Premier African Minerals

ANNUAL REPORT AND ACCOUNTS 2012

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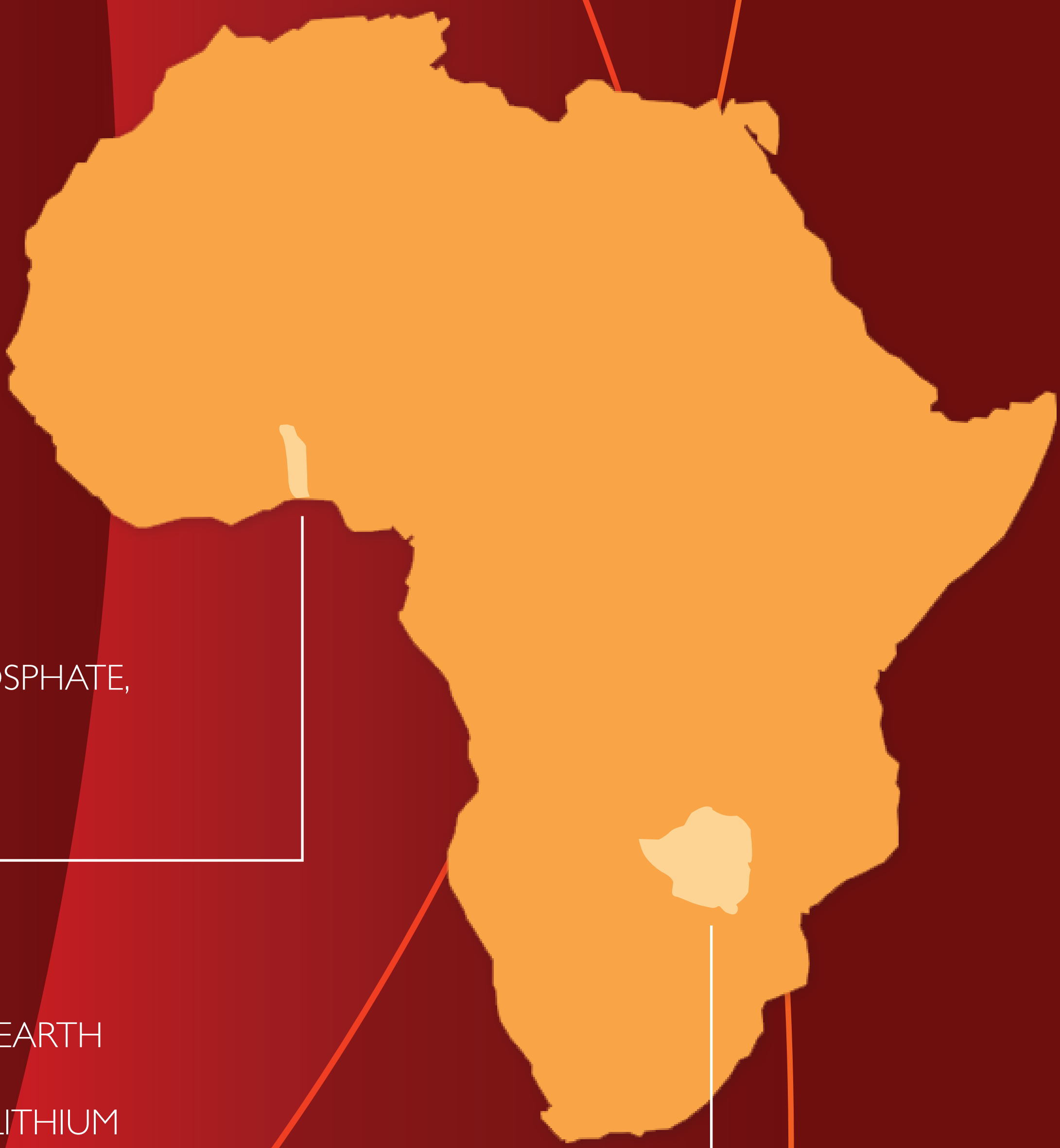
Premier African Minerals Report & Accounts 2012

MAP OF INTERESTS



TOGO

GOLD, CLAYS, PHOSPHATE, NICKEL LATERITE, LEAD-ZINC AND URANIUM

ZIMBABWE

TUNGSTEN, RARE EARTH ELEMENTS ('REE'), FLUORSPAR AND LITHIUM

Premier African Minerals

CONTENTS

CHAIRMAN'S STATEMENT

Highlights

- Admitted to AIM in December 2012 raising US$2.4m gross of expenses (£1.5m) to advance its key mineral projects in Zimbabwe
- Commenced SAMREC code compliant resource delineation work programme at RHA tungsten project in Zimbabwe, with a view to developing towards production in the near-term
- Acquired prospective Dapaong grass-roots gold exploration project in northern Togo in January 2013
- Announced the proposed sale of its Togo subsidiary with phosphate and industrial mineral assets and Mali subsidiary with potash assets to EPC – if approved this will give Premier an approximate 42% shareholding in EPC and an interest in its highly prospective Danakil Potash Project (the EPC shareholder vote to approve the transaction will take place on 30 June 2013)

Executive Chairman and CEO Statement

Since our admission to AIM in December 2012, which successfully raised gross US$2.4m (£1.5m), I am delighted to report that Premier has made solid progress in establishing itself as a multi-commodity exploration & development company focussed in Southern and West Africa.

As a company, we have a defined strategy focussed on value creation from our diverse multi-commodity asset base, which includes tungsten, rare earth elements ('REE'), gold, lithium, tantalum and flurospar in Zimbabwe and Togo in Africa. It is our aim to unlock the intrinsic wealth of these assets, 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.

Within our portfolio we have three core projects. Our flagship RHA tungsten project ('RHA') and large Katete REE project are both located in the infrastructure rich Matabeleland North region in Zimbabwe. Meanwhile, our Dapaong grass-roots gold project in northern Togo, which we acquired in January 2013 just after our admission to trading on AIM, has had exposure to significant artisanal activity. We also have a pipeline portfolio of assets which offer value upside potential through future exploration or near-term strategic alliances or corporate transactions.

