

Premier African Minerals Limited ('Premier' or 'the Company')
Positive Results from RHA Tungsten Preliminary Economic Assessment and Concept Mining Study

Premier African Minerals Limited, the AIM quoted multi-commodity natural resource company with mineral projects located in Western and Southern Africa, is pleased to announce positive results from its recently completed Preliminary Economic Assessment ('PEA') and Concept Mining Study ('the Mining Study') at its flagship RHA Tungsten Project ('RHA' or 'the Project'), located in the prospective Kamativi Tin Belt in north-west Zimbabwe.

- The Mining Study confirms the economic potential of Lode 2A to support a tungsten mining operation with an annual rate of ore production of 192,000 tonnes over a six year Life of Mine
- Open pit and underground mine key financials include:
 - Low capital cost of US\$13.5 million
 - Operating cost estimated at US\$59.30 per Run of Mine ('ROM') tonne
 - Net Present Value undiscounted and before tax of US\$118 million
 - Internal Rate of Return ('IRR') before tax of 316%
- Study based on Initial SAMREC Compliant Resource:
 - Inferred SAMREC code compliant resource of 1,093,000 tonnes at a diluted grade of 8.7 kg/t WO₃
 - Indicated SAMREC code compliant resource of 147,000 tonnes at a diluted grade of 4.7 kg/t WO₃
- Premier plan to develop RHA with the aim of recommencing low cost, near term tungsten mining activities in 2014
- Further exploration work planned to upgrade RHA mineral resource and establish limits of economic mineralisation to the SW, NE and in depth

The Mining Study was undertaken by independent mining consultants Royal Haskoning DHV ('RHDHV') (formally Turgis Mining Consultants), with the purpose of determining the economic viability for Premier to re-commence tungsten mining activities at RHA.

The successful delineation of an initial SAMREC compliant resource with a significant grade, combined with the robust results from the PEA and the Mining Study, adds significant confidence to the economic viability of Premier's flagship RHA Tungsten Project in Zimbabwe and expectation of moving the Project into production in the near-term.

The Mining Study indicates a capital cost, inclusive of a 20% contingency of US\$13.5 million, a pre-tax IRR of 316%, positive cash flow of US\$118 million, an undiscounted pre-tax NPV of US\$118 million, a mine life of six years and a lead time to first production of saleable product of about 10 months from initiation of the Project. Premier is actively engaged in discussions with potential off-take partners. The Company is also concluding financing for the Project. There are no other significant issues that need to be addressed before the Project can be initiated.

The Mining Study proposes mining of Lode 2A, initially from an open pit extending to about 40 metres below surface, followed by underground mining (mechanised continuous retreat long hole open stoping with pillars) to about 200 metres below surface, and over a strike length of 300 metres. There are known extensions to the ore body on both strike and dip, which have not yet been included in the Resource statement and were accordingly not considered in the Mining Study.

The Project shows strong promise to be expanded in the future as further exploration is conducted on the known remaining mineralised lodes described in the PEA and the Mining Study. Premier believes that this will add code compliant resources and extend mine life.

The PEA and Mining Study and any reference to economics relates to the operating subsidiary.

The highlights of the Mining Study are set out below for further information and to view RHA's full Competent Person's Report please visit www.premierafricanminerals.com:

Mine Study Highlights

Life of Mine Production	6,791,482 kg WO ₃
Mine Life	6 years
Average Annual Ore Production	192,000 tonnes
<i>Project Economics</i>	
WO ₃ Sale Price*	US\$20,800/tonne of concentrate (65% WO ₃)
Capital Cost (including 20% contingency)	US\$13.5 million
Operating Costs (life of mine)	US\$59.30/ROM tonne
IRR (before tax)	316%
NPV (before tax, undiscounted)	US\$118 million
Free Cash Flow (before tax, undiscounted)	US\$118 million
Processing Plant Recovery	85%

*The product sale price was based on an ammonium paratungstate ('APT') price of US\$400/metric ton unit of WO₃

Premier acknowledges and respects the Zimbabwean Indigenisation process and has agreed in principle with the Company's Zimbabwean partner, the National Indigenisation and Economic Empowerment Fund that Premier's exploration costs will be reimbursed through a loan account established in the operating subsidiary. Premier will manage the Project and the operating subsidiary will be responsible for development costs. Premier will hold 49% of the operating subsidiary.

