

RNS Number : 0859N  
Premier African Minerals Limited  
27 January 2016

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

**Premier African Minerals Limited  
("Premier" or the "Company")  
Open Pit Mineral Resource Review**

Premier African Minerals Limited, the AIM-traded, multi-commodity mining and resource development company focused on Southern and Western Africa, is pleased to issue this interim update on open pit resource developments at the RHA Tungsten mine ("RHA"), in respect of which the Company is the operator and holds a 49% interest. This SAMREC compliant Mineral Resource review was commissioned to support a bulk mining approach and the use of XRT technology to achieve material upgrading as discussed in our announcement 24 November 2015.

**Key Points**

- Significant increase in mining inventory and tonnages of contained tungsten within the pit boundary.
- Previously reported depth and on strike continuity outside the pit boundary confirmed.

George Roach, CEO, commented: *"This re-examination and recompilation of the resource data base is designed to complement test work utilising XRT technology for upgrading of ore in pit. The result of this resource review is encouraging and will support bulk mining and in pit upgrading."*

*At present, delivery of ore from the 926 level underground continues and we are progressing the equipping of the main shaft and other infrastructure necessary to start lifting from the 870 levels in February 2016. At this time, we anticipate RHA operating profitably from this Spring.*

*Resource update compilation continues and the next update is expected to be a complete resource update inclusive of underground and additional Lode/Zone structures not previously included. Initial test work using XRT sorting technology was most favourable and provided the bulk testing soon to commence meets with the same level of success, a combination of underground and open pit operations with pre-plant feed ore upgrading has the promise of significantly improved throughput and reduced direct operating costs."*

**Mineral Resource Review**

This SAMREC compliant Mineral Resource review was prepared by independent competent person, Datamine Software Africa, based on additional data gathered from the Company operated open pit workings and ongoing exploration activities at RHA with an effective date of 31 December 2015. The review is primarily concerned with confirming that a bulk mining approach in conjunction with XRT ore sorting is feasible, and that sufficient Mineral Resources are immediately available in the open pit to support this.

A re-assessment of the geological model, specifically to support bulk mining in the open pit envelope, has resulted in a new naming nomenclature for the previously identified Lodes with the Lodes 2W and 2HW being combined into one mineable Lode and renamed Zone 500. A previously unidentified Zone 400 has been described in the footwall of Zone 500, occurring within the current open pit limits. A total of 9 Zones (of which Zones 100, 200 & 300 are underground within the old workings) have been identified. Only the upper sections of Zones 400 and 500 that are located within the perimeter boundary and planned depth of the open pit (the open pit envelope) are planned to be bulk mined. Other Lodes and/or Zones are expected to be mined from underground and are not expected to be subject to the bulk mining dilution considered for open pit operations.

For this and other reasons set out in this announcement, a direct comparison to the previous resource statement is not relevant. However, if the entire extent of Zone 500 was to be mined as an open pit, beyond the previous depth extensions set out in the open pit envelope, un-depleted contained metal tonnes for Zone 500 within the open pit boundary, when compared to the un-depleted original Lodes

2W & 2HW metal tonnes, has increased by 9,947 tonnes representing a 15% increase.

The Implementation Study Report for RHA Tungsten, published in January 2015, anticipated a short open pit lifespan and described a Mining Inventory on a Run of Mine basis as, "150,228 tonnes of ore at an average grade of 10.24kg/t WO<sub>3</sub> with 1,443,508 tonnes of waste to be mined." Application of the Zone 500 Mineral Resource in this same pit envelope is expected to see greater than 1,000,000 tonnes of ore at an average grade of 1.67kg/t WO<sub>3</sub> fed through in pit upgrading, with resultant significant reductions in waste movement and ore transported to the plant. The XRT test work is designed to confirm that in pit upgrading will reduce the overall mining cost and significantly increase the WO<sub>3</sub> grade delivered to the ROM pad.

For the purposes of this Mineral Resource review, in addition to combining lodes 2W and 2HW into one zone that includes a substantial waste area in between, an exercise in top-cutting has been applied to each Zone on a Zone-by-Zone basis after statistical assessment of the analytical data set for each Zone. This methodology has resulted in a reduction in the previously reported Mineral Resource grade to a depleted, top-cut Zone 500 (as set out in Table 1 below) which relates to that portion of Zone 500 located within the current open pit boundary, but projected to the original resource depth, which is beyond the current planned pit depth.

The Mineral Resource review is set out in table 1 below. The Mineral Resources were reported above a total WO<sub>3</sub> cut-off grade of 0.50 kg/t.

**Table 1: Mineral Resource Zone 400 & Zone 500**

Category	Gross			Net attributable		
	Tonnes	Grade (kg/t)	Contained metal (t)	Tonnes	Grade (kg/t)	Contained metal (t)
<b>Zone 400</b>						
Measured	-	-	-	-	-	-
Indicated	1,092,445	1.09	1,190	535,298	1.09	584
Inferred	1,310,157	0.98	1,284	641,977	0.98	629
<b>Sub-Total</b>	<b>2,402,602</b>	<b>1.03</b>	<b>2,475</b>	<b>1,177,275</b>	<b>1.03</b>	<b>1,213</b>
<b>Zone 500</b>						
Measured	-	-	-	-	-	-
Indicated	2,304,205	1.83	4,217	1,129,061	1.83	2,061
Inferred	1,860,267	1.75	3,256	911,531	1.75	1,597
<b>Sub-Total</b>	<b>4,164,472</b>	<b>1.79</b>	<b>7,473</b>	<b>2,040,592</b>	<b>1.79</b>	<b>3,658</b>
<b>Total</b>	<b>6,567,074</b>	<b>1.51</b>	<b>9,916</b>	<b>3,217,866</b>	<b>1.51</b>	<b>4,859</b>

**Notes:**

1. Premier is the operator of the RHA Tungsten Project ("RHA");
2. Premier holds a 49 per cent. interest in RHA. The net attributable interest represents 49 per cent of the Mineral Resource;
3. Mineral Resources which are not Mineral Reserves have no demonstrated economic viability;
4. The effective date of the Mineral Resource is 31 December 2015;
5. Mineral Resources for RHA have been classified according to SAMREC;
6. The Mineral Resources are fully depleted and top-cut;
7. Source: Datamine Software Africa; and
8. Due to rounding of numbers, columns may not total correctly.

