



For immediate release

3 February 2015

**Premier African Minerals Limited (“Premier” or “the Company”)
Signing of unsecured convertible loan note**

Premier African Minerals Limited, the AIM-traded, multi-commodity natural resource company with mineral projects located in Southern and Western Africa, announces that it has signed an agreement on 2 February 2015 for £1,000,000 (gross) zero coupon senior unsecured convertible loan notes (“Note”) with Darwin Strategic Limited (“Darwin”). The Note will be divided into 40 individual notes with a par value of £25,000 each (“Par Value”). The Note has been issued today and will be used to part fund the development of RHA Tungsten (Private) Limited (“RHA”), Premier African Mineral’s flagship Tungsten Project located in Zimbabwe. Premier is the operator of RHA and holds a 49% interest.

George Roach, CEO, commented:

“Premier mobilises civil construction and road upgrade and commences construction management contracts this week. At this time, the target for commercial production remains June 2015. Additional finance of approximately US\$2m will still be required to meet the budgeted cash flow shortfall to commercial production and Premier anticipates that the bulk of this will be secured as asset finance against the plant and power generation equipment on order and under manufacture.”

Terms of the Loan Notes

For each £25,000 loan note issued, Premier will receive 90% of the Par Value, equivalent to £22,500 per loan note. The issued notes will redeem after a period of 12 months from the date of issue, unless otherwise converted, and will be settled in cash at 100% of Par Value, equivalent to £25,000 per loan note.

From 1 March 2015, the loan notes are convertible at Darwin’s election into new Ordinary Shares in Premier at the conversion price, being the lesser of 1.35 pence per new Ordinary Share or 90% of the arithmetic average of the five daily volume weighted average share price per Ordinary Share preceding conversion.

Premier, at its election, has the right to redeem prior to maturity one or all of the outstanding loan notes in cash at 105% of the Par Value (equivalent to £26,250 per loan note), subject to Darwin’s

right to convert up to eight loan notes in lieu of any such redemption. In addition, from 1 July 2015, the Company has the option to redeem eight loan notes per month at 105% of Par Value in cash and on the first business day of every month thereafter until all of the loan notes have been redeemed. So long as Premier makes these cash redemptions Darwin shall have no right of conversion during the relevant calendar month. In addition to the other redemption rights the loan notes are redeemable in the event of a change of control or the occurrence of an event of default in cash at 120% of the Par Value.

Darwin has also been issued with warrants to subscribe for 40,000,000 new Ordinary Shares at an exercise price of 1.25 pence per new Ordinary Share. The warrants can be exercised over a 3 year period.

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Notes

Premier African Minerals Limited (AIM: PREM) is a multi-commodity exploration and development company focused in Southern and Western Africa. The Company has a diverse portfolio of multi-commodity projects which includes tungsten, rare earth elements, gold, lithium, tantalum, graphite 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 Minerals Ltd (“Circum”), the owners of the Danakil Potash Project. At present those shares are valued at US\$2.5m based on the latest price at which Circum has accepted subscriptions.