Initial Mineral Resource Estimate – July 2013

The geological model at RHA focuses on six mineralised lodes (1, 2, 4, 5, 6 and 7). These sub-parallel lodes trend northeast-southwest and dip steeply (85°) to the northwest. The geological model is underpinned by data from historical underground channel samples and sections of mined-out and interpreted reefs. The historical data was complemented by the Company's recent

trenching and drilling programmes. Recently, Premier completed a 1,302 metre six hole drilling campaign and more than 258 metres of trenching, further details of which are set out in the announcements of 18 February 2013 and 17 April 2013. The drilling confirmed the presence of numerous quartz-tourmaline veins that are highly mineralised with wolframite. All holes with the exception of RHA DD06 intersected the lodes at depth, enabling a depth extension down to the 750 metre level based on geological continuity. The trenching was completed over the drill hole traces, targeting the expected outcrop of Lode 2. The new trenches were geologically logged and channel sampled and confirmed the occurrence of quartz veins with wolframite, which helped locate the outcrop positions of Lode 2 A and B and other reefs.

At this time a Resource has been declared only for Lode 2, which covers two areas (Lode 2A and Lode 2B). The in-situ mineral resource was prepared by independent consultants CAE Mining Africa, of South Africa ('CAE') and is based on both the current drilling and trenching data in addition to the historical data. The mineral estimates have been prepared in accordance with the SAMREC code, the South African code for the reporting of exploration results, minerals resources and mineral reserves.

The first mineral resource estimate for Lode 2A is an Inferred SAMREC code compliant Resource of 1,093,000 tonnes at a diluted grade of 8.7 kg/t WO₃, as defined by boreholes DD02, 03 and 04, over a strike of 300 metres and to the 750 metre level.

A second SAMREC code compliant Resource of 147,000 tonnes at a diluted grade of 4.7 kg/t WO₃ in the Indicated category was also defined over an area known as Lode 2B. Lode 2B is a 100 metre strike extension to Lode 2A, which occurs within a 30 metre by 30 metre radius, to the 750 metre level. This estimate has been defined using intersections of veins E to I in borehole DD05 and by channel sampling results from relevant parts of underground developments on the 926 metre, 865 metre and 859 metre levels. It must be noted that this area has been historically mined (to the 859 metre level) and therefore the depleted ore resource from this has been taken into account when compiling this resource estimate.

The SAMREC compliant Resources are summarized below.

Lode	Resource Classification	Volume (m³)	Tonnes*	Density (kg WO₃/t)	W0₃ (kg/t)	Content (kg WO₃)
2A	Inferred	382,200	1,093,000	2.86	8.70	9,509,100
2B	Indicated	51,400	147,000	2.86	4.68	680,610

Note: Tonnages have been rounded off

Concept Mining Study

The Mining Study was based on the initial mineral resource defined above for Lode 2A only, and did not take into account the existing underground workings, which can access Lodes 3 and 7 to the south of Lode 2A. Nonetheless, RHDHV believes that there is a potential opportunity to expand

RHA's operations at a later stage to include these underground workings, once further exploration and feasibility work has been conducted.

RHDHV has recommended that Premier conducts further work to upgrade the RHA mineral resource. This work should be based on additional diamond drilling, which is expected to consist of at least 1,300 metres of drilling for 13 boreholes. The aim of this work would be to drill out Lode 2A on 50 metre centres and also establish the limits of the economic mineralisation to the SW, NE and in depth. It is also anticipated that this additional drilling will add to the understanding of the persistent copper ('Cu') anomalous assay results that have been observed at up to 3% Cu apparently in association with the WO₃ mineralisation.