**Competent Person**

The Mineral Resource review is the responsibility of Principal Geologist Dr. Benny Chisonga (BSc Geology (University of Zambia), MSc and PhD Economic Geology (both from University of Johannesburg). Dr Chisonga is accredited to the South African Counsel for Natural Scientific Professions (SACNASP: 400028/11). Dr. Chisonga is a full time employee of Datamine Software

Africa, an independent consultancy. He has sufficient experience relevant to the style of mineralization and type of deposit under consideration, and to the activity he is undertaking to qualify as a Competent Person as defined in the June 2009 Edition of the AIM Note for Mining and Oil & Gas Companies. Dr. Chisonga consents to the inclusion in the announcement of the matters based on Datamine Software Africa's information in the form and context in which it appears and confirms that this information is accurate and not false or misleading.

#### **Qualified Person**

Bruce Cumming has reviewed and approved the commentary above to the extent reference is made to geological resource and resource grade. Mr. Cumming holds a Bachelor of Science (Honours) in Geology from the University of Cape Town and is accredited to the South African Council for Natural Scientific Professions (SACNASP). Mr. Cumming has sufficient geological experience (40 years) to qualify as the Qualified Person as defined in the June 2009 Edition of the AIM Note for Mining and Oil & Gas Companies and is satisfied with the accuracy and precision of this announcement.

#### **Forward Looking Statements**

Certain statements in this announcement, are, or may be deemed to be, forward looking statements. Forward looking statements are identified by their use of terms and phrases such as "believe", "could", "should", "envisage", "estimate", "intend", "may", "plan", "will" or the negative of those, variations or comparable expressions, including references to assumptions. These forward looking statements are not based on historical facts but rather on the Directors' current expectations and assumptions regarding the Company's future growth, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, business prospects and opportunities. Such forward looking statements reflect the Directors' current beliefs and assumptions and are based on information currently available to the Directors. A number of factors could cause actual results to differ materially from the results discussed in the forward looking statements including risks associated with vulnerability to general economic and business conditions, competition, environmental and other regulatory changes, actions by governmental authorities, the availability of capital markets, reliance on key personnel, uninsured and underinsured losses and other factors, many of which are beyond the control of the Company. Although any forward looking statements contained in this announcement are based upon what the Directors believe to be reasonable assumptions, the Company cannot assure investors that actual results will be consistent with such forward looking statements.

#### **Enquiries**

Pamela Hueston	Premier African Minerals Limited	Tel: +44 (0) 755 778 3855
Michael Cornish / Roland Cornish	Beaumont Cornish Limited (Nominated Adviser)	Tel: +44 (0) 207 628 3396
Jerry Keen/ Edward Mansfield	Shore Capital Stockbrokers Limited	Tel: +44 (0) 207 408 4090
Aidan Stanley /Dominic Barretto/Charles Goodwin	Yellow Jersey PR Limited	Tel: +44 (0) 7584 085 670

#### **Notes:**

Premier African Minerals Limited (AIM: PREM) is a multi-commodity mining and 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.

## Glossary of Technical Terms

<b>(Fe, Mn) WO<sub>4</sub></b>	Chemical composition of wolframite
<b>"Footwall"</b>	Mass of rock below a mineral deposit
<b>"Hanging Wall"</b>	Mass of rock above a mineral deposit
<b>"Indicated Resource"</b>	That part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed
<b>"Inferred Resource"</b>	That part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and sampling and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that may be limited or of uncertain quality and reliability
<b>"kg/t"</b>	Abbreviation for kilogramme per tonne
<b>"Lode"</b>	Previous workers identified continuous to semi-continuous mineralised quartz veins as Lodes
<b>"Measured mineral resource"</b>	That part of a mineral resource for which quantity, grade or quality, densities, shape, and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity
<b>"Mineral resource"</b>	Concentration or occurrence of diamonds, natural solid inorganic material or natural fossilized organic material including base and precious metals, coal, and industrial minerals in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge
<b>"SAMREC"</b>	South African Code for Reporting of Mineral Resources and Mineral Reserves
<b>"top-cutting"</b>	Applied to an analytical data set to prevent overestimation of grade due to small analytical data sub-sets that have disproportionately high grades
<b>"Tungsten"</b>	Metallic element known also as wolfram with the chemical symbol W and atomic number 74
<b>"wolframite"</b>	Mineral name for iron-manganese tungstate; (Fe,Mn)WO <sub>4</sub> , an ore of tungsten. The ratio of iron to manganese varies; iron-rich wolframite is known as ferberite FeWO <sub>4</sub> , manganese-rich wolframite is known as hübnerite MnWO <sub>4</sub>
<b>"WO<sub>3</sub>"</b>	Tungsten trioxide

**"XRT  
technology"**

X-ray sorting technique where specific mineral (e.g. wolframite) bearing rock can be separated from specific mineral-poor rock and other impurities. This upgrades in metal terms the material feed to the plant energy and lowers the tonnage of rock requiring processing which results in substantially improved the economics for mineral processing operations.

**ENDS**