



## For immediate release

24 May 2013

**Premier African Minerals Limited**  
("Premier" or "the Company")

**Formal agreement signed for sale of Togo Phosphate and Industrial mineral assets.**

### **Amendments to previously announced sale of Mali Subsidiary 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 press release of 22 April 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'), on 23 May 2013, the Group has entered into a further agreement ('Togo Agreement') with EPC for the sale of its Togo subsidiary, G and B African Resources SARL ('Togo Sub'), and has concluded certain amendments to the sale agreement ("Mali Agreement") relating to the sale of the Mali Sub as part of the same transaction (together 'the Combined Transaction'). The required amendment to the Mali Agreement arose from a TSX requirement that the 20 million EPC shares to be issued in satisfaction of the purchase price of the Mali Sub be escrowed pending satisfactory completion of a NI43-101 compliant Technical Report that requires a site visit by the Competent Person. The visit will occur when the political situation in Mali has stabilised, provided that visit occurs within 12 months.

The sale of the Togo Sub includes the Southern Togo Phosphate and Clays Project and the Group's Bassar Phosphate Project as described in Premier's AIM admission document dated 10 December 2012. The Togo Sub's Dapaong Gold Project in Northern Togo and its Benin branch, which has applications in for Coltan and Cassiterite are not included in the Combined Transaction and will remain 100% owned by Premier.

#### **Consideration**

Under the revised terms for the Combined Transaction the consideration due to Premier will be satisfied by the issue of 120,000,000 new shares in EPC. Premier will become a Control Person under the rules of the TSX which requires that EPC shareholders consent is given. The value of the consideration is C\$2.4 million based on the EPC midmarket price of C\$0.02 at close of business on the 21 April 2013, the day before the trading halt requested by EPC in advance of the press release of the 22 April 2013 referred to above. Premier will hold approximately 42% of the enlarged issued share capital of EPC. Any dealings contemplated by Premier in EPC shares will be subject to TSX rules that include advance notification and reporting of any dealings.

#### **Danakil**

Through its shareholding in EPC, Premier will gain exposure to EPC's prospective Danakil property in Ethiopia ('Danakil') in which EPC will hold a 30% interest. Danakil borders the advanced properties under development by Allana Potash to the South and South Boulder Mines to the North. EPC has a retained 30% interest in the Danakil and a free carry to Scoping Study and a total spend of \$10 million. Circum Resources Ltd, the holder of the remaining 70% of the property has raised the funds required to meet the carry referred to above and expects to rapidly advance exploration of the property.

#### **Impact of the Combined Transaction**

The net effect on closing of the Combined Transaction will be that Premier retains a significant minority interest in the Mali and Togo properties through its shareholding in EPC, whilst Premier is (1) relieved of their respective on-going operating costs and (2) gains exposure to the prospective Danakil property. Premier will, on closing of the Combined Transaction, be the largest shareholder in EPC and will exercise control over EPC's board.

Subject to shareholder approval, EPC intends to undergo a name change to AgriMinco and will have a focus on Agricultural and Industrial Mineral development of assets in West Africa, allowing Premier to better focus on its specialised metals explorations both in Togo and Zimbabwe; particularly early developments at RHA Tungsten. To this end, George Roach, Premier's chairman, has stated that he intends to increase his working capital facility to the Company from £300,000 to not less than £600,000, subject to agreement with the Premier board.

#### **Further details of the Togo Agreement**

Subject to the satisfaction of all conditions precedent, the Togo Agreement will complete in escrow for a period of 6 months, at which time the Togo Sub shares will be released to EPC and the 100 million EPC shares to be issued to Premier under this agreement will be released to Premier. Escrow release of the securities shall be accelerated in the event that EPC completes a financing of at least C\$2,500,000, EPC announces an agreement for the sale of EPC assets for proceeds of at least C\$2,500,000, or Premier waives the escrow requirements.

However, in the event that EPC fails to maintain certain financial covenants, or EPC loses its interests in the Danakil joint venture with Circum other than in circumstances contemplated in the joint venture agreements at any time during the escrow period, at the election of Premier the escrow arrangements will thereafter terminate and each of EPC and Premier will re-convey or return to the other the securities that were subject to escrow, thereby effectively cancelling and unwinding the Togo Agreement.

Premier shall be entitled to appoint two directors to the board of EPC whilst Premier's shareholding remains above 30% of the issued shares of EPC.

#### **Additional information**

Conditions Precedent to closing includes, but is not limited to, TSX Venture Exchange and EPC shareholder consent. EPC's shareholder meeting is set for 23 June 2013. There can be no certainty that the Combined Transaction will close.

EPC's circular to shareholders, which is available at [www.ethiopianpotash.com](http://www.ethiopianpotash.com), sets out further information. In particular, the circular deals with EPC's financial position. EPC has warranted that it has sufficient available funds to cover an initial six month period and will need to obtain additional funds to cover periods thereafter. In addition, substantial creditors have accepted a deferment of up to 12 months or such time as EPC is able to effect payment, or at the creditors option, settlement through capitalisation at then prevailing market price or C\$0.05, whichever is the higher. In the event that all the creditors were capitalised at the minimum price, Premier's shareholding in EPC will reduce to 37%.

#### **Related party transactions**

For the purpose of the Combined Transaction, George Roach, Bruce Cumming and Pamela Hueston are not independent directors. Premier and EPC have certain shareholders in common and significant shareholders of Premier who will hold approximately 15% of EPC shares in issue after closing. 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 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 terms of the Combined Transaction are fair and reasonable insofar as the Company's Shareholders are concerned.

**For further information please visit [www.premierafricanminerals.com](http://www.premierafricanminerals.com) or contact the following:**

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