

29 July 2014

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

Premier African Minerals Limited, the AIM-traded, multi-commodity natural resource company with mineral projects located in Western and Southern Africa, today announces a Corporate Update.

Issue of Options

The Company on 29 July 2014 awarded options to acquire up to 12,000,000 ordinary shares of no par value in the Company (the "Options") to the following Directors on the terms set out below:

Director	Number of shares covered by option	Exercise Price	Expiry Date
Neil Herbert	2,000,000	1.15p	28 July 2024
	2,000,000	1.5p	28 July 2024
Alex du Plessis	2,000,000	1.15p	28 July 2024
	2,000,000	1.5p	28 July 2024
Ian Stalker	1,000,000	1.15p	28 July 2024
	1,000,000	1.5p	28 July 2024
Pamela Hueston	1,000,000	1.15p	28 July 2024
	1,000,000	1.5p	28 July 2024

In accordance with, and subject to the terms of the Company's Share Option Scheme, the Options shall vest as to one-half on the first anniversary of the date of grant (the date of grant being 29 July 2014) and the balance on the second anniversary.

In aggregate the new Options issued to the Directors represent approximately 2.5 per cent of the Company's issued share capital.

In addition, the Company has also issued a further 13 million Options to non-board employees and management on similar terms (“Management Options”). 6,500,000 Management Options are exercisable at a price of 1.15p per ordinary share on or after 29 July 2015 and 6,500,000 Management Options are exercisable at a price of 1.5p per ordinary share on or after 29 July 2016.

The Options and the Management Options will expire on 28 July 2024.

Following this issue of Options and the Management Options, the Company has a total of 61,744,648 ordinary shares under option, equivalent to approximately 12.6 per cent of the Company's issued ordinary share capital.

Conversion of Loan

At the time of admission of the Company's shares to trading on AIM, on 10 December 2012 George Roach provided a loan facility to the Company (the "Standby Facility Agreement"). Under the terms of the Standby Facility Agreement George Roach may at his election convert at any time amounts drawn down by the Company into new ordinary shares at an issue price of 2p per new ordinary share. On 29 July 2014, George Roach issued a conversion notice ("Notice") to the Company in respect of £300,000 drawn down under the original Standby Facility Agreement of £300,000. Accordingly, the Company has agreed to issue 15,000,000 new ordinary shares at an issue price of 2p each ("Conversion Shares"). Under the Notice 13,600,000 Conversion Shares are to be issued to George Roach and 1,400,000 Conversion Shares are to be issued to Global Custody & Clearing Ltd ("Global Shares"). George Roach does not have a beneficial interest in the Global Shares.

On issue of the Conversion Shares, George Roach will therefore be interested, in aggregate, in 205,495,262 ordinary shares. An application will be made for the Conversion Shares and Global Shares, which will rank *pari passu* with the existing ordinary shares, to be admitted to trading on AIM which is expected will take place on or around 4 August 2014.

As George Roach's current interest in the Company prior to the issue of the Conversion Shares was 39.32 per cent, the issue of the Conversion Shares to George Roach would ordinarily have resulted in a breach of article 30.3(b) of the Company's Articles of Association (the "Articles"), which restricts the ability of a party, and persons acting in concert with it, to increase its interest in the Company if it is interested in more than 30 per cent but less than 50 per cent of the issued share capital except, *inter alia*, if the restriction in the Articles is waived by the Board.

The Board of the Company, excluding George Roach (the "Independent Directors") have provided such a waiver so that the issue of the Conversion Shares is a permitted transaction for the purposes of the Articles (the "Waiver"). The Waiver is treated as a related party transaction for the purposes of the AIM Rules. The Independent Directors, who have consulted the Company's Nominated Adviser, consider that the terms of the Waiver and the issue of the Conversion Shares are fair and reasonable in so far as all shareholders are concerned. The Independent Directors have noted in particular that the Conversion Shares are being issued in accordance with and on the terms of the Standby Facility Agreement without amendment.

The issue of the Conversion Shares will not significantly affect George Roach's control over the Company and there will be no change to the Board of the Company.

Following the issue of the Conversion Shares, the Company's issued share capital consists of 503,116,580 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.

Appointment of COO and Project Director

Further to the announcement of 19 June 2014, the Company announces the appointment of Werner Swanepoel as COO and Project Director (non-Board), a role in which he will manage the investigation of the near term production opportunities of the group.

Mr. Swanepoel is a professional mining engineer with 23 years' experience in the mining industry. He has filled various roles in mining operations, mine management, consulting and project development within Central and Southern Africa. Mr. Swanepoel was the Project Manager for Elemental Minerals Limited's Sintoukola Potash project in the Republic of Congo, and Mining project manager for Uramin who advanced several uranium projects from exploration to Bankable Feasibility stage. Prior to joining Uramin, Mr. Swanepoel was a senior mining consultant at Hatch Africa. He spent the early part of his career in mining operations in the South African iron ore and coal mining industry. Mr. Swanepoel holds an MBA from the University of Stellenbosch, a Master of Engineering (M.Eng, Mining) from the University of Pretoria, Mine Manager's Certificates of Competency for both Metalliferous and Coal mining in South Africa and is registered as a Professional Engineer with the Engineering Council of South Africa (ECSA).

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. The Company holds 2m shares in Circum Minerals Limited, the owners of the Danakil Potash Project formerly held in part by AgriMinco Corp. At inception, those shares had a nominal value of \$1,4m. Circum is fully funded to completion of feasibility study.

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