



For immediate release

4 June 2013

Premier African Minerals Limited
("Premier" or "the Group")

Amendment of terms to previously announced sale of Togo Phosphate and Industrial mineral assets

Related party transactions

Premier African Minerals Limited, the AIM quoted multi-commodity natural resource company with mineral projects located in Western and Southern Africa, announces that, further to the announcement of 24 May 2013 relating to the acquisition by Ethiopian Potash Corp. ('EPC') (TSX Venture: 'FED'), of Premier's Mali subsidiary G and B African Resources Mali SARL ('Mali Sub'), and its Togo subsidiary, G and B African Resources SARL ('Togo Sub') for an aggregate consideration of 120,000,000 new shares in EPC ('the Combined Transaction'), on 3 June 2013 certain amendments to the sale and purchase agreement in respect of the Togo Sub have been agreed to satisfy the requirements of the TSX Venture Exchange ('TSXV'). The announcement dated 24 May 2013 stated that the Combined Transaction was subject, inter alia, to TSXV and EPC Shareholder consent.

In accordance with the requirements of the TSXV, Premier has agreed to the removal of the escrow provisions in the Togo part of the Combined Transaction, pursuant to which the Togo sale would have completed in escrow with the ability for the transaction to be effectively cancelled and unwound in certain circumstances. Accordingly, pursuant to the terms of the amended Togo sale and purchase agreement, the sale of the Togo Sub will complete following the satisfaction of all conditions precedent and, on completion, the Togo Sub shares will be transferred to EPC and the 100 million EPC consideration shares will be issued to Premier. Following completion, Premier will hold approximately 42% of EPC and will be considered by the TSXV to be a "Control Person". In the Togo sale and purchase agreement, EPC has given customary warranties. Additionally, EPC has warranted that it has or will on closing have funds available which it anticipates will be adequate for an initial six month period and will need to obtain additional funds to cover periods thereafter.

The Combined Transaction remains subject to EPC independent shareholder consent and other conditions precedent as set out in the sale and purchase agreements. EPC intends that a Special and Annual General Meeting of shareholders of EPC will be held on the 30 June 2013.

Related party transactions

For the purpose of the Combined Transaction, George Roach, Bruce Cumming and Pamela Hueston are not independent directors. The Combined Transaction is considered to be a related party transaction under the AIM Rules.

The Company's independent directors, Leslie Goodman and Ian Stalker, have considered the revised terms and conditions of the Combined Transaction. The Independent Directors consider, having consulted with Cairn Financial Advisers LLP, the Company's Nominated Adviser, that the revised terms of the Combined Transaction are fair and reasonable insofar as the Company's Shareholders are concerned.

Commenting on the proposed transaction, George Roach, Premier Chairman said; “The net effect of these transactions will be that Premier acquires a significant interest in EPC that in turn retains a 30% interest in their highly prospective Danakil basin property. At the same time, EPC will re-focus on development of Agricultural and Industrial minerals through the Togo and Mali acquisitions. In particular, the properties in Southern Togo are attractive, as much for the exploration potential as for the presence of extensive infrastructure and proximity to tide-water.”

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