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

For immediate release

30 September 2015

Premier African Minerals Limited
('Premier' or 'the Company')

Unaudited Interim Results for the six months ended 30 June 2015

Premier African Minerals Limited, the AIM quoted multi-commodity mining and resource Development Company focused on Southern and Western Africa, announces its unaudited interim results for the six months ended 30 June 2015.

Highlights

- Mine construction at RHA and installation of the plant completed in June 2015
- USD 3.4m further investment in capex in the building of RHA during the period
- Production at RHA commences

Executive Chairman and CEO Statement

One year ago, Premier took the decision to proceed to mine construction at our RHA Tungsten Project ("RHA") based on a low capital open pit strategy. Today, RHA is in production. Further plant modifications were completed on 28 September 2015 and an early decision taken to extract ore from underground from October 2015.

Original design and budgets at RHA were based on throughput of 16 tons per hour ROM feed, an 82% recovery and production of approximately 5,800 mtu per month. The combination of complementing underground ore with open pit and the plant modifications is expected to see the original production target met in the fourth quarter of this year and potentially being exceeded as optimization and fine tuning on the recovery circuits continues.

Premier is however much more than just RHA. Significant new exploration tenements have been secured in Benin that fit the Premier model of reduced exploration risk and near-term, low capital production of metals and minerals that fit into special categories that are less susceptible to falling price and demand. Between the tenements in Benin and others in Zimbabwe, Premier has projects concerned *inter alia* with tin, tantalum, fluorspar, graphite, caesium and a variety of lithium minerals that include massive spodumene and petalite.

The next key step for Premier will be making the transition to profitability and reliance on our own resources. It is both one of the most challenging times to bring any new mine into production, and a time when a mine that survives in these times is likely to survive and flourish for many years. Our expectation is that RHA will become profitable by the end of the fourth quarter 2015. Thereafter it is expected to meet plant rental payments and to start paying down debt owed to Premier from the first quarter in 2016. Whilst Premier has outstanding loans of approximately USD4m in total, the current fair value of the shareholding in Circum Minerals Limited ("Circum") is USD4m and RHA is indebted to Premier in excess of USD11m at this time. It should be noted that Premier received a formal written offer to acquire Premier's Circum shares at USD1.20 per share for gross proceeds of USD2.4m. The Board, after due consideration, elected not to accept this offer at this time as the Board believes that the Circum shares have the potential for significant value in the medium term and which, in the opinion of the Board, significantly outweighs the costs of the Darwin facility that would of necessity have been paid down from these proceeds.

RHA Tungsten Project – Zimbabwe ("RHA")

RHA moved into early production in June 2015. The plant is undergoing optimisation and certain necessary modifications to achieve not just steady state from a continuous feed perspective, but also in terms of recoveries of concentrate. Our targets are monthly production of approximately 5,800 mtu of WO_3 from a feed rate of 16 tons per hour, a recovery of greater than 80% and concentrate grades greater than 60% contained wolframite. First revenue was predicted from June 2015 and revenues were anticipated to cover repayment of RHA debt due to Premier. Repayment of this debt is now expected, as described above, to commence in the first quarter in 2016. In this regard, RHA indebtedness to Premier as at 30 June 2015 amounted to USD11 million (exclusive of plant rental payments due monthly and other debt incurred through additional borrowings from Premier during July 2015 and subsequently).

Ownership of the plant at RHA is held by RHA Tungsten Mauritius Limited, a 100% owned Premier subsidiary, until the debt directly associated with the plant acquisition is settled in full by RHA. As previously announced, a facility from Darwin Strategic Limited was used to finance the RHA plant. To the extent that RHA delays any debt repayments due to Premier and as a consequence Darwin Strategic Limited elects to convert any loan notes then due into new Premier ordinary shares, the debt owed by RHA to Premier will increase to reflect any such dilution.

Premier has recently taken the decision to progress to underground development immediately through mining of accessible faces and developed and un-developed stopes and raises all on the 926 level. This decision has been driven by a number of factors that include delays in reaching an acceptable steady state of production from the plant, but more particularly that underground mining is expected to reduce RHA's overall production costs from an anticipated USD89 per mtu. This in conjunction with a greater anticipated throughput from the process plant may in the medium term offset issues associated with delays in meeting initial production target dates. The plant at RHA has instant feed capability of up to 20 tons per hour. At present the plant is operating below maximum capacity but this is expected to change as modifications in the process of installation at this time come on stream.