The main design parameters applied to the design and schedule of the mine are listed below:

- Mining will incorporate an open pit to 40 metres below surface ('BS') followed by underground mining to the 750 metre level, which is approximately 200 metres BS;
- The primary access system for the underground mining will be a trackless decline with the portal positioned to the north of the open pit;
- Lode 2A is made up of a series of narrow steeply dipping veins that were found to be collectively economic over a mining width of some six metres and is confined to mining the ore body over a strike distance of 300 metres and depth of ± 200 metres BS;
- There are known extensions to the east not included in the Mining Study;
- The underground mining will be mechanised, using small teams for the development, stoping and rock handling;
- Assuming Lodes 3-7 provide positive results following exploration drilling, it is anticipated that payable zones will be extracted by hand held conventional mining to augment extraction from the Lode 2A mechanised operation;
- It is proposed to employ contractors for both the open pit and underground mining phases;
- Processing will be mainly gravity separation following manual waste sorting ahead of the mill. A processing recovery of 85% was used for the Mining Study;
- The site is accessible via the main Bulawayo-Victoria Falls tar road and 23 km of gravel road to the mine;
- Electrical power will be available from a Zimbabwe Electricity Supply Authority (ZESA) power line;
- Water will be imported from a borehole in Lukhosi, which is about 20 km west of the mine site;
- Processing plant construction is expected to take approximately nine months; and will include a floatation circuit for Cu concentrate recovery.
- Saleable product could be available some 10 months after commencement of operations.

Capital Costs

In terms of capital costs, a summary is provided below indicating a total upfront capital cost of US\$13.5 million which includes a 20% contingency. The capital definition was for the plant and infrastructure only. Mining capital forms part of the mining contractors' rates and is accounted for in the operating cost. The accuracy of the estimates is within $\pm 40\%$.

Description	Capital Cost (US\$ million)
Mining	0
Processing	3.9
Surface Infrastructure	7.3
Contingency @ 20%	2.2
Total	13.5

Operating Costs

The operating cost estimate is shown in the table below. The average life of mine operating cost is estimated to be US\$59.30 per life of mine (“LOM”) tonne.

Description	Operating Costs (US\$ / tonne)
Mining & engineering	44.4
Processing	3.7
Environment	0.8
Management Services	8.6
Transport/Freight	1.8
Total	59.3

Financial Evaluation

Production is expected to start in year one and continue for six years and production of 192,000 ore tonnes per annum (16,000 ore tonnes per month) is expected to be reached within the first 12 months of operation. The financial evaluation schedule over the life of the mine is shown in the table that follows. Note that the values presented in the table have been rounded.

Year	LOM	1	2	3	4	5	6
Mined Tonnes (t'000)	904	48	192	192	192	192	88
65% WO ₃ Concentrate (tonnes)	8,881	472	1,887	1,887	1,887	1,887	864
Revenue (US\$ million)	184.7	9.8	39.2	39.2	39.2	39.2	18.0
CAPEX (US\$ Million)	13.5	13.5					
OPEX (US\$ million)	53.6	5.1	11.9	11.1	11.3	9.7	4.6
Pre Tax Free Cash Flow (US\$ million)	117.7	-8.7	27.4	28.2	28.0	29.5	13.4

The sensitivity of the Project to the price of APT was undertaken and is reported as follows. Note that an APT price of US\$400/mtu was the basis for the product price used in the evaluation of the Project.

APT price (US\$/mtu)	Undiscounted NPV (US\$ millions)
300	72
350	95
400	118
450	141
500	163

RHA Additional Information

Intermittent small-scale mining has been conducted at RHA and the adjacent Tung mine (which Premier has an option to acquire) located 5 km away. Between 1931 and 1979 the mines jointly produced 1,247 tonnes of WO₃ in wolframite concentrate at an average concentrate grade of 65% WO₃.

RHA occupies a low ridge, which is approximately 850 metres long, 300 metres wide and stands about 80 metres above its surroundings. Historic mine workings are in the form of adits, open pits, caved stopes, trenches, roads and rock dumps that occupy the surface. Tailings dumps are located on the north and south sides of the ridge. Previous mine development was almost entirely carried out during the 1930s where the mine was developed on 30 metre levels from the 945 metre level to the 859 metre level, by means of horizontal adits into the sides of the ridge, and a single vertical shaft down to the 845 metre level. Some open pitting also occurred on the western part of the deposit.