With the above in mind, we have been highly active since our flotation and have made significant progress on a number of fronts, including proving-up the prospectivity of RHA with a view to bringing a small-scale tungsten mining operation into production in 2014 which would in-turn generate early cashflow for Premier. We have also entered into a significant corporate transaction with a TSX listed company (TSX Venture 'FED') Ethiopian Potash Corporation ('EPC'), an Ethiopian focussed potash company, which if completed, would allow for our Malian potash and Togo phosphate and clays pipeline projects to be progressed. Additionally if EPC shareholders approve the transaction (which I outline below in 'Corporate Transactions'), Premier will own a 42% shareholding in EPC giving us exposure to EPC's highly prospective Danakil potash project in Ethiopia and retain an interest in Premier's clays, phosphate and potash projects.

RHA Tungsten Project – Zimbabwe

RHA covers a 1,800 hectare land holding and is located approximately 20km south-east of Hwange and 270km north of Bulawayo in the prospective multi-commodity Kamativi Tin Belt in north-west Zimbabwe. The project, which we believe shows great potential to be developed into a low-capital and operating cost mine in the near term, boasts excellent infrastructure with electrical power available from a ZESA power line and industrial water available from the mine dam and domestic water available from a borehole. Furthermore, the project has easy access via the main Bulawayo-Victoria Falls tar road and 25km of gravel road to the mine.

Intermittent small scale mining was conducted at RHA and the adjacent Tung mine (which Premier has an option to acquire) 5km away. Between 1931 and 1979 the mines jointly produced 1,247 tonnes of concentrate at an average concentrate grade of 65% WO_3.

Since being admitted to trading on AIM in December 2012 we have implemented a defined exploration and development programme with a view to proving a SAMREC code compliant resource and fast-tracking the project towards development by the end of 2013.

In 2012 we implemented a 1,302m five-hole diamond drilling ('DD') programme which returned significant tungsten mineralisation in the form of very coarse wolframite crystals hosted by quartz veins that are 5cm – 30cm wide. This drilling returned a best intercept of 1.33% WO_3 over 3m. From here we

CORE SAMPLING AT RHA

HISTORIC PLANT AT RHA

undertook a further detailed examination and sampling of the DD drill core, targeting 198 individual samples with values of over 0.15% WO_3. We were delighted to announce in April 2013 that of these 198 samples, 68 again contained significant tungsten mineralisation and importantly that nine of the samples returned grades of over 5% WO_3 and three samples were over 10% WO_3, which are exceptionally high values in terms of tungsten exploration (see press release dated 17 April 2013 for full sampling results). The sampling also confirmed three highly mineralised quartz veins in the hanging wall of the existing lode system and uncovered a previously unknown well-mineralised lode located under the north face of the hill.

We have now conducted low-cost surface trenching and further sampling to confirm the extent of these newly identified quartz veins and define a maiden SAMREC compliant resource that we will release in due course. In tandem with this, CAE Mining of Johannesburg has constructed a 3D Datamine model using information derived from historic plans and sections, and the results of the historic Falconbridge channel sampling work undertaken at RHA. The completed model will be fed into the conceptual mine study, which is now underway, and will determine the most beneficial and cost effective method of exploiting the known extent of the RHA deposit. The conceptual study will consider the possibility of early and low-cost production from the recently discovered outcropping mineralised quartz veins, and from existing tailings dams and dumps. Given the availability of water and power at our RHA property, and the relative simplicity of the required processing plant, we believe that we will be able to commence development before the end of 2013 with a view to production in 2014, subject to an improved capital markets appetite and the continued strength of tungsten demand.

Katete REE Project – Zimbabwe

Our second development project, Katete, boasts a large multi-phased REE enriched carbonatite complex that is exposed at surface, and we believe has the potential to be developed as an open pit, low-strip mining project. The project, which spans 3,750 hectares covering 25 mineral claim blocks in the Matabeleland north province in north-west Zimbabwe, can be accessed via national highways and has a good source of power and water; important factors to have in place when considering developing mining projects.

Katete has had previous exploration work undertaken by Anglo American in the 1970s, which identified the presence of significant REE mineralisation and highlighted the potentially large REE structure hosted.

We have undertaken trenching at the project, taking 425 samples, which identified high-grade zones between 13% Total Rare Earth Oxide ('TREO') with a peak result of 14.6% TREO. We also undertook a scout drilling programme over 7 holes for 1,178m and discovered that the TREO distribution is consistent at depth with levels consistently over 3% and with varying widths from 1m to 4m. We are looking to complete mineralogical and metallurgical testwork during the course of this year and we are aiming to delineate a SAMREC code compliant resource statement in the second half of 2013.

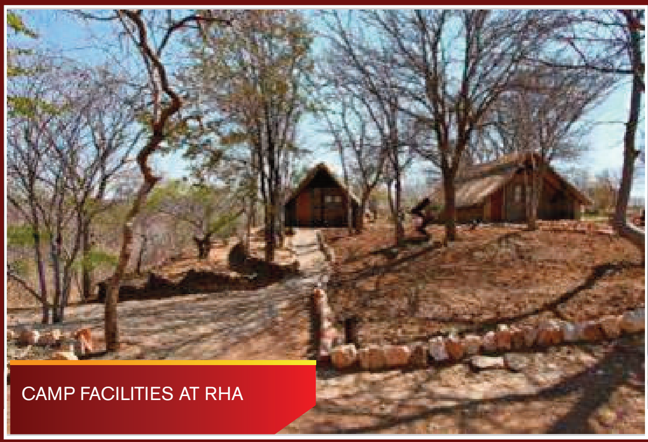
Dapaong Gold Project – Togo

In January 2013 we were delighted to have secured two gold Exploration Permits totalling 400 sq km in the Dapaong area of northern Togo. The licence areas are considered to be highly prospective for gold, having extensive artisanal activity, but have not yet been the subject of systematic exploration.

The Project is underlain by volcanic and sedimentary Birimian-aged intrusive rocks with minor volcano-sedimentary sequences, quartz veins and pegmatites, which form part of the larger West African Craton geologic region. Gold mineralisation generally occurs along north to north east trending shear zones and faults that cut Birimian belts or form the margins of these Birimian belts where sedimentary rocks often include paleo-placer gravels. Substantial gold mineralisation has previously been discovered within Birimian-aged formation belts located in Ghana, Côte d'Ivoire, Mali, Guinea and Burkina Faso. Major gold mines in the region include, Tarkwa in Ghana operated by GoldFields, which has a 15 million oz resource and produces circa 700,000 oz per annum; Oubasi mine in Ghana operated by AngloGold which produces circa 300,000 oz of gold per annum; and the Youga gold mine operated by Etruscan Resources in southern Burkina Faso, which produces circa 80,000 oz of gold per annum.