Production of concentrate was forecast at 5,800 mtu contained wolframite in a concentrate greater than 60%. At current APT pricing and after discount, RHA receives approximately USD125 per mtu. The exact payment is varied dependent on contained deleterious material and final concentrate grade. RHA has supplied initial shipments of 20 tons and has been paid 90% of the purchase price, with the balance due subject to adjustments for any variation in the final product specifications on out-turn and APT prices during the period immediately before and after shipment date.

This production forecast assumes a feed grade at 1% wolframite contained in the feed material and the tonnages and recoveries set out above. When feed rate increases and grade remains the same, production of wolframite increases.

When the plant is fully optimised and stable and underground feed is added, a further update will be provided on expected production and revenue.

Zulu Pegmatite

Zulu is emerging as a significant “next in line” project as soon as RHA is developed. In this regard, Premier is in the process of collecting bulk samples and metallurgical test work is expected before the end of Q4 2015.

Circum Minerals Limited

Premier holds 2 million shares in Circum with a fair value of USD4m as at the reporting date based on recent placements completed by Circum. Further details on the progress of the Danakil Potash Project are available at Circum’s website, www.circumminerals.com.

Togo and West African Operations

The status of our operations in Togo remain as previously reported in our annual report. Assuming resolution of the issues presently under negotiation with Togolese officials, Premier intends to farm-out these projects into an independent Togo-centric exploration company in due course.

Financial Review

In the six months to 30 June 2015 the Group generated a net loss USD2.2m. The net loss includes:

- USD726k in finance costs, primarily related to the issuance of loan notes to finance RHA
- USD1.5m in administrative expenses that includes USD81k in share based payment costs for share options charge during the period

In addition to the USD3.4m invested in capex to build RHA, the Company invested a further USD885k in the development of RHA during the period that has been capitalised to exploration and evaluation assets.

During the period, the Company raised net funding of USD4.6m through the issuance of loan notes (USD3.2m), the exercise of warrants (USD860k) and USD500k in related and non-related party loans. £1m in loans notes (approximately USD1.5m) were fully converted to equity during the period.

Subsequent to the period end, a further £734k (USD1.1m) was raised through direct placements primarily for operational requirements at RHA and, as described more fully below, a USD300k bridge loan has been provided by myself directly to RHA.

Funding

Premier has made a number of direct share placements over the past months and to the extent necessary will consider similar financing if required. I remain committed to the success of Premier and continue to support the Company, as disclosed above. The Board is reviewing the funding requirements in conjunction with the RHA mine development and regularly reviews various offers of finance to develop its other projects to maximize shareholder value.

Outlook

We look forward in the medium term to significant developments as RHA moves to steady state and underground production commences, with first ore deliveries expected late October 2015. In the short term, RHA remains dependent on Premier, but when this changes, Premier expects to see significant loan repayment.

George Roach
Executive Chairman and CEO

RHA Loan

The Company's Chairman and CEO George Roach and the Company on 29 September 2015 agreed the terms of a bridge loan of up to USD1,000,000 of which USD300,000 is drawn as of today ("RHA Loan") to be made directly to RHA Tungsten (Pvt) Limited ("RHA") to be used for exploration activities and mine development and to provide additional working capital funding to RHA. The RHA Loan is unsecured and bears interest at 3% per annum. The RHA Loan is repayable by RHA as and when RHA sustains a steady state of production at RHA or as may be agreed between George Roach and RHA. The RHA Loan is a related party transaction for the purposes of the AIM Rules. The Board of Premier, other than George Roach, have not participated in the RHA Loan and are therefore independent under the AIM Rules for the purposes of considering the RHA Loan (the "Independent Directors"). The Independent Directors consider, having consulted with the Company's nominated adviser, that the terms of the RHA Loan are fair and reasonable insofar as the Company's shareholders are concerned.

Variation to RHA Shareholders' Agreement

On 29 September 2015, the Company entered into a Deed of Variation with RHA, the National Indigenisation and Economic Empowerment Fund ("NIEEF"), RHA Tungsten Mauritius Limited and ZimDiv Holdings Limited, to amend the obligation to pay NIEEF a lump sum of USD750,000 as commercial production has occurred at RHA.

