

6 August 2021

Premier African Minerals Limited

("Premier" or the "Company")

RHA and Zulu Update

Premier African Minerals Ltd ("**Premier**" or the "**Company**"), is pleased to provide an update on RHA Tungsten Private Limited ("**RHA**") and Zulu Lithium Private Limited ("**Zulu**").

Premier has completed a new conceptual underground Conceptual Mine Plan for RHA ("**Conceptual Mine Plan**") in conjunction with technical assistance from independent South African mine planning consultants, Bara Consulting (Pty) Limited ("**Bara Consulting**"), geological consultants Shango Solutions ("**Shango**") and metallurgy and process engineer Multotec Process Equipment (Pty) Limited ("**Multotec**").

This Conceptual Mine Plan has been based on a revised RHA underground Mineral Resource estimate relating to the parts of the ore body included within the Conceptual Mine Plan. The objective of the new Conceptual Mine Plan is to assess the potential impact of returning RHA to production and assess whether RHA can generate a return on Premier's investment to date in surface infrastructure, plant and equipment at RHA at minimal additional capital costs, based on using just the existing vertical access shaft (the previous study had included the construction of a new high-capacity decline shaft).

The Conceptual Mine Plan assesses an underground production rate of 6,000 tons per month with a projected life of mine of 10 years and indicates a peak funding requirement of US\$2.5 million and a payback within 16 months. As Premier has resolved not to commit further funding to RHA, the new funding would need to be provided by a third party (being either the National Indigenisation, and Economic Empowerment Fund ("**NIEEF**") or another party).

The drilling programme has commenced at Zulu and, despite delays caused by increasing Covid-19 infections in Zimbabwe and Government action in controlling the spread of the virus, the Company remains on track with its plans to prepare Zulu's Definitive Feasibility Study in line with previously reported timelines.

George Roach CEO, commented, "Surging Covid-19 in the SADC region is not helping at Zulu where travel and other restrictions are impacting the drilling programme. Despite this, the rigs continue to operate and our lab equipment is now only awaiting import clearance to Zimbabwe. The drilling is underway at Zulu and is just one component of the Definitive Feasibility Study. In the background important other work is underway including that associated with environment, water management, tailings management, geotechnical assessment, preparation for additional metallurgical studies, logistics route planning and cost estimates. At this time, Premier still expects to complete the study within the anticipated timelines and a variation to that will be communicated if necessary. In the light of surging spodumene concentrate prices, we have also commissioned a review of the Zulu Scoping Study (RNS 20 November 2017) with the intention of both better understanding the overall potential value of Zulu and to assess potentially reversing the current impairment of this project.

Separately, we are pleased to be able to provide a preliminary update on the process test work and analysis of bringing RHA back to production based on that part of the underground Mineral Resources which we believe can be cost effectively included in the mine plan at the current proposed 6,000 ton per month. The next steps for RHA include negotiations with our 51% shareholder, NIEEF, to explore alternatives to bring this mine back to production. It is worth noting that there remains continued interest from off-take partners in RHA supported by the current APT price. Premier's historic commitment to RHA needs to be matched by NIEEF or another funding option will need to be sourced given there will be no further financial commitment from Premier apart from the basic care and maintenance costs.

The Conceptual Mine Plan is based on an underground production rate of 6,000 tons per month and indicates a peak funding requirement of US\$2.5 million and a payback within 16 months. A return to production at this throughput level will make the need for the XRT redundant, and we are already in discussions with other parties in regard to alternative deployment of the XRT.

In the context of this announcement, it is important to note that RHA is a developed mine with existing surface plant and infrastructure already paid for in full by Premier. Recovery of wolframite from the deposit at RHA has already occurred and historically, concentrate produced through the plant at the mine has all been sold and remains in strong demand."

Conceptual Mine Plan

Bara Consulting has prepared a new mine plan to support a production rate of 6,000 tons per month and which would support a projected life of mine of 10 years.

Separately, Multotec, manufacturers of concentration systems including spirals and cyclones, and who supplied the spiral systems already installed at RHA, conducted test work on a bulk wolframite ore sample from RHA to re-assess and optimise the spiral recoveries and water management at the plant. Bara Consulting has reviewed Multotec's test results and has proposed, in consultation with Premier, certain changes to the flow sheet.

Premier has internally completed an updated economic assessment based on Bara Consulting's mine plan and recommended flowsheet changes, and Multotec's test results, to analyse the illustrative costs and returns of a potential return to production based on underground Mineral Resources only. Premier provided all input operating costs and the resultant illustrative internal cash flow budget was modelled in conjunction with Bara Consulting based on underground mining only at 6,000 tonne of Run of Mine ore per month for a projected life of mine of 10 years.