Multiple rivers draining Birimian rocks in the West African Craton hold alluvial gold deposits and an initial reconnaissance visit by our Premier geological teams have already identified four areas in the drainage systems where there has been recent artisanal activity.

TAILINGS AT RHA



CAMP FACILITIES AT RHA

We believe that the area offers excellent development potential due to its location and geological signature. Accordingly, using our first mover advantage in northern Togo and our existing resources in the country, we intend to commence exploration directed towards the discovery of bedrock sources of artisanal gold workings and geochemistry programmes to help quantify the potential of the highly prospective area.

Pipeline Portfolio

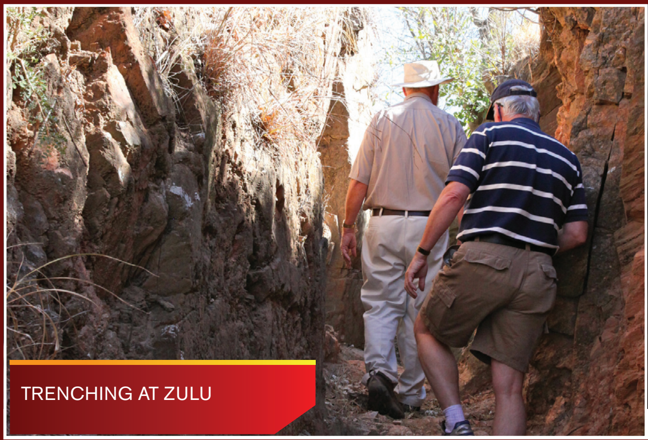
We have an exciting pipeline portfolio of projects in Zimbabwe, Togo and Mali, which include assets we own and those in which we will retain an interest, subject to completion of the EPC transaction. When we first established Premier in 2007, we set out to apply for licences in areas that showed prospectivity and development potential with no commodity bias. In this vein, we have a pipeline portfolio (see table 1), which whilst not core to our current exploration and development activities, offers upside potential through future exploration or near term strategic alliances or corporate transactions.

Table 1: Pipeline portfolio

Project	Country	Further details
Southern Togo Phosphate*	Togo	▪ 173,99 sq km project located in southern Togo, 35km from Port of Lome ▪ Commercial phosphate development potential in Togo ▪ Borders State high grade phosphate mine – 50Mt of ore over 40 years at 35.7% P_2O_5 product ▪ Historical hydrogeological drilling identified phosphate beds on property & shallow cover deposit suggests potential for low capex open pit mining ▪ Conceptual Exploration Target of 75Mt at 32% P_2O_5 (Venymn)
Southern Togo Clays*	Togo	▪ Located in the northern part of Southern Togo Project ▪ High quality clays project with potential in-situ resources of 108Mt attapulgite and smectite ▪ Mineralisation remains open along strike and down dip ▪ Venymn: potential conceptual Exploration Target upside of 254Mt
Bassar Phosphate*	Togo	▪ Located 315 km north of Premier's Southern Togo Project (350km to Port of Lome) ▪ Non-compliant resource of 20Mt at 22% P_2O_5
Haito Nickel Laterite	Togo	▪ 600 sq km project located in south west Togo – deposit still open at depth ▪ Inferred compliant resource by surface pitting of 7.21Mt at 0.99% Ni at 0.7% Ni cut off
Pagala Lead-Zinc	Togo	▪ 400 sq km contiguous land position 230km north of the Port of Lome ▪ Non-compliant resource of 3.6Mt at 2.7% Zn
Kara Niamtougou Uranium	Togo	▪ 766 sq km permit area 380km north of the Port of Lome ▪ Non-compliant resource of 150 -300t U_308
Taoudenni Potash	Mali	▪ 976 sq km prospecting area in central northern Mali ▪ 53Mt non-compliant resource of sodium salt
Tinde Fluorspar	Zimbabwe	▪ 1,350 hectare project located east of the historic Kamativi tin mine in the Matabeleland North province ▪ Vein fluorspar >30% grade historically mined – Exploration Target 34,000t at 33%CaF2
Lubimbi REE	Zimbabwe	▪ REE deposit located in Matabeleland North province ▪ Xenotime identified in historical trenching
Zulu Lithium	Zimbabwe	▪ 350 hectare project with good infrastructure located 16km from Fort Rixon District in Matabeleland South province – Exploration Target of 1Mt @1.45% Li

(*) Interest will be retained by Premier if the deal with EPC is completed on 30 June 2013


TRENCHING AT KATETE


TRENCHING AT ZULU

Corporate Transactions

In line with one of our core strategies of adding value through corporate transactions we were pleased to announce, in April 2013, that we had entered into a definitive agreement ('the Definitive Agreement') with EPC, for the sale of our Mali subsidiary, G and B African Resources Mali SARL ('Mali Sub'). Our Mali Sub holds rights to acquire two exploration authorisations, namely the Taoudenni and Oglat Projects as described in the Company's Admission Document.

Further to this, in May 2013, we agreed the sale of our Togo subsidiary, G and B African Resources SARL ('Togo Sub'), as part of the same transaction, which includes our Southern Togo phosphate and clays projects and our Bassar phosphate project.

The consideration for the sale is 120 million new shares in EPC based on an EPC share price of C$0.02 per share (EPC's last trading price), which equates to C$2.4 million. If completed, this will give Premier an approximate 42% shareholding in EPC. Excitingly, as the major shareholder in EPC, Premier will gain significant exposure to EPC's prospective Danakil potash property in Ethiopia, in which EPC will retain a 30% interest, with a free carry to Scoping Study and a total spend of $10 million. Circum Resources Ltd, the purchaser of 70% of this property, has raised the funds required to meet the carry referred to above and expects to rapidly advance exploration of the property.

Significantly, through our shareholding in EPC, we will retain an interest in our Malian and Togo assets, gaining any potential upside from the exploration and development of these properties, at no further exploration spend to the Company.

This transaction is subject to EPC shareholder approval and fulfillment of the conditions precedents as set out in the Definitive Agreements. EPC's shareholder meeting is set for 30 June 2013. We look forward to updating shareholders on this transaction in due course and we continue to look for opportunities to realise value from our portfolio of assets and look to strengthen the cash position of the Group.

