This is a unique opportunity to acquire a deposit that has very good prospects for development into a major low cost industrial scale mining operation with essential infrastructure already in place and a cash generative business to help finance the development. The forestry operations of TCT IF will benefit immediately from limited support that Premier has already provided in the form of essential consumables as much as expansion of export opportunities in addition to existing markets in the UK and SADC region."

Background to the acquisition

The conditional acquisition of a controlling interest in TCT IF was announced by the Company on 27 April 2016. The conditions precedent have been satisfied and the acquisition is now complete. As previously announced, Premier's development strategy is to find low capex projects with potential near-term production. The Board of Premier believes that the TCT IF limestone project provides this opportunity in a region that the Company currently operates in, and that TCT IF's limestone and timber interests complement the Company's current portfolio of minerals and natural resource interests.

TCT IF

TCT Industrias Florestais Limitada ("TCT IF") is a private Mozambique based natural resources company, which has an early stage 27 km² limestone exploration license in Mozambique. In addition, TCT IF has a 24,821 hectare hardwood forestry concession located in central Mozambique, with allied milling and furniture manufacture and semi-finished goods export.

The limestone deposit is located 20 km southwest of Caia within the forestry concession area and the exploration licence is coincident, in part to the forestry concession. The Tete / Beira rail link, complete with a 3-line siding, runs on the northern boundary of the concession. Early test-work on surface material of the limestone indicates that there are potentially acceptable grades of calcium carbonate (CaCO₃) for limestone for use in cement production. In addition, initial work suggests that solubility should be suitable for Agrilime and the material is also expected to be suitable for aggregate production. The Board believes that there is local demand for lime for cement production, agricultural applications, aggregates and other

industrial uses.

The Forestry concession is valid for another 10 years subject to renewal for another 50 year term and is permitted to cut up to 3,000 m³ per annum, over and above historically cut and dead timber. TCT IF is the operator of the limestone exploration license and this is valid for two years from the date of formal grant in January 2016, and is renewable for another two year period. The work commitments under the exploration license are set out in an approved exploration programme that is budgeted at US\$200,000. There has been limited exploration work to date on the limestone deposit and there is no current resource, although there is evidence of historic small scale mining activity. The Company plans to commence an initial exploration and assessment work programme on the limestone deposit that is expected to provide a maiden resource and preliminary scoping study over the course of 2017.

In addition to its limestone project, TCT IF also has an existing forestry operation that is expected to contribute significantly to cash flows from an early stage. Limited rehabilitation in the milling operations of the forestry division will see volumes increase to achieve this. At present TCT IF produces a range of Mozambique hardwoods and either exports top grade kiln dried timber in unfinished or semi-finished form. Bespoke furniture and a number of allied timber items are produced from timbers that are highly rated in both Germany and the UK. Located within the forest area, TCT IF operates a 28 bed lodge and a 9,963-hectare game farm and hunting concession. This concession is valid until 2065. TCT IF is expected to be fully self-sustaining and will contribute positively to cash flow for Premier as a whole.

The forest concession includes rights to harvest up to 3,000 m³ of logs annually. This represents potential gross revenue of up to US\$1.5m against projected concession operating costs of less than \$750k. Optimisation of the timber operations to achieve this return is a short term priority.

Further details on TCT IF's activities are available from its website, www.dalmann.com.

Acquisition agreements and terms

The Company has concluded the public deeds for the assignment of quotas to acquire a 26% interest in TCT IF from Transport Commodity Trading Mozambique Limitada ("TCTM") and a further 26% interest from GAPI Sociedade de Investimentos S.A. ("GAPI"), in aggregate amounting to 52% for a total consideration of US\$2.1 million.

Pursuant to the completed agreement with TCTM as announced on 27 April 2016, the Company has acquired TCTM's 26% interest in TCT IF (the "TCT Agreement") for a consideration of US\$1.1 million, payable in four tranches in either new Premier Ordinary Shares or cash at the election of TCTM. The amended payment tranches are as follows: the first tranche now amounts to US\$220,000 and is payable within five working days to TCTM following pending approval by the Mozambican authorities. The second tranche amounts to US\$440,000 and is payable within 60 days following the first tranche. The third tranche amounts to US\$220,000 and is payable within 90 days following the first tranche and the final tranche amounts to US\$220,000 and is payable within 120 days following the first tranche.

Pursuant to the agreement with GAPI, the Company has acquired GAPI's 26% interest (the "GAPI Agreement") for a consideration of US\$1 million, payable in five tranches in either new Premier Ordinary Shares or cash at the election of GAPI. The first tranche amounts to US\$220,000 and is payable within five working days to GAPI following pending approval by the Mozambican authorities. The second tranche amounts to US\$195,000 and is payable within 13 months following the first tranche. The third tranche amounts to US\$195,000 and is payable within 21 months following the first tranche and the fourth tranche amounting to US\$195,000 is payable within 29 months following the first tranche. And, the final tranche amounting to US\$195,000 is payable within 36 months following the first tranche.

The Original Public Deed Certificates ("Certificates") for both the TCTM Agreement and the GAPI Agreement shall remain in the care of the full-service law firm of SAL & Caldeira Advogados, Limitada who are Premier's elected solicitors, until written confirmation is received from either GAPI or TCTM confirming that the final instalment of the purchase price has been received ("Period"), thereafter, the Certificates will be released to Premier whereby final procedural registration of the assignment of quotas as well as the publication of the amendment of the articles of association of the TCT IF shall be enacted. Furthermore, the Parties have acknowledged and agreed that during the period, Premier shall have an irrevocable power of attorney to permit Premier to participate and vote in all General Assembly meetings on behalf of both parties. Premier shall also be allowed to appoint a representative to the TCT IF's Board of Directors. And in this regard, Premier has elected George Roach to TCT IF's Board of Directors. Premier has further been appointed as the manager of TCT IF.

The total consideration payable under the TCTM Agreement and the GAPI Agreement amounts in aggregate to US\$2.1 million (equivalent to approximately £1,735,000).

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.

This announcement contains inside information for the purposes of Article 7 of Regulation 596/2014.

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About Premier African Minerals Limited:

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 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. Premier also has a 4.5% interest in Casa Mining Limited, a privately owned exploration company that has a 71.25% interest in the 1.2 million ounce Akyanga gold deposit in the DRC.

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