The variation has allowed the Company the opportunity to pay the amount in either cash or the issue of new ordinary shares through 8 tranche payments. The first tranche is due at the beginning of October and last tranche will be made on 22 May 2016. The Company has elected to meet the first tranche payment through an issuance of ordinary shares in favour of NIEEF to the total value of USD100,000.

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.

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

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
Dominic Barretto/Charles Goodwin/Aiden Stanley	Yellow Jersey PR Limited	Tel: +44 (0) 779 900 3220

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME EXPRESSED IN US DOLLARS

	Notes	Six months to 30 June 2015 (Unaudited) $ 000	Six months to 30 June 2014 (Unaudited) $ 000	Year to 31 December 2014 (Audited) $ 000
Administrative expenses	4	(1,496)	(1,516)	(3,203)
Depreciation and amortization expense		(8)	(3)	(10)
Impairment of exploration and evaluation assets		-	(133)	(137)
Operating loss		(1,504)	(1,652)	(3,350)
Share of Joint Venture results		-	(2)	(2)
Loss on revaluation of financial instrument		-	(239)	-
Loss on settlement of financial instrument		-	-	(136)
Gain on disposal of interest in AgriMinco Corp		-	679	679
Gain on sale of investment in Joint Venture		-	2,283	2,283
Gain on extinguishment of debt		-	5	5
Finance costs		(726)	(16)	(16)
		(726)	2,710	2,813
Profit (Loss) before income tax		(2,230)	1,058	(537)
Income tax expense	5	-	-	-
Profit (Loss) for the period		(2,230)	1,058	(537)
Other comprehensive income:				
Items that may be subsequently reclassified to profit or loss:				
Gain arising on available for sale financial asset		1,500	-	1,100
Foreign exchange translation		(277)	165	154
		1,223	165	1,254
Total comprehensive income for the period		(1,007)	1,223	717

Profit (loss) attributable to:				
Owners of the parent		(1,998)	1,449	14
Non-controlling interests		(232)	(391)	(551)
Profit (loss) for the period		(2,230)	1,058	(537)
Total comprehensive income attributable to:				
Owners of the parent		(775)	1,614	1,268
Non-controlling interests		(232)	(391)	(551)
Total comprehensive income for the period		(1,007)	1,223	717
Earnings (loss) per share (expressed in US cents)				
Basic earnings (loss) per share	6	(0.5c)	0.2c	(0.1c)
Diluted earnings (loss) per share	6	(0.5c)	0.1c	(0.1c)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION EXPRESSED IN US DOLLARS

	Notes	30 June 2015	30 June 2014	31 December 2014
		(Unaudited)	(Unaudited)	(Audited)
		$ 000	$ 000	$ 000
ASSETS				
Non-current assets				
Intangible exploration and evaluation assets	7	7,691	6,176	6,806
Investment	8	4,000	1,400	2,500
Property, plant and equipment	9	4,417	32	1,040
Total non-current assets		16,108	7,608	10,346
Current assets				
Derivative financial instruments		-	181	-
Trade and other receivables	10	295	4,255	1,272
Cash and cash equivalents		1,125	165	174
Total current assets		1,420	4,601	1,446
TOTAL ASSETS		17,528	12,209	11,792
LIABILITIES				
Current liabilities				

Trade and other payables	11	(2,037)	(652)	(695)
Convertible loan notes	12	(1,384)	-	-
Borrowings	13	-	-	(767)
Total current liabilities		(3,421)	(652)	(1,462)
Non-current liabilities				
Convertible loan notes	12	(462)	-	-
Borrowings	13	(1,278)	(1,498)	-
Total non-current liabilities		(1,740)	(1,498)	-
TOTAL LIABILITIES		(5,161)	(2,150)	(1,462)
NET ASSETS		12,367	10,059	10,330
EQUITY				
Share capital	14	17,593	14,284	14,792
Merger reserve		(176)	(176)	(176)
Foreign exchange reserve		22	310	299
Share based payment reserve		929	848	1,118
Retained earnings		(6,142)	(5,741)	(6,076)
Total equity attributable to the owners of the parent company		12,226	9,525	9,957
Non-controlling interests		141	534	373
TOTAL EQUITY		12,367	10,059	10,330