Results and Dividends

The results of the Group include the results of ZimDiv Holdings Limited ('ZimDiv') which Premier acquired on 4 December 2012. The acquisition of ZimDiv on a share for share exchange has been accounted for as a merger, meaning the results for the Group for the year ended 31 December 2012 and 31 December 2011 have been retrospectively adjusted which is consistent with the aggregation presentation in the Company's Admission Document.

As we are currently an exploration and development group, no income was earned during the year end as a result. The Group incurred a loss for the year of US$2,098,269 (2011: US$998,820). The loss includes a once-off charge of US$372,240 related to the Company's admission to trading on AIM, not charged against share capital and a US$374,754 share based payment charge on account of options and warrants issued on Admission.

Cash at year end was US$1.52m compared to US$338,000 at 24 June 2013, being less than we had anticipated to have at this time. The key reasons for this are that the transaction with EPC took longer than anticipated due to its complexity and the addition of the sale of the Togo properties, resulting in higher professional fees. The delay also meant that we bore overhead costs in Mali and Togo for longer than anticipated. We also incurred higher than expected costs for work on our RHA project in Zimbabwe due to certain technical issues and a re-modeling of the 3D Datamine model for newly discovered areas which had not been included in the historical information.

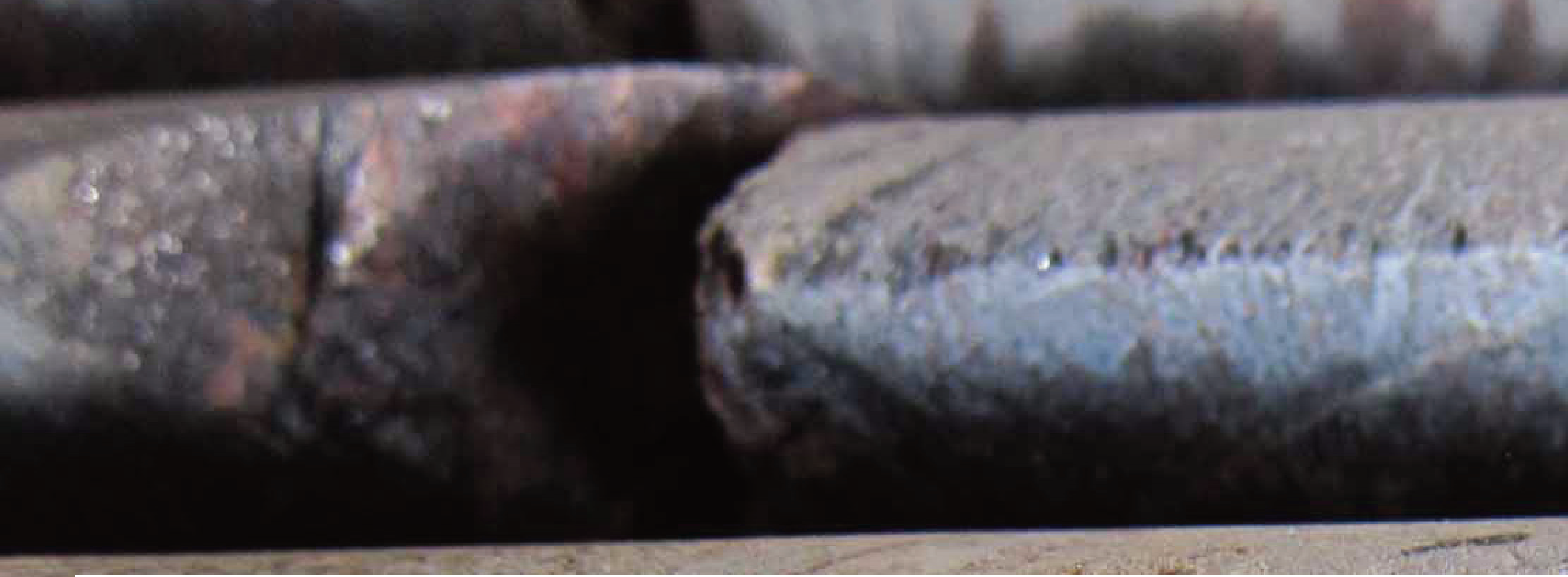
The Company does not anticipate paying dividends until one or more of its projects enter into the production phase and the Company becomes significantly cash generative. The Directors will consider a dividend policy when it becomes commercially prudent to do so.

Outlook

As previously highlighted, Premier's strategy is one of value creation. Premier is committed to generating value from our diverse multi-commodity asset base 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.

The second half of 2013 is shaping up to be highly active in terms of value drivers for Premier. With a SAMREC code compliant resource due soon at our flagship RHA project in Zimbabwe and a conceptual mine study underway with a view to mine development beginning by the end of the year, we believe that RHA is set to be our first project to move into production (targeting early 2014) and in-turn generate cash for the company. In addition we also have two other core projects: Katete in Zimbabwe, where we are completing metallurgical test work and looking to define a SAMREC code compliant resource by the end of the year; and the Dapaong gold project in Togo, where we have secured a first mover advantage.

Finally our recently announced corporate transaction, subject to it completing soon after publishing of these results, should result in additional value for Premier shareholders and will give the Group



exposure to EPC's highly prospective Danakil potash project, as well as, allow us to retain a significant interest in our Mali and Togo projects. With these developments in progress I believe Premier has the foundations in place from which to deliver significant value and I look forward to updating the market of our progress during 2013 and beyond.

Whilst we believe our outlook is bright, it must be tempered with a note of caution in regard to the fact that Premier is and remains an exploration company at this time, and as such, it is highly dependent on the judicious use of available funds and an ability to either raise additional funds, or generate cash through early production or profitably dispose of properties.

The Board recognise that it will need to address financing requirements in the near future. As disclosed in our Admission Document, I have provided a £300,000 facility, which has not yet been drawn down. In addition, it was announced on 24 May 2013 that I intend to increase this facility to not less than £600,000, subject to agreement with the Board, and I have recently also confirmed to the Board that I am in negotiations with third party investors to increase this facility further. I expect that all these negotiations will be finalised shortly after release of a maiden resource and near-term mine development plan for RHA which is expected by 31 July 2013. In addition, the Board believes that the EPC transaction, if completed, has the potential to provide significant shareholder value, both if we can retain our shareholding in EPC and allow us to dispose of some of our EPC shares for cash, subject to market conditions being favourable.

