

Premier African Minerals Limited / Ticker: PREM / Index: AIM / Sector: Mining

For immediate release

20 May 2014

Premier African Minerals Limited

('Premier' or 'the Company')

Issue of Equity

Premier African Minerals Limited announces that following completion of the acquisition of AgriMinco Corp's ("AgriMinco") entire interest in Mandalore Development Limited, Premier issued 55,833,454 new Premier Ordinary Shares on 19 May 2014 to AgriMinco ("Consideration Shares"), representing 11.4 per cent. of the enlarged issued share capital of Premier. The issue price of the Consideration Shares was 0.9753 pence per Premier Ordinary Share ("Share"), calculated as the volume weighted average price per Share for the 5 trading days immediately prior to and following the announcement by Premier that it had exercised its option to acquire Mandalore Development Limited. These new Premier shares are subject to standard orderly market trading provisions.

The Consideration Shares will rank *pari passu* in all respects with the existing Shares. Application has been made for the Consideration Shares to be admitted to trading on AIM and admission is expected to take place on 26 May 2014.

Following the issue of the Consideration Shares, the Company's issued share capital consists of 488,116,580 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.

Following completion of the disposal by Premier to Circum Minerals Limited ("Circum") of the entire interest in Mandalore, the net cash received and to be received by Premier, net of the settlement by Premier of certain secured debt obligations owed by AgriMinco, amounts to US\$5 million. Premier will use these cash proceeds to further its exploration projects and provide additional working capital. Circum will issue two million shares in Circum to Premier which Premier intends to retain for the time being, thereby providing Premier with an ongoing interest in the Danakil potash project. Premier's 42 per cent. interest in AgriMinco has been cancelled.

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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.

Information on Mandalore

Mandalore owns a 30% interest in the Danakil potash project ("Project"), which encompasses a potentially significant potash deposit in the Danakil Depression of Ethiopia, with sylvinite horizons amenable to cost effective solution mining. The area covered by the current exploration license is comprised of two leases with a combined area of approximately 365 square kilometers. The operator of the Project is Plinian Capital LLP, a private equity company that specialises in mining investment and operation.

Mandalore is a newly formed company and has not traded or published any financial results. Mandalore's only asset is its interest in the Project which was valued in AgriMinco's last published audited balance sheet as at 30 September 2013 at CAN\$1.35 million, equivalent to approximately £731,000. In the period ended 31 December 2013 Mandalore's effective share of the Project's unaudited loss before taxation amounted to approximately CAN\$3,000.

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