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
EXPRESSED IN US DOLLARS

	Notes	**Six months to 30 June 2015 (Unaudited)**	**Six months to 30 June 2014 (Unaudited)**	**Year to 31 December 2014 (Audited)**
		$ 000	**$ 000**	**$ 000**
Net cash outflow from operating activities	15	(11)	(1,035)	(2,438)
Investing Activities				
Exploration and evaluation expenditure	7	(885)	(403)	(1,037)
Purchases of property, plant and equipment	9	(3,385)	-	(1,013)
Cash paid on exercise of Danakil option		-	(1,389)	(1,389)
Proceeds from sale of investment in Joint		1,000	2,500	5,500

Venture				
Cash given up on disposal of subsidiary		-	(71)	(71)
Costs on disposal of investment in Joint Venture		-	(233)	(233)
Net cash from (used) in investing activities		(3,270)	404	1,757
Financing Activities				
Proceeds from borrowings	13	500	390	810
Borrowings repaid		-	-	(621)
Net proceeds from loan notes	12	3,169	-	-
Proceeds from term loan		-	2,500	2,500
Term loan repaid		-	(2,500)	(2,500)
Net proceeds from issue of share capital	14	860	733	733
Net cash received for equity swap		-	(436)	(136)
Net cash from financing activities		4,529	687	786
Net increase in cash and cash equivalents		1,248	56	105
Cash and cash equivalents at beginning of period		174	97	97
Effect of foreign exchange rate variation		(297)	12	(28)
Net cash and cash equivalents at end of period		1,125	165	174

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY EXPRESSED IN US DOLLARS

	Share capital	Merger reserve	Foreign exchange reserve	Share based payment reserve	Retained Earnings	Total attributable to owners of parent	Non-controlling interests ("NCI")	Total Equity
	$ 000	$ 000	$ 000	$ 000	$ 000	$ 000	$ 000	$ 000
At 1 January 2014	12,599	(176)	145	697	(8,474)	4,791	2,208	6,999
Gain (loss) for the period	-	-	-	-	1,449	1,449	(391)	1,058
Foreign exchange translation	-	-	165	-	-	165	-	165
Total comprehensive income for the period	-	-	165	-	1,449	1,614	(391)	1,223
Transactions with owners								
Elimination of non-controlling interest on disposal of AgriMinco	-	-	-	-	1,284	1,284	(1,284)	-
Issue of equity shares	1,777	-	-	-	-	1,777	-	1,777
Share issue costs	(92)	-	-	-	-	(92)	-	(92)

Share based payment	-	-	-	151	-	151	-	151
At 30 June 2014	14,284	(176)	310	848	(5,741)	9,525	534	10,059
Loss for the period	-	-	-	-	(1,435)	(1,435)	(161)	(1,596)
Foreign exchange translation	-	-	(11)	-	-	(11)	-	(11)
Gain on available for sale financial asset	-	-	-	-	1,100	1,100	-	1,100
Total comprehensive income for the period	-	-	(11)	-	(335)	(346)	(161)	(507)
Transactions with owners								
Issue of equity shares	508	-	-	-	-	508	-	508
Share based payment	-	-	-	270	-	270	-	270
At 31 December 2014	14,792	(176)	299	1,118	(6,076)	9,957	373	10,330
Loss for the period	-	-	-	-	(1,998)	(1,998)	(232)	(2,230)
Foreign exchange translation	-	-	(277)	-	-	(277)	-	(277)
Gain on available for sale financial asset	-	-	-	-	1,500	1,500	-	1,500
Total comprehensive income for the period	-	-	(277)	-	(498)	(775)	(232)	(1,007)
Transactions with owners								
Issue of equity shares	2,437	-	-	-	-	2,437	-	2,437
Fair value of share options exercised	364	-	-	(364)	-	-	-	-
Fair value of warrants exercised	-	-	-	(432)	432	-	-	-
Share based payment	-	-	-	607	-	607	-	607
At 30 June 2015	17,593	(176)	22	929	(6,142)	12,226	141	12,367

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Premier African Minerals Limited ('Premier' or 'the Company'), together with its subsidiaries (the 'Group'), was incorporated in the Territory of the British Virgin Islands under the BVI Business Companies Act, 2004. The address of the registered office is Craigmuir Chambers, PO Box 71, Road Town, Tortola, British Virgin Islands. Premier's shares were admitted to trading on the London Stock Exchange's AIM market on 10 December 2012.

The Group's operations and principal activities are the mining, development and exploration of mineral reserves, primarily on the African continent. The presentational currency of the condensed consolidated interim financial statements is US Dollars.

