

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

For immediate release

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Premier African Minerals Limited

("Premier" or the "Company")

RHA Tungsten Project Update

Premier African Minerals Limited, the AIM-traded, multi-commodity natural resource company with mineral projects located in Western and Southern Africa, today provides an update on its RHA Tungsten Project, in Zimbabwe.

Highlights

- Premier has adopted a phased implementation strategy, consisting of four work programmes:
 - o Trade off studies to evaluate options with regards to mining, power supply, water supply, tailings facility, and the general layout.
 - o Early works programme.
 - o The Old Mine phase - this takes full advantage of the existing infrastructure and historic development to fast track to early production from the previously developed underground resource.
 - o The New Mine phase - this will focus on the previously reported code compliant resource.
- Contractors appointed to deliver the phased implementation strategy.
- First Production targeted for the first half of 2015.
- Estimate of potential early revenue of USD 4.6m to USD 7.3m.

George Roach, CEO, commented:

"The focus for Premier is the achievement of specific design and operational objectives, to get to production at RHA by the first half of 2015. On the one hand, the decision to focus on this phased approach has partly contributed to a delay in the update of the original concept study on the New Mine, whilst on the other, the New Mine will benefit significantly from the detail work now being done on the Old Mine phase and will be at a substantially higher level of confidence than the conceptual nature of the original study."

Premier is currently focussed on completing four work programmes including: trade off studies, early works programme, implementation study on the Old Mine phase, and the implementation and design study on the New Mine phase. Significant progress has been made in new metallurgical test work under way simultaneously in Harare and Johannesburg. Early results indicate that saleable concentrates may be produced at recoveries significantly higher than was indicated in the original metallurgical test work undertaken earlier this year. The final mass balance is expected within the next 14 days.

Detailed aerial survey and orthophotography has been completed and has resulted in the discovery of additional historic exploration and a further adit. The New Mine phase will benefit substantially from the detail design work completed for the Old Mine phase and this will allow a seamless transition from the Old Mine to the New Mine phase.

Trade off Studies

· Trade off studies in support of the detail design of the Old Mine and New Mine have been commissioned and are expected to be completed by mid-September. The studies evaluate options with regards to mine access, mining rate, mining width, power supply, water supply, tailings facility and general layout.

Early Works Programme

An early works programme has been developed and initiated which will deliver the following:

- Dewatering of the Old Mine
- Rehabilitation of the Old Mine underground workings
- Establishment of a working camp to accommodate construction teams
- Upgrade of the 25km gravel access road
- Identification and development of a ground water source

Contractors

- Peacocke and Simpson was commissioned to design, manufacture and supply the plant. The preliminary design and quotation has been provided and is under review at this time.
- CAE Mining has been engaged to estimate the Old Mine resource based on previously reported non-compliant historic underground developed reserves. This resource estimate will be upgraded to a code compliant resource as soon as access has been established underground and confirmation channel sampling has been performed. This non-compliant historic underground developed reserve would subsequently be upgraded to a code compliant reserve.
- Bara Consulting has been engaged to provide the Old Mine and New Mine implementation design.
- Senet Engineering has been engaged to provide infrastructure and other support facilities for the early works and are in the process of being engaged to conduct the detail design of the Old Mine Phase.
- Whaleside Shaft Sinking is in the process of being engaged to dewater and reopen the Old Mine workings. Discussions are underway in regard to shaft equipping and mining contract for the Old Mine phase.
- Bumira Environmental Consults have been engaged to attend to the ESIA and the prospectus has been completed and submitted.
- J R Goddard Contracting have completed site visits and discussions are underway to provide access road upgrades, general construction and earthworks.
- Fraser Alexander have completed site visits and discussions are underway to provide Tailings design and construction.

Early Revenue

Our initial estimates indicate potential early revenue of the order of US\$4.6m-US\$7.3m and possible overall peak funding requirement reduction from the figures set out in the original mining study of circa US\$2m. This revenue may originate from the reprocessing of existing tailings of approximately 60,000 ton grading at 2,2Kg to 2,8Kg per tonne of WO₃ and the mining and processing of historically developed underground non-compliant reserves of 100,000 tons grading at 0,75% Tungstic Oxide, as reported in *Base Metal And Industrial Mineral Deposit Of Zimbabwe, By D.S.Bartholomew, Mineral Resources Series No 22, Zimbabwe Geological Survey Harare (1990)*. Reprocessing of tailings is subject, inter alia to completion of metallurgical studies underway at present and the mining and processing of the non-compliant historic reserve is subject to a number of factors among others, upgrading to a code compliant reserve and completion of the various processes set out above. Potential revenue for 2015 from tailings is estimated at US\$2.7 million and from the underground mineralisation at US\$4.6m. These revenue assumptions are based on a Wolframite concentrate at 65% WO₃, 60,000 tons tailings estimated at 0.285% WO₃ and 100,000 tons of historic non-compliant reserves at 0.75% WO₃, APT price of US \$370/mtu and 20% discount on WO₃ concentrate, 70% recovery on tailings and 75% recovery on Old Mine. Processing of tailings to commence in April 2015 and Old Mine production in July 2015.

Review of Exploration Activities.

Premier is in the process of an extensive review of its other exploration activities both in Zimbabwe and in West Africa and is pleased to report that we are in negotiations intended to result in the disposition of our properties in West Africa. Subject to finalising these negotiations, Premier will have no further financing obligations in regard to those properties and will focus on our Zimbabwe operations. A strategic review of our exploration activities in Zimbabwe culminated in a decision to focus on tantalum and lithium at Zulu Pegmatite, Fluorspar at Tinde, Graphite at our Globe deposits and other possible acquisitions.

Qualified Person

Werner Swanepoel, Chief Operating Officer of Premier, has reviewed and approved this release to the extent that information contained herein relates to mining and mine development. Mr Swanepoel has 20 years' experience in the southern African mining industry and holds a Master's degree in Mining Engineering, an MBA and Mine Manager's Certificates in both Metalliferous and Coal Mining. He is a registered Professional Engineer with the Engineering Council of South Africa.

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).

Forward Looking Statements

Certain statements in this announcement, including the estimates of potential early revenue, 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.

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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 and tantalum 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 Minerals Limited, 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) WO₄**" 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)WO₄, an ore of tungsten. The ratio of iron to manganese varies; iron-rich wolframite is known as ferberite FeWO₄, manganese-rich wolframite is known as hubnerite MnWO₄.

"**Tungstic Oxide**" is **Tungsten Trioxide. WO₃**.

"**APT**" Means Ammonium para-tungstate.

"**mtu**" is 10Kg of WO₃ contained within a concentrate at 65%.