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Premier African Minerals Limited
23 February 2016

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23 February 2016

Premier African Minerals Limited ("Premier" or "the Company") Conversion of loan note and issue of equity

Premier African Minerals Limited, the AIM-traded, multi-commodity mining and resource development company focused on Southern and Western Africa, announces that it has received a notice of exercise by Darwin Capital Limited ("Darwin") to convert 13 loan notes with an aggregate value of £325,000 into equity ("Conversion Notice").

The loan notes have been used to part fund the re-opening of underground operations at RHA Tungsten (Private) Limited ("RHA"), Premier African Mineral's tungsten project located in Zimbabwe and for general working capital purposes. Premier is the operator of RHA and holds a 49% interest.

Premier, at its election, has the right to redeem one or all of the outstanding loan notes in cash at 105% of Par Value (equivalent to £26,250 per loan note).

Should Premier not redeem any loan notes during any one month, Darwin may elect to convert up to 7 loan notes at 105% of Par Value into new Ordinary Shares in Premier at the conversion price, being the lesser of the subscription issue price or 90% of the arithmetic average of the five daily volume weighted average share price per Ordinary Share preceding conversion. Darwin has converted its 7 loan notes for February 2016 (as previously announced on 18 February 2016 and 16 February 2016).

In addition, the loan notes have certain conversion triggers that enable Darwin to convert the loan notes at 100% of Par Value. As announced on 15 September 2015, Darwin reduced the conversion trigger price of APT from \$230 to \$130 per mtu until 31 December 2015. As the current price of APT remains below the trigger price of \$230 per mtu, Darwin has elected to convert an additional 13 loan notes at 100% of Par Value (£325,000) at the conversion price of 0.542592p.

The Conversion Notice was therefore received in aggregate for £325,000 of loan notes issued in April 2015. The Par Value outstanding on the loan notes is £200,000 after conversion today.

The Company has therefore issued today 59,897,676 new Ordinary Shares to Darwin ("Darwin Shares") at an issue price of 0.542592p.

The Darwin Shares will rank pari passu in all respects with the existing ordinary shares. Application will be made for the New Shares to be admitted to trading on AIM and admission is expected to take place on or around 29 February 2016.

Following the issue of the New Shares, the Company's issued share capital consists of 1,602,686,995 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.

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
Dominic Barretto/Aidan Stanley/Charles Goodwin	Yellow Jersey PR Ltd	Tel: +44 (0) 779 900 3220

Notes

Premier African Minerals Limited (AIM: PREM) is a multi-commodity mining and 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 include tungsten, rare earth elements, gold, lithium and tantalum in Zimbabwe and Togo, encompassing brownfield projects with near-term production potential to grass-roots exploration. The Company holds 2 million shares in Circum Minerals Ltd ("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

"mtu", means metric ton unit, i.e. 10kg of contained WO₃ in concentrate

Ends