2. BASIS OF PREPARATION

These unaudited condensed consolidated interim financial statements for the six months ended 30 June 2015 were approved by the board and authorised for issue on 30 September 2015.

The basis of preparation and accounting policies set out in the Annual Report and Accounts for the year ended 31 December 2014 have been applied in the preparation of these condensed consolidated interim financial statements with the addition of accounting policies surrounding the fair value of convertible loan notes which are governed by IAS 32 and IAS39. These interim financial statements have been prepared in accordance with the recognition and measurement principles of the International Financial Reporting Standards ("IFRS") as endorsed by the EU that are expected to be applicable to the consolidated financial statements for the year ending 31 December 2015 and on the basis of the accounting policies expected to be used in those financial statements.

The figures for the six months ended 30 June 2015 and 30 June 2014 are unaudited and do not constitute full accounts. The comparative figures for the year ended 31 December 2014 are extracts from the 2014 audited accounts and do not constitute full accounts. The independent auditor's report on the 2014 accounts was not qualified but included an emphasis of matter in respect of going concern.

3. SEGMENTAL REPORTING

Segmental information is presented in respect of the information reported to the Directors. Currently the Group is in the development and production phase but no revenue was generated at the reporting date. The main business segment is that of a development and exploration group with a corporate administrative entity.

An analysis of the Group's assets by geographic location is set out below.

	30 June 2015 (Unaudited)	30 June 2014 (Unaudited)	31 December 2014 (Audited)
Non-current assets	**$ 000**	**$ 000**	**$ 000**
Zimbabwe	12,478	6,217	7,867
Corporate	5,050	5,992	3,925
	17,528	12,209	11,792

4. ADMINISTRATIVE EXPENSES

	Six months to 30 June 2015 (Unaudited)	Six months to 30 June 2014 (Unaudited)	Year to 31 December 2014 (Audited)
	$ 000	**$ 000**	**$ 000**
Staff costs	447	149	162
Consulting and advisory fees	344	243	777
Management fees	-	30	30

Directors' fees	37	38	68
Audit, accounting and legal fees	138	398	410
Marketing and public relations	45	52	168
Travel	218	159	346
Vehicle operating costs	18	41	101
Insurance	32	14	35
Office and administration	102	231	666
Foreign exchange losses	34	10	19
Share based payment	81	151	421
	1,496	1,516	3,203

5. TAXATION

There is no taxation charge in the period to 30 June 2015 (June 2014: nil, Dec 2014: nil). As the group is an International Business Group, the British Virgin Islands imposes no corporate taxes or capital gains tax. However, the Group may be liable for taxes in the jurisdictions of the underlying operations.

To date, the Group has incurred tax losses however a deferred tax asset has not been recognised in the accounts due to the unpredictability of future profit streams.

6. EARNINGS (LOSS) PER SHARE

The calculation of earnings (loss) per share is based on the profit (loss) after taxation divided by the weighted average number of shares in issue during each period.

	Six months to 30 June 2015 (Unaudited)	**Six months to 30 June 2014 (Unaudited)**	**Year to 31 December 2014 (Audited)**
Net profit (loss) after taxation ($ 000)	(2,230)	1,058	(537)
Weighted average number of Ordinary Shares in calculating basic earnings per share ('000)	533,386	439,012	463,493
Basic earnings (loss) per share (US cents)	(0.5c)	0.2c	(0.1c)
Weighted average number of Ordinary Shares used in calculating fully diluted earnings per share ('000)	889,180	722,928	832,876
Diluted earnings (loss) per share (US cents)	(0.5c)	0.1c	(0.1c)

As the Group incurred a loss for the year, there is no dilutive effect from the share options and warrants in issue or the shares issued after the reporting date.

7. EXPLORATION AND EVALUATION ASSETS

	Total $ 000
Cost	
Cost at 1 January 2014	5,906
Expenditure on exploration and evaluation	403
Impairment	(133)
Cost at 30 June 2014	6,176
Expenditure on exploration and evaluation	634
Impairment	(4)
Cost at 31 December 2014	6,806
Expenditure on exploration and evaluation	885
Cost at 30 June 2015	7,691

Exploration costs not specifically related to a license or project or on speculative properties are expensed directly to profit or loss in the period incurred.