Finally, I would like to take this opportunity to thank my fellow directors, management and advisors for their dedication and help over the past year during our admission to trading on AIM, as well as our shareholders for their continuing support.

George Roach
Executive Chairman and CEO

27 June 2013

BOARD AND MANAGEMENT

PREMIER'S BOARD AND MANAGEMENT TEAM COMBINES EXTENSIVE EXPERIENCE IN THE INTERNATIONAL MINING AND RESOURCE DEVELOPMENT SECTOR WITH STRONG AFRICA-WIDE KNOWLEDGE AND A REPUTATION FOR RESPONSIBLE OPERATIONS

George Roach: Chief Executive Officer & Executive Chairman

Mr Roach has been involved in the mineral exploration industry in sub-Saharan Africa for many years. He has extensive experience in securing and establishing mineral exploration tenure and operations throughout Africa namely, Central African Republic, South Africa, Chad, Mali, Namibia, Zambia and Tanzania. He was a founding Director and Managing Director Africa for UraMin Inc., a uranium resource company with operations in Namibia, South Africa and Central African Republic. UraMin was sold for US$2.5 billion in 2007 to Areva, a French public multinational industrial conglomerate. Mr Roach is Chairman of Ethiopian Potash Corp, a TSX Venture Exchange quoted company, and was appointed as a director of AfNat Resources Limited in 2009, which was AIM-quoted until June 2010.

Pamela Hueston: Finance Director

Ms Hueston was formerly Chief Financial Officer (CFO) designate of Ethiopian Potash Corp (TSX:V), CFO of G & B Central African Resources and CFO of Virginia Diamond Field, which conducted a US$25m bulk sample diamond exploration project in South Africa. Ms Hueston was also Head Accountant with Caledonia Mining Corp, a junior gold mining and exploration company with operations in South Africa, Zimbabwe and Zambia and which is listed on the Toronto Stock Exchange and traded on AIM. Prior to working in the mining industry, Ms Hueston spent four years with Deloitte in various global locations working as a Senior Manager in Forensic Accounting.

Ms Hueston is a Canadian Chartered Accountant and MBA graduate from the University of Cape Town.

Bruce Cumming: Technical Director

Mr Cumming has over 35 years experience as an exploration geologist in base metal and diamond exploration across Africa. Mr Cumming spent 26 years with the Falconbridge Limited group of companies across Southern and West Africa exploring for nickel, copper, gold, diamonds and uranium. He has also consulted on various PGM opportunities in the Bushveld, was Exploration Manager for AIM-quoted Sierra Leone Diamond Company Limited (now African Minerals Limited) and in 2006 was employed by Vedanta Resources plc in Zambia as Specialist Exploration.
Mr Cumming holds a Bachelor of Science (Honours) in Geology from the University of Cape Town and is accredited to the South African Counsel for Natural Scientific Professionals (SACNASP).

John (Ian) Stalker: Non-Executive Director

Mr Stalker is Chief Executive Officer of Brazilian Gold Corporation, a TSX Venture Exchange quoted company. He has over 30 years of development and operational mining experience in Europe, Africa and Australia. He has undertaken operational roles in the base and precious metals arenas and executive positions in some of the largest mining companies in the world. From 2009 to 2011 he was CEO of Berkeley Resources Ltd, an ASX and AIM quoted company with its main asset being a uranium development project in Spain. He was CEO of UraMin Inc. from 2005 until its acquisition by Areva in 2007. Prior to joining UraMin, between 2005 and 2007 Mr Stalker was a Vice President of Gold Fields Ltd., the fourth largest gold producer in the world at the time.

Leslie Goodman: Non-Executive Director

Mr Goodman, a M.A. in Law from Cambridge University, qualified and practiced as a Solicitor in London. Mr Goodman held the position of C.E.O. for ACE Global Markets, ACE Strategic Advisors Inc. and Jardine Lloyds Advisors Limited. He was a Director and Head of International M & A with Barclays de Zoete Wedd Limited, and Director of Corporate Finance with Hill Samuel. He was previously Chairman of the Board of Directors of Viatel Holdings (Bermuda) Limited and Chapelthorpe plc. He is also a Director of two publicly traded companies.

Richard Dollar: Consulting Geologist

Mr Dollar has over 50 years' experience exploring for minerals across Africa, including working as the resident geologist for African Associated Mines and for United States Steel Corp as a consultant identifying fluorspar, nickel and platinum in Central and Southern Africa. He was instrumental in identifying, developing, building and subsequently disposing of at least five mines, including the Tiger Reef Mine, Jojo and Anzac Mines at Kwe Kwe to purchasers including Lonrho. He is experienced in operating in Zimbabwe and was involved in prospecting for and building a 10,000 tonne/month Tantalum mine at Gwanda.
Mr Dollar holds a Bachelor of Science (Honours) in Geology from the University of Cape Town.

DIRECTORS' REPORT

THE DIRECTORS SUBMIT THEIR ANNUAL REPORT ON THE AFFAIRS OF THE GROUP TOGETHER WITH THE GROUP FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2012

Principal Activity

The principal activity of Premier African Minerals Limited ("Premier" or "the Company") and its subsidiary companies ("the Group") is the exploration, evaluation and development of mineral properties on the African continent. Premier was incorporated on 21 August 2007 in the British Virgin Islands ("BVI") as a BVI business company with number 1426861. The registered office is Craigmuir Chambers, PO Box 71, Road Town, Tortola, British Virgin Islands. The Company was admitted to trading on the London Stock Exchange's AIM Market on 10 December 2012.

A detailed business review of the year and future development is included in the Chairman's statement on pages 2 to 6. The business review is incorporated in this Report of the Directors by reference.

Results and Dividends

The Group's results are set out in the consolidated statement of comprehensive income on page 14. The audited financial statements for the year ended 31 December 2012 are set out on pages 14 to 37. The Group incurred an operating loss of US$2,102,581 for the year ended 31 December 2012. The operating loss includes expenses of US$372,240 incurred by Premier on its first fundraising attempt to list on AIM, not included in share capital. The operating loss also includes an expense of US$374,754 for share based payments on the issue of options awarded to employees on successful listing of the Company on AIM and a payment in shares to a director for past services (refer note below). The Group incurred a loss after tax for the year ended 31 December 2012 of US$2,098,269. As the Group is still in an exploration stage, the Directors do not recommend payment of a dividend in respect of the financial year under review.

