

For immediate release

4 July 2016

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

Premier African Minerals Limited, the AIM-traded, multi-commodity mining and natural resource company with mineral projects located in Southern and Western Africa, announces that the Company’s Chairman and CEO George Roach has agreed to provide a guarantee in respect of any amounts owing under the proposed Memorandum of Agreement with JR Goddard Contracting (Pvt) Ltd (“**JRG**”), details of which were announced in its audited results for the year ended 31 December 2015 (“**Surety**”).

The Company has formally entered into the Memorandum of Agreement with JRG, the contractor for the open pit mining at RHA Tungsten (Private) Limited (“**RHA**”) (“**JRG Memorandum**”) pursuant to which the amount owing to JRG as at 11 March 2016 of US\$851,312 is being settled by Premier at a rate of US\$54,626 per month for a period of 20 months. Under the JRG Memorandum, should the Company recommence open pit mining operations through the direct engagement of JRG during the 20-month period, US\$247,000 will be recovered by the Company by way of equal monthly payments against JRG’s mining certificates over the duration of the new agreement.

In consideration for providing the Surety, the Company has today entered into a put option agreement in respect of its holding of shares in Circum Minerals Limited (“**Circum**”) with George Roach (“**Circum Agreement**”). Under the Circum Agreement, in the event that: (i) Premier fails to meet its obligations under the JRG Memorandum; (ii) JRG exercises its rights under the Surety against George Roach; and (iii) Premier fails to find an alternative buyer for its Circum shares, then the Company may require George Roach to purchase such number of Circum shares at a price of US\$2 per Circum Share (being the fair market value of the Circum shares in the audited results for the year ended 31 December 2015) equal to the total amount then owed to JRG.

As George Roach is a director of the Company, the proposed Surety and Circum Agreement constitutes a related party transaction for the purposes of the AIM Rules. The Board of Premier, other than George Roach, comprising the Independent Directors, considers, having consulted with the Company's nominated adviser, that the terms of the Surety and Circum Agreement are fair and reasonable insofar as all shareholders are concerned.

Enquiries

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Notes

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.

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