8. INVESTMENT

	$ 000
At 30 June 2014	1,400
Fair value adjustment	1,100
At 31 December 2014	2,500
Fair value adjustment *	1,500
At 30 June 2015	4,000

The Company holds 2 million shares in Circum Minerals Limited, a private entity and owners of the Danakil Potash Project in Ethiopia. The shares had a fair value of $1.4 million on acquisition.

* At 30 June 2015, the shares were valued at $4 million based on the latest price at which Circum had accepted subscriptions.

9. PROPERTY, PLANT AND EQUIPMENT

	Mine construction	Assets under construction	Plant	Motor vehicles	Office & other equipment	Computer equipment	Buildings	Total
	$ 000		$ 000	$ 000	$ 000	$ 000	$ 000	$ 000
Cost								
At 1 January 2014 and 30 June 2014	-		-	77	43	4	30	154
Additions	284	688	-	41	-	-	-	1,013
At 31 December 2014	284	688	-	118	43	4	30	1,167
Additions	1,723		1,634	-	-	28	-	3,385
Transfers		(688)	688					
At 30 June 2015	2,007	-	2,322	118	43	32	30	4,552
Depreciation								
At 1 January 2014	-	-	-	77	31	4	5	117
Charge for the period	-	-	-	-	2	-	1	3
At 30 June 2014	-	-	-	77	33	4	6	120
Charge for the period	-	-	-	2	3	-	2	7
At 31 December 2014	**-**	**-**	**-**	**79**	**36**	**4**	**8**	**127**
Charge for the period	-	-	-	5	1	-	2	8
At 30 June 2015	-		-	84	37	4	10	135
Net Book Value								
At 30 June 2015	2,007	-	2,322	34	6	28	20	4,417
At 31 December 2014	284	688	-	39	7	-	22	1,040
At 30 June 2014	-	-	-	-	12	-	25	32

Mine construction was completed and the plant delivered and commissioned during the month of June 2015. Depreciation is immaterial for this period and will therefore start from the month of July 2015.

10. OTHER RECEIVABLES

	30 June 2015	30 June 2014	31 December 2014
	(Unaudited)	**(Unaudited)**	**(Audited)**
	$ 000	**$ 000**	**$ 000**
Other receivables	255	4,240	1,255
Prepayments	40	15	17
	295	4,255	1,272

11. TRADE AND OTHER PAYABLES

	30 June 2015 (Unaudited) $ 000	30 June 2014 (Unaudited) $ 000	31 December 2014 (Audited) $ 000
Trade payables	998	453	**301**
Accruals	1,039	199	**394**
	2,037	652	**695**

12. CONVERTIBLE LOAN NOTES

	Total $ 000
At 30 June 2014 and 31 December 2014	-
Loan Note 1	
Gross proceeds	1,511
Conversions to equity during the period	(1,527)
Foreign exchange adjustment	16
	-
Loan Note 2	
Gross Proceeds – tranches 1, 2, 3	2,532
Deferred finance costs	(686)
At 30 June 2015	1,846
- Current portion	1,384
- Long term portion	462

Loan Note 1

On 2 February 2015, the Company entered into an agreement with Darwin Strategic Limited (“Darwin”) whereby Darwin subscribed for a total of £1 million in convertible loan notes in which the Company received 90% of the par value of the notes. The loan note was fully converted during the period in three tranches (refer note 14).

Loan Note 2

On 29 April 2015, the Company entered into an agreement with Darwin whereby Darwin could subscribe for a total of £1.65 million in convertible loan notes in which the Company would receive 85% of the par value of the notes. The loan notes were issued in three tranches on fulfilment of certain milestones. The notes will redeem 18 months from the subscription date unless repaid or converted. The notes are repayable from 1 October 2015 at a rate of 7 per month at 105% of the par value (£25,000).

13. BORROWINGS

	30 June 2015 (Unaudited) $ 000	30 June 2014 (Unaudited) $ 000	31 December 2014 (Audited) $ 000
Related party loans (1)	1,025	1,498	**767**
Non-related party loans (2)	253	-	**-**
	1,278	1,498	**767**

Borrowings comprise loans from a related party and a non-related party.