Fundraising and Capital

Prior to Admission the Company issued 56,000,000 ordinary shares to satisfy the conversion of US$3,409,692 of unsecured loans provided to the Group up to the period ending 31 December 2011 and 14,175,000 ordinary shares for past services to a director valued at US$453,600. Further information on these transactions is included in notes 17 and 19.

On 4 December 2012 Premier entered into the Share Exchange Agreement ("the Agreement") to acquire the remaining issued share capital of ZimDiv Holdings Limited ("ZimDiv Group") from its existing shareholders as part of a group reorganisation in conjunction with the Company's Admission to AIM. Consideration for the acquisition was the issue of 47,250,002 ordinary shares of the Company at the Admission price of 2p per share. The acquisition has been treated as a merger of entities under common control and has been reflected in the results as if Premier had owned and controlled the ZimDiv Group throughout the years ended December 2011 and 2012. Further information on this transaction is included in notes 3 and 19 to the financial statements.

On Admission to AIM the Company raised, gross of listing costs, US$2,420,815 (£1,500,000) through the issue of 75,000,000 ordinary shares at 2p and 75,000,000 warrants to subscribe for new ordinary shares at 4p per share. Further, the Company issued 118,442,589 ordinary shares at 2p and 118,442,589 loan conversion warrants to subscribe for new ordinary shares at 4p per share to satisfy the conversion of US$3,790,163 in unsecured loans provided to the Group during the financial year 2012 which converted on Admission of the Company to AIM. In addition, the Company issued 15,625,000 ordinary shares to satisfy the first tranche of the Zulu option payment for a consideration value of US$500,000, and 8,375,000 ordinary shares for settlement of advisor fees of US$269,240 regarding the Company's Admission to AIM. Further information on these transactions is included in notes 17, 19 and 23 to the financial statements.

Subsequent Events

At the date these financial statements were approved, being 27 June 2013, the Directors were not aware of any significant post balance sheet events other than those set out in note 27 to the financial statements.

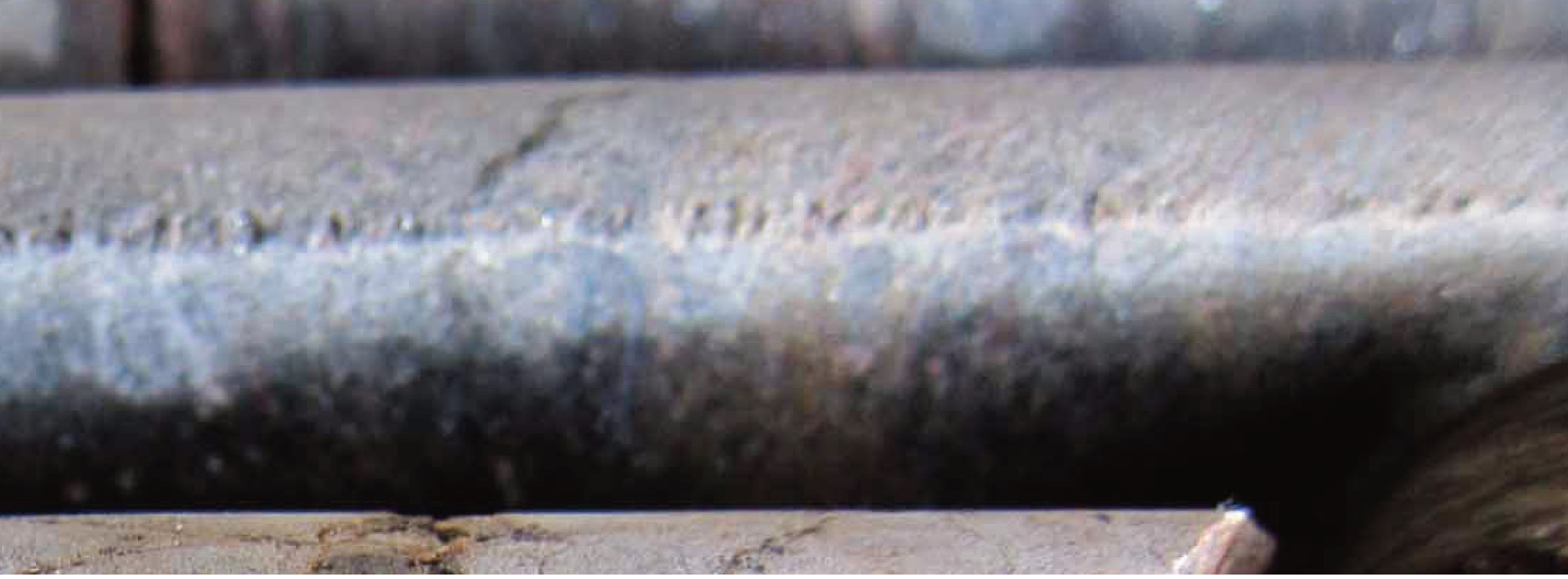
Directors

The Directors of Premier who served during the period and subsequently were:

- George Roach (appointed on incorporation April 2007)
- Bruce Cumming (appointed on incorporation April 2007)
- Pamela Hueston (appointed 15 March 2012)
- John (Ian) Stalker (appointed 4 December 2012)
- Leslie Goodman (appointed 4 December 2012)

Substantial Shareholders

Premier has been notified as of 27 June 2013 of the following interests in excess of 3% of its issue share capital:



	Number of ordinary shares	% of issued share capital	Loan conversion warrants
Coc'Roach Limited[1]	111,959,109	33.36%	93,147,071
ZRH Nominees (0105) Ltd.[2]	79,936,153	23.82%	6,160,018
Paddington Commercial Limited[3]	19,135,500	5.70%	19,135,500
Richard Dollar[5]	15,868,426	4.73%	
Cumming Limited[4]	15,470,919	4.61%	
Pershing Nominees Limited	10,625,000	3.17%	

Notes:

1. Coc'Roach Limited is owned by the Coc'Roach Trust. The Coc'Roach Trust is a partial discretionary trust pursuant to the terms of which George Roach and his family may fall within the class of potential beneficiaries.
2. ZRH Nominees (0105) Ltd. is a BVI company set up to act as nominee for Corestar Holdings Ltd. Corestar Holdings Ltd. is a BVI company which is wholly owned by the Corestar STAR Trust, a trust established for the furtherance of certain purposes which could include the provision of benefits to George Roach and his family, at the discretion of the trustees of the trust.
3. Paddington Commercial Limited is owned by Brendan Roach, George Roach's adult son.
4. Cumming Limited is owned by the Cumming Family Trust which is a partial discretionary trust pursuant to the terms of which Bruce Cumming and his family may fall within the class of potential beneficiaries.
5. A further 50,234,428 ordinary shares will be issued to Mr Dollar or his nominee as consideration for the exercise of the Zulu option agreement, bringing his interest to 17.13% Further details are disclosed in note 18 to the financial statements.