During the mid to late 1970s Falconbridge Ltd (which is now part of Xstrata), trading as Blanket Mines in Zimbabwe, carried out underground geological mapping and extensive channel sampling on the accessible parts of the underground workings, principally on the 926, 865 and 859 levels.

At RHA, the known mineralised lodes and veins occur within an envelope that extends over a strike of approximately 400 metres with a maximum width of 150 metres. The lodes are thought to converge to the east of the property. The lodes strike approximately northeast-southwest paralleling the regional trend of Kamativi Inlier. The host country-rock comprises high-grade, strongly foliated biotite schists and paragneisses of the Precambrian Dete Inlier belonging to the Tshontada Formation. The formation trends north-east on a regional scale, paralleling the trend of the Kamativi Inlier and dips steeply to the north-west.

The tungsten mineralisation occurs in quartz veins and shear zones, within a sequence of quartz-tourmaline and pelitic schists that may be associated with granite intrusions. High metamorphic grades with localised partial melting are also evident. The schists also show that extreme deformation has occurred and mylonite bands are common. The association of quartz veins with tourmaline schists form distinct lodes, which were exploited by historic mining at RHA. These lodes are steeply dipping to the northwest at 80° to 90°. Seven lodes were exploited in the past.

The tungsten mineral of primary economic interest is wolframite (Fe,MnWO₄), with minor amounts of scheelite (CaWO₄). The only other mineral of possible economic significance is chalcopyrite (CuFeS₂). The wolframite occurs as euhedral crystals, laths and clusters that may be up to 50 mm by 30 mm in size. This very coarse grain size is characteristic of the quartz vein-hosted tungsten mineralization.

Qualified Person

The technical information contained in this announcement has been prepared and reviewed by Robert Ingram BSc, C.Eng., Pr.Nat.Sci., FGSSA, MSEG, and Alexander du Plessis PrEng, BSc(Eng), MSc(Eng), CertEng, FSAIMM, who are the appointed consultants to Premier African Minerals Limited. Professor du Plessis is also a director of the Company. Mr Ingram is registered with The South African Council for Natural Scientific Professions (SACNASP) Registration Number 400057/92, and Professor du Plessis with the Engineering Council of South Africa (ECSA) Registration Number 950232. They are satisfied with the accuracy and precision of this release by Premier African Minerals Limited.

****ENDS****

For further information please visit www.premierafricanminerals.com or contact the following:

Pamela Hueston	Premier African Minerals Limited	Tel: +44 (0) 755 778 3855
Tony Rawlinson	Cairn Financial Advisers LLP (Nomad)	Tel: +44 (0) 207 148 7900
Jerry Keen	Shore Capital Stockbrokers Limited (Broker)	Tel: +44 (0) 207 408 4090
Edward Mansfield	Shore Capital Stockbrokers Limited (Broker)	Tel: +44 (0) 207 408 4090
Felicity Edwards	St Brides Media & Finance Ltd (PR)	Tel: +44 (0) 20 7236 1177
Charlotte Heap	St Brides Media & Finance Ltd (PR)	Tel: +44 (0) 20 7236 1177

About Premier

Premier African Minerals Limited is a multi-commodity exploration and development company focussed in Southern and West Africa. As well as its shareholding in TSX quoted Agriminco, the Company has a diverse portfolio of multi-commodity projects which includes tungsten, rare earth elements ('REE'), gold, lithium, tantalum and uranium in Zimbabwe and Togo, which span from brownfield projects with near-term production potential to grass-roots exploration. Premier plans to create value by implementing defined exploration and development programmes to prove-up resources with a view to future production and/or forming strategic alliances and completing corporate transactions to maximise shareholder value.

Premier is a controlling party to TSX-V listed Agriminco (TSX-V: ANO), holding 120 million shares representing 42% of Agriminco. See www.agriminco.com. In addition, Premier's Katete REE project in Zimbabwe has the potential to be developed as an open pit mine. The project, which spans 3,750 ha, has returned a peak result from trenching of 14.6% TREO.