(1) On 9 April 2015, the CEO and Chairman George Roach provided a $250,000 bridge loan facility and agreed the repayment and conversion terms of the loan outstanding at 31 December 2014. Together the loans with any accrued interest will become repayable by the Company as soon as all other third party indebtedness has been repaid in full or with the prior consent of all third party lenders. The loans are unsecured and interest will accrue at the rate of LIBOR plus 3 per cent. George Roach may elect to convert all or part of the loans into new ordinary shares in the Company at a conversion price that is the lesser of the volume-weighted average price of the ordinary shares for the five trading days immediately prior to the date of conversion or the closing price of the ordinary shares on the date of the loans.

(2) On 27 April 2015, AgriMinco Corp ("AgriMinco") provided a $250,000 loan facility. The loan with any accrued interest will become repayable by the Company in 24 months or earlier with the prior consent of all third party lenders. The loans are unsecured and interest will accrue at the rate of 5 per cent per annum. AgriMinco may elect to convert all or part of the loan into new units when the loan facility becomes payable. One unit comprises one new ordinary share and one new warrant. The conversion price will be the lesser of the fifteen day volume-weighted average price of the ordinary shares for the two business days immediately prior to the maturity date and the date of a repayment notice, if any. Each new warrant would entitle the unit holder to subscribe for one new ordinary share at an exercise price equivalent to a 20 per cent. premium to the conversion price for a period of two years.

14. SHARE CAPITAL

Issued share capital

	Number of Shares '000	$ 000
At 1 January 2014	388,469	13,998
Shares issued under subscription agreement (1)	42,735	825
Shares issued for services received (2)	1,080	36
Shares issued on disposal of subsidiary (3)	55,833	916
At 30 June 2014	488,117	15,775
Shares issued on conversion of loan (4)	15,000	508
At 31 December 2014	503,117	16,283
Shares issued on exercise of share options (5)	12,206	364
Shares issued on conversion of loan note (6)	20,086	229
Shares issued for employee share award (7)	4,000	50
Shares issued on conversion of loan note (8)	18,519	384
Shares issued on conversion of loan note (9)	44,444	914
Shares issued on exercising of warrants (10)	9,000	172
Shares issued on exercising of warrants (11)	35,000	688

At 30 June 2015	646,372	19,084

(1) Shares issued to YAGM for finance package. YAGM subscribed for a total of 42,735,030 shares at a price of 1.17p per share.

(2) On 28 January 2014, the Company issued 1,079,550 shares for a total value of £22,000 to a consultant in satisfaction of the obligation for fees accrued at 31 December 2013.

(3) On 13 May 2014, the Company exercised its option to acquire an interest in the Danakil Potash Project and issued 55,833,454 shares to the value of $916,000 (CDN$ 1m) at an issue price of 0.9753p per share.

(4) On 29 July 2014, the Company issued 15,000,000 shares at an issue price of 2p per share for a total value of £300,000 to the Chairman and CEO, George Roach for conversion of a portion of his loans.

(5) On 10 February 2015, the Company issued 12,206,271 shares on exercise of share options under the Group's share option plan. The share options had an exercise price of $nil. The fair value of the share options has been credited to share capital.

(6) On 4 March 2015, the Company issued 20,085,699 shares to Darwin Strategic Limited on conversion of £150,000 of loan notes (refer note 12) at an issue price of 0.7468p per share.

(7) On 13 March 2015, the Company issued 4,000,000 shares at nil cost to the Company's Chief Operating Officer in conjunction with an employee share award. The shares were held in trust pending the commissioning of RHA's processing plant. The average price of the Company's shares on issue date was 0.85p per share valuing the award at £34,000 ($50,170).

(8) On 30 April 2015, the Company issued 18,518,518 shares to Darwin Strategic Limited on conversion of £250,000 of loan notes (refer note 12) at an issue price of 1.35p per share.

(9) On 5 June 2015, the Company issued 44,444,444 shares to Darwin Strategic Limited on conversion of £600,000 of loan notes (refer note 120 at an issue price of 1.35p per share.

(10) On 5 June 2015, the Company issued 9,000,000 shares to YAGM on the exercising of warrants at an exercise price of 1.25p per share.

(11) On 24 June 2015, the Company issued 35,000,000 shares to Darwin Strategic Limited on the exercising of warrants at an exercise price of 1.25p per share.