Corporate Governance

The Directors observe the requirements of the UK Corporate Governance Code as modified by the recommendations of the Quoted Companies Alliance ("QCA") to the extent they are considered appropriate in light of the Group's size, stage of development and resources.

Board Structure

The Board has five directors, two of whom are Non-executive. The Board is responsible for the management of the business of the Group setting its strategic direction and establishing appropriate policies. It is the Directors' responsibility to oversee the financial position of the Group and monitor its business and affairs on behalf of the Shareholders, to whom they are accountable. The primary duty of the Board is to act in the best interests of the Group at all times. The Board also addresses issues relating to internal control and risk management. The Non-executive Directors bring a wide range of skills and experience to the Group, as well as independent judgment on strategy, risk and performance. The Non-executive Directors are considered, by the Board, to be independent at the date of this report.

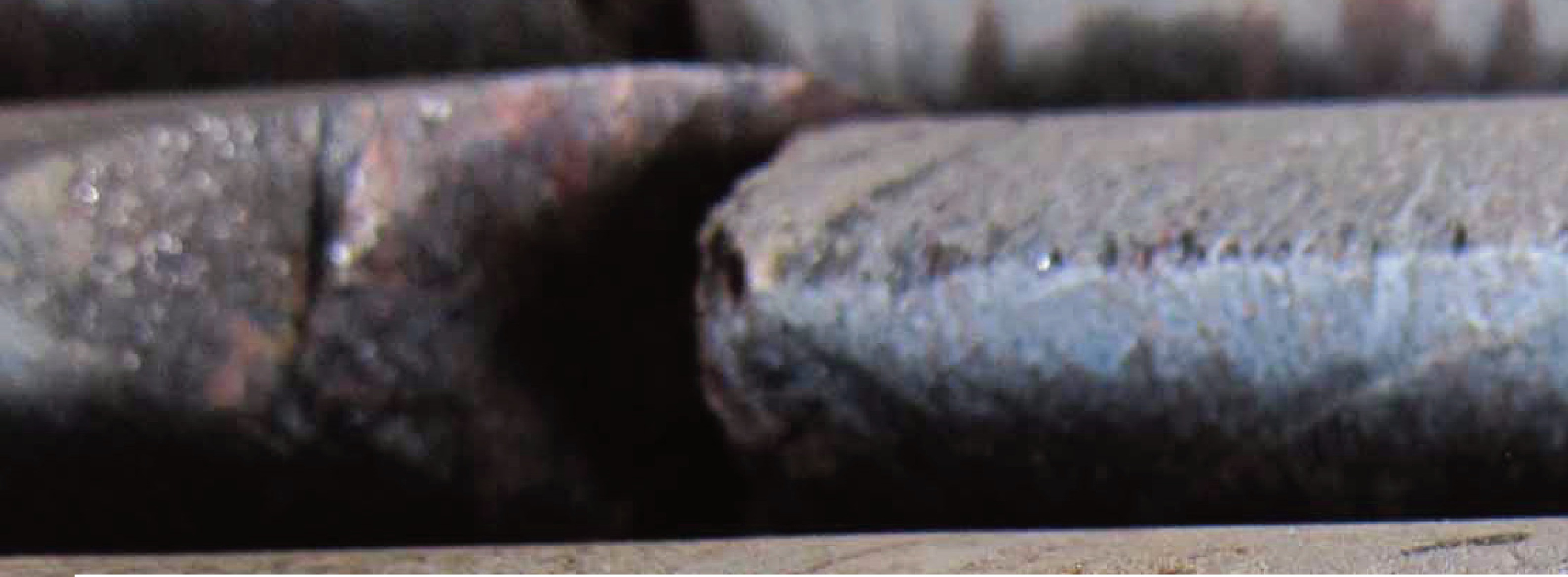
Board Committees

Audit Committee

The Audit Committee consists of the two Non-executive Directors; John (Ian) Stalker and Leslie Goodman (Committee Chairman). The Audit Committee will meet at least twice a year to consider the annual and interim financial statements. The Terms of Reference of the Audit Committee will be reviewed by the Board at least once a year and are available on the Company's website, or on request from the Company. The Audit Committee is responsible for ensuring that the appropriate financial reporting procedures are properly maintained and reported upon, reviewing accounting policies and for meeting the auditors and reviewing their reports relating to the accounts and internal control systems.

Remuneration Committee

The Remuneration Committee consists of John (Ian) Stalker and Leslie Goodman (Committee Chairman). It is responsible for reviewing the performance of the senior executives and for determining their levels of remuneration. The Committee will make recommendations to the Board, within agreed terms of reference, regarding the levels of remuneration and benefits including participation in the Group's share plan.



Nomination Committee

The Nomination Committee will meet as required to consider the composition of and succession planning for the Board, and to lead the process of appointments to the Board. The Committee is made up of George Roach (Committee Chairman) and John (Ian) Stalker.

AIM Compliance Committee

The AIM Compliance Committee comprises John (Ian) Stalker and Leslie Goodman and is responsible for monitoring compliance with AIM Rules and to liaise with the Company's Nominated Advisor.

Business Risks

Operating risks

The activities of the Group are subject to all of the hazards and risks normally incidental to exploring and developing natural resource projects. These risks and uncertainties include, but are not limited to environmental hazards, industrial accidents, labour disputes, encountering unusual or unexpected geologic formations or other geological or grade problems, unanticipated changes in rock formation characteristics and mineral recovery, encountering unanticipated ground or water conditions, land slips, flooding, periodic interruptions due to inclement or hazardous weather conditions and other acts of God or unfavourable operating conditions and losses.