Shareholders should note that the Conceptual Mine Plan is preliminary in nature and includes Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorised as Mineral Reserves. The Conceptual Mine Plan is based on low-level technical and economic assessments and is insufficient to support estimation of Mineral Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the Conceptual Mine Plan will be realised. Furthermore, whilst Bara Consulting has reviewed Premier's operating cost assumptions, Bara has not assessed other prerequisites to constitute a Preliminary Economic Assessment. These include tailings management, environmental impacts.

RHA Underground Resource Estimate

Subsequent to the Company announcement In October 2018, when the Company considered alternatives that included the construction of a high-capacity decline shaft to access underground ore with complimentary mining at a rate of 6,000 to 7,000 ton per month for 15 months during construction of the new decline shaft, the Company has reviewed the underground Mineral Resources that would be available to a Conceptual Mine Plan restricted to vertical shaft access only through existing infrastructure. In respect of this new Mineral Resource estimate, Shango has provided an independent audit for technical

assurance and reporting compliance of the RHA resource estimate prepared by Mr Gerard Evans, who has acted as the Competent Person responsible for this resource estimate. The updated Mineral Resource estimate, which is compliant with the South African Code for the reporting of Exploration Results, Mineral Resources and Mineral Reserves (The SAMREC Code) 2016 Edition, has assumed that the XRT sorter is no longer used at this reduced tonnage and therefore a cut-off grade of 1.87kg/t has been applied.

The updated underground Mineral Resource estimate is set out in the Table 1 below (and for information only, the previous 2017 Mineral Resource estimate based on whole RHA ore body is set out the Appendix to this announcement). The Mineral Resource estimate set out in Table 1 below is prepared in accordance with the SAMREC Code and in compliance with Appendix 3 of the AIM Note for Mining and Oil & Gas Companies - June 2009).

Table 1: Summary of the Mineral Resource Statement by Resource Category (July 2021)

Category	Gross			Net attributable			Operator
	Mineral Resource (KTon)	WO3 (Kg/t)	WO3 (Ton)	Mineral Resource (KTon)	WO3 (Kg/t)	WO3 (Ton)	
Underground Mineral Resources							
Measured	-	-	-	-	-	-	Premier
Indicated	60	8.75	526	60	8.75	526	
Inferred	455	7.26	3,300	455	7.26	3,300	
Total	515	7.43	3,826	515	7.43	3,826	

Notes:

1. Premier is the operator of RHA. Premier holds a 49 per cent. interest in RHA. RHA is indebted to Premier in excess of \$20m and until such time as this is settled, all concentrate produced will be attributable to Premier.
2. Mineral Resources are reported in accordance with the SAMREC Code guidelines. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.
3. A cut-off grade of 1.87kg/t has been used applying a tungsten price of \$300/10kg of WO3 in concentrate.
4. The Mineral Resource Estimate is based on information compiled by Mr Gerard Evans, reviewed by Shango Solutions, with an effective date of 20th May 2021.
5. All Mineral Resources reported exclude regional pillars, safety pillars and shaft pillars.
6. Geological losses of 5% have been applied to the Indicated Resource Category, and 10% has been applied to the Inferred Resource Category.
7. The contained WO3 metal values are rounded, actual grades and contained metal kg are accurately stated and any differences in the total are due to rounding.
8. The WO3 in Kg/t is stated as a weighted average grade.

The key financial metrics of the Conceptual Mine Plan are set out below in Table 2 below:

Table 2: Conceptual Mine Plan key financial metrics		
Metric	Unit	Amount
Revenue (years 1-10)	US\$	61 million
Operating Costs (years 1-10)	US\$	35 million
Project Capital Costs	US\$	2.4 million
Pre-Tax Project Cashflow (years 1-10)	US\$	21 million
Operating Margin (average)	%	42
Peak Funding Requirement	US\$	2.5 million
Payback Period	n.a.	16 months

Notes:

1. Values extracted from Conceptual Mine Plan have been rounded to the nearest whole million.
2. Source: Conceptual Mine Plan, which has been compiled internally by Premier and not independently verified Bara Consulting has not at this stage independently verified Premier's operating cost assumptions.

Competent Person and quality control

The information in this announcement that relates to the updated Mineral Resource estimate is based on information compiled by Gerard Evans, Resource Geologist for Premier. Mr. Evans has reviewed and confirmed the statements related to the Underground Mineral Resources set out herein. Gerard Evans has 30 years' experience in mining industry specialising in resource geology and holds a B. Sc Hons degree in geology from the University of the Witwatersrand. Mr. Evans is a registered member of SACNASP (400015/08), GSSA and GASA and has acted as the qualified person under the AIM Rules ("Qualified Person").

The Qualified Person has verified the information disclosed herein, including the sampling, preparation, security and analytical procedures underlying the information or opinions contained in this announcement in accordance with standards appropriate to their qualifications.

Shango Solutions

Shango Solutions has reviewed the information in this announcement that relates to the updated Mineral Resource estimate based on information compiled by Gerard Evans, Resource Geologist for Premier African Minerals, and has confirmed that the information so presented is balanced and complete and not inconsistent with their audit and review of the updated mineral resource estimate.