Reconciliation to balance as stated in the condensed consolidated interim statement of financial position

	Total
	$ 000
Issued share capital (before issue costs) as at 30 June 2015	19,084
Share issue costs	(1,491)
Issued share capital (net of issue costs) as at 30 June 2015	17,593

15. NOTES TO THE CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT

	Six months to 30 June 2015 (Unaudited)	**Six months to 30 June 2014 (Unaudited)**	**Year to 31 December 2014 (Audited)**
	$ 000	**$ 000**	**$ 000**
Profit (Loss) before income tax	(2,230)	1,058	**(537)**

Adjustments for:			
Depreciation and amortisation	8	3	10
Impairment of exploration and evaluation assets	-	133	137
Share of Joint Venture results	-	2	2
Foreign exchange losses	34	10	19
Finance costs	726	16	16
Gain on extinguishment of debt	-	(5)	(5)
Gain on disposal of subsidiary	-	(679)	(679)
Gain on sale of investment in Joint Venture	-	(2,283)	(2,283)
Loss on revaluation of derivative financial instrument	-	239	-
Loss on settlement of derivative financial instrument	-	-	136
Share based payments	132	151	421
Operating cash flows before movements in working capital	(1,330)	(1,355)	(2,763)
Increase in receivables	(23)	(227)	(244)
Increase in payables	1,342	547	569
Net cash outflow from operating activities	(11)	(1,035)	(2,438)

16. EVENTS AFTER THE REPORTING DATE

Production

During July 2015, the Company reported that its flagship project, RHA Tungsten in Zimbabwe, in which it has a 49% ownership, commenced production of wolframite concentrate with its first shipment of product from the mine.

Funding

On 9 July 2015, the Company accepted a direct placement and issued 22,500,000 ordinary shares at 2 pence per share for gross consideration of £450,000 together with the issue of 1,350,000 warrants to subscribe for new ordinary shares at an exercise price of 3 pence per share with a three year term.

On 22 September 2015, the Company accepted a direct placement and issued 21,000,000 ordinary shares at 1.35 pence per share for gross proceeds of £283,500.

On 29 September 2015, the Chairman and CEO George Roach provided a bridge loan directly to RHA Tungsten (Pvt) Limited ("RHA") of $300,000. The loan is unsecured, bears interest at 3% per annum and is repayable by RHA as soon as all other third party indebtedness has been repaid in full or with the prior consent of all third party lenders to the Company.

Loan Note Instrument – Amendment to Terms

Under the terms of the loan notes (refer note 12 subscribed by Darwin Strategic Limited ("Darwin"), Darwin has the right to convert outstanding Notes into new Premier ordinary shares if, *inter alia*, the

APT price as quoted by Bloomberg for five consecutive trading days is at or below $230 per mtu or such lower price as may be mutually agreed between the Company and Darwin ("Trigger Price").

On 15 September, the Company agreed with Darwin that the Trigger Price will be adjusted downwards from $230 per mtu to $130 per mtu with effect from today until 31 December 2015. In consideration of the Trigger Price adjustment, the Company agreed to issue Darwin Strategic Limited ("Darwin") £50,000 warrants to subscribe for new ordinary shares for a period of two years following issue at an exercise price of 1.35 pence per ordinary share.

The Company's Chairman and CEO George Roach and the Company on 29 September 2015 agreed the terms of a bridge loan of up to USD1,000,000 of which USD300,000 was drawn down directly to RHA Tungsten (Pvt) Limited ("RHA") to be used for exploration activities and mine development and to provide additional working capital funding to RHA. The RHA Loan is unsecured and bears interest at 3% per annum. The RHA Loan is repayable by RHA as and when RHA sustains a steady state of production at RHA or as may be agreed between George Roach and RHA.

Options Exercised

On 10 July 2015, non-management exercised 5,536,864 nil cost options.

On 29 July 2015, directors and management exercised 7,500,000 at an exercise price of 1.15 pence per ordinary share for gross consideration to the Company of £82,250.

Variation to RHA Shareholders' Agreement

On 29 September 2015, the Company entered into a Deed of Variation with RHA, the National Indigenisation and Economic Empowerment Fund ("NIEEF"), RHA Tungsten Mauritius Limited and ZimDiv Holdings Limited, to amend the obligation to pay NIEEF a lump sum of $750,000 pursuant to commercial production having occurred at RHA.

The variation has allowed the Company the opportunity to pay the amount in either cash or the issue of new ordinary shares through 8 tranche payments. The first tranche is due at the beginning of October and last tranche will be made on 22 May 2016. The Company has elected to meet the first tranche payment through an issuance of ordinary shares in favour of NIEEF to the total value of $100,000.