



RNS Number : 9700J  
Premier African Minerals Limited

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

For immediate release

19 June 2014

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

**RHA Project Update  
Review of near term reduced Capex production options for RHA Tungsten and  
Zulu Lithium/Tantalum Pegmatite  
Corporate update**

Premier African Minerals Limited, the AIM-traded, multi-commodity natural resource company with mineral projects located in Western and Southern Africa, is pleased to provide an update on the RHA project, and in particular progress with the mine study, discussions with off-take partners and potential debt finance.

**RHA Mine Early Production Review**

The Board is pleased to announce that it has commissioned a further review of potentially low capital cost, near term production alternatives for the RHA Tungsten and Zulu pegmatite. The Company recently announced a substantial increase in the indicated and inferred resource at RHA Tungsten Project ("RHA") in Zimbabwe, in which Premier is the operator and holds a 49 per cent interest. The original mine study suggested an initial open pit approach and then development of a decline for future underground mining. The alternative approach under review contemplates an immediate commencement of mining operations through utilisation of the existing underground development and shaft system, and construction of the plant at the historic site. The plant and flow sheet is expected to be of similar design and capacity to that contemplated in the initial mine study. If the alternative mining approach is adopted, production could commence from as soon as the early part of next year at a reduced mining rate with expansion taking place progressively thereafter. The alternatives under review anticipate that Premier would finance this without the need to raise further equity.

**Mineralogical and Metallurgical Study**

Initial mineralogical and metallurgical studies on which the RHA mining study update is being based have been completed. The mineralogical study has indicated a high grade concentration and anticipated recoveries of the order of 88%. The metallurgical study sample grade was assessed using a composite of all boreholes, including those parts of the ore-body that will not be mined: While the recovery of approximately 60% is acceptable, it underestimates the anticipated outcome and so additional metallurgical test work is now being undertaken, using new underground material samples, so as to enable optimisation of the tungsten crushing and milling processes. The complete studies will be available from our website; [www.premierafricanminerals.com](http://www.premierafricanminerals.com).

## **Mining Study Update**

Premier expects that the updated mining study should be completed in August 2014 dependent on the completion of additional metallurgical test work. The mining study update will reassess the project potential in light of additional information that is now or will be available including:

Updated geology and mineral resources including resources in the measured, indicated and inferred categories (previously only inferred mineral resources were available).

An evaluation of the geotechnical environment at the property (previously not completed).

Results of two rounds of metallurgical test work (previously not available).

It is considered that updating the study based on this additional information will reduce the risk profile of the project.

## **Zulu Pegmatite**

The establishment of a pilot plant is a necessary precursor to mine development of this substantial Tantalum and Lithium enriched pegmatite and Premier expects that such a plant could generate sufficient revenue to cover anticipated further exploration and development costs at Zulu.

## **Off-take and financing**

While Premier has a term sheet for a marketing contract for Wolframite, any final off-take agreement will only be finalised when the additional metallurgical test work has been concluded. In addition, any debt finance will be dependent on the final mine study update.

## **Management appointments**

Premier is also pleased to advise that it has appointed Wolfgang Hampel as Exploration Manager and expects to announce the appointment of a Project Director who will manage the investigation of the near term production opportunities. With extensive African experience, membership of the BDG since 1992 (Association of German Geoscientists), more than 50 international publications and presentations, Wolfgang enhances our levels of competence and professionalism in the management and development of our exploration projects.

## **George Roach, CEO commented that:**

"Following completion of the Circum / AgriMinco transactions, the Company now has the funding to contemplate the low capex, near-term production alternatives for RHA. Whilst I am frustrated that the metallurgical studies need to be repeated, a satisfactory result will significantly strengthen our confidence in the project."

## **Qualified Person**

To the extent that reference is made to the Mining Study Update, Andrew David Pooley, Project Manager and Principal Mining Engineer at Bara Consulting, has read and approved those comments and is satisfied with the accuracy of them. Andrew Pooley has 19 years' experience in the southern African mining industry and holds a B.Eng (Hons) in Mining Engineering, and is a Fellow of the Southern African Institute of Mining and Metallurgy.

The other technical information contained in this announcement has been reviewed and approved by Bruce Cumming. 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 Professionals (SACNASP). Mr. Cumming has sufficient geological experience (over 35 years).

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

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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. The Company holds 2m shares in Circum Resources Ltd, the owners of the Danakil Potash Project formerly held in part by AgriMinco Corp. At inception, those shares had a nominal value of \$1,4m. Circum is fully funded to completion of feasibility study.

## Glossary of Technical Terms

**"Mineral resource"** is a 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.

**"Measured mineral resource"** is 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.

**"Indicated Resource"** is 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.

**"Inferred Resource"** is 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.

**"(Fe,Mn) WO<sub>4</sub>"** is a chemical composition of wolframite.

**"Mineralisation"** is the presence of a target mineral in a mass of host rock.

**"Pegmatite"** A very coarse grained igneous rock, normally of granitic composition. Typically forms during the final states of magma chamber crystallization when the high water content solutions allow rapid crystal growth.

**"Tungsten"** is a metallic element known as wolfram with a symbol of W and an atomic number of 74.

**"Wolframite"** is the 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 hubnerite MnWO<sub>4</sub>.

**ENDS**