Bara Consulting (Pty) Limited

Bara Consulting has reviewed the information in this announcement that relates to the updated mine plan and has confirmed that the information so presented is balanced and complete and not inconsistent with their review of the updated mine plan.

Mineral Reserves and Mineral Resources

The Company estimates and discloses Mineral Reserves and Mineral Resources using the definitions adopted by the SAMREC Code. Further details are available at www.samcode.co.za/samcode-ssc/samrec. See the "Glossary of Geological and Mining Terms" for complete definitions of Mineral Reserves and Mineral Resources.

About Mineral Resources

Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability but do have reasonable prospects for eventual economic extraction. They fall into three categories: Measured, Indicated, and Inferred. The reported Mineral Resources are stated inclusive of Mineral Reserves. Measured and Indicated Mineral Resources are sufficiently well-defined to allow geological and grade continuity to be reasonably assumed and permit the application of technical and economic parameters in assessing the economic viability of the Mineral Resource. Inferred Mineral Resources are estimated on limited

information not sufficient to verify geological and grade continuity or to allow technical and economic parameters to be applied. Inferred Mineral Resources are too speculative geologically to have economic considerations applied to them. There is no certainty that Mineral Resources of any category will be upgraded to Mineral Reserves.

Important Information about Mineral Reserve and Mineral Resource Estimates

Whilst the Company takes all reasonable care in the preparation and verification of the Mineral Reserve and Mineral Resource figures, the figures are estimates based in part on forward-looking information. Estimates are based on management's knowledge, mining experience, analysis of drilling results, the quality of available data and management's best judgment. They are, however, imprecise by nature, may change over time, and include many variables and assumptions including geological interpretation, commodity prices and currency exchange rates, recovery rates, and operating and capital costs. There is no assurance that the indicated levels of metal will be produced, and the Company may have to re-estimate the Mineral Reserves based on actual production experience. Changes in the metal price, production costs or recovery rates could make it unprofitable to operate or develop a particular deposit for a period of time.

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.

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 as it forms part of UK Domestic Law by virtue of the European Union (Withdrawal) Act 2018.

The person who arranged the release of this announcement on behalf of the Company was George Roach.

Notes to Editors:

Premier African Minerals Limited (AIM: PREM) is a multi-commodity mining and natural resource development company focused on Southern Africa with its RHA Tungsten and Zulu Lithium projects in Zimbabwe.

The Company has a diverse portfolio of projects, which include tungsten, rare earth elements, lithium and tantalum in Zimbabwe and lithium and gold in Mozambique, encompassing brownfield projects with near-term production potential to grass-roots exploration. The Company holds 5,010,333 shares in Circum Minerals Limited, the owners of the Danakil Potash Project in Ethiopia, which has the potential to be a world class asset. In addition, the Company holds a 19% interest in MN Holdings Limited, the operator of the Otjozundu Manganese Mining Project in Namibia.

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Glossary of Technical Terms:

"APT"	Ammonium Para Tungstate
"Indicated Resource"	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"	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
"LOM"	life of mine
"kg/t"	abbreviation for kilogramme per tonne
"KTon"	a unit of weight, equal to 1000 tons
"Measured 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
"Mineral Resource"	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
"mtu"	abbreviation for metric tonne unit
"SAMREC"	South African Code for Reporting of Mineral Resources and Mineral Reserves
"Tungsten"	metallic element known also as wolfram with the chemical symbol W and atomic number 74
"wolframite"	mineral name for iron-manganese tungstate; (Fe,Mn)WO ₄ , an ore of tungsten. The ratio of iron to manganese varies; iron-rich wolframite is known as ferberite FeWO ₄ , manganese-rich wolframite is known as hübnerite MnWO ₄
"WO ₃ "	tungsten oxide
"XRT"	X-ray sorting technique where specific mineral bearing rock can be separated from specific mineral-poor rock and other impurities. This upgrades in metal terms the material feed to the plant energy and lowers the tonnage of rock requiring processing which results in substantially improved the economics for mineral processing operations

APPENDIX

The previously reported resource estimate as at 12 September 2017 published on 17 September 2017 is set out below:

Category	2017 Mineral Resource Estimate (Gross)		
	Mineral Resource (KTon)	WO ₃ (Kg/t)	WO ₃ (Ton)
<u>Underground</u>			
Mineral Resources			
Measured	29	5.45	158
Indicated	76	6.31	480
Inferred	1,220	4.61	5,620
Total	1,325	4.72	6,257

Notes:

1. Premier is the operator of RHA. Premier holds a 49 per cent. interest in RHA. RHA is indebted to Premier in excess of US\$20m and until such time as this is settled, all concentrate produced will be attributable to Premier. The resources shown are gross attributable to Premier.
2. Mineral Resources are reported in accordance with the SAMREC Code guidelines. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.
3. The contained WO₃ metal values are rounded, actual grades and contained metal kg are accurately stated and any differences in the total are due to rounding.

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