Should any of these risks and hazards affect the Group's exploration, development or mining activities, it may cause the cost of production to increase to a point where it would no longer be economic to extract minerals from the Group's properties, require the Group to write-down the carrying value of one or more of its assets, cause delays or a stoppage of mining and processing, result in the destruction of mineral properties or processing facilities, cause death or personal injury and related legal liability: any and all of which may have a material adverse effect on the Group.

Early stage business risk

To date the Group has not recorded any revenues from operations, nor has the Group commenced commercial production at any of its projects and operating losses are expected to occur for the foreseeable future. The Group currently has no positive cash flows and its ultimate success depends on its ability to raise capital and generate cash flow in the future. There can be no assurance that the Group will earn income or profit in the future or that it will be successful in achieving a return on shareholders' investment.

Early stage project risk

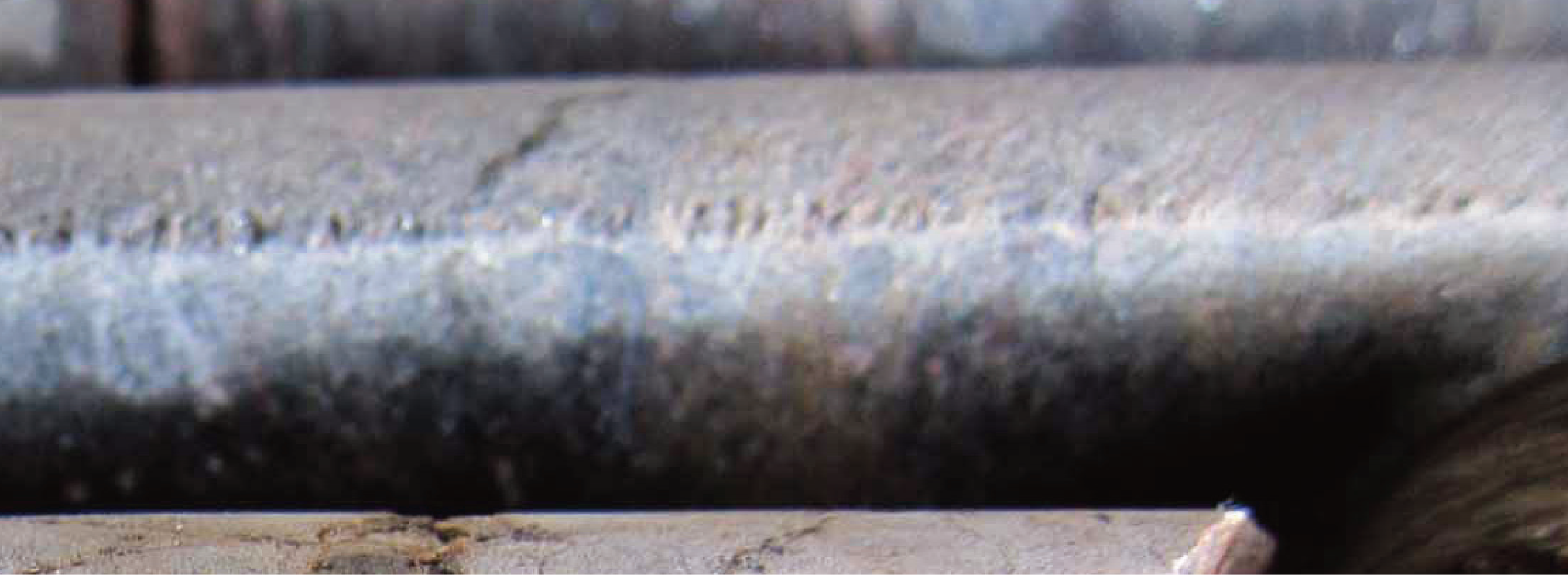
The Group's projects are at an early stage of development. In advancing these projects to the stage of where they may be cash generative, many risks are faced, including the inherent uncertainty of discovering commercially viable reserves, the capital costs of exploration, competition from other projects seeking financing and operating in remote and often politically unstable environments. While discovery of a mineral deposit may result in substantial rewards, few properties that are explored are ultimately developed into economically viable operating mines. Major expenditure may be required to establish reserves and it is possible that even preliminary due diligence will show adverse results, leading to the abandonment of projects. Whether a mineral deposit will become commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, proximity to infrastructure, financing costs and governmental regulations. The effect of these factors can only be estimated and cannot be accurately predicted.

Environmental risks and hazards

All phases of the Group's operations are subject to environmental regulation in the areas in which it operates. Environmental legislation is evolving in a manner that may require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that existing or future environmental regulation will not materially adversely affect the Group's business, financial condition and results of operations. Environmental hazards may exist on the properties on which the Group holds interests that are unknown to the Group at present.

Political and regulatory risk

The Group's operating activities in Africa, notably Togo, Mali and Zimbabwe, are subject to laws and regulations governing expropriation of property, health and worker safety, employment standards, waste disposal, protection of the environment, mine development, land and water use, prospecting, mineral production, exports, taxes, labour standards, occupational health standards, toxic wastes, the protection of endangered and protected species and other matters. The Group is dependent on the political and economic situation in these countries and may be adversely impacted by political factors such as expropriation, war, terrorism, insurrection and changes to laws



governing mineral exploration and operations.

Currently there is political instability in Mali following a military coup and the subsequent resignation of the President, as well as the on-going violent insurgency in the northern part of the country. Future succession elections in Zimbabwe and Mali may see periods of political and social unrest as the countries go through transition.

Internal control and financial risk management

The Board has overall responsibility for the Group's systems of internal control and for reviewing their effectiveness. The Group maintains systems which are designed to provide reasonable but not absolute assurance against material loss and to manage rather than eliminate risk.

The key features of the Group's systems of internal control are as follows:

- management structure with clearly identified responsibilities
- production of timely and comprehensive historical management information presented to the Board
- detailed budgeting and forecasting
- day to day hands on involvement of the Executive Directors
- regular board meetings and discussions with the Non-executive directors

The Group's activities expose it to a number of risks including cash flow risk, liquidity risk and foreign currency risk. Disclosure of management's objectives, exposure and policies in relation to these risks can be found in note 25 to these financial statements.

Environmental policy

The Group is aware of the potential impact that its subsidiary companies may have on the environment. The Group ensures that it complies with all local regulatory requirements and seeks to implement a best practice approach to managing environmental aspects.

Health and Safety

The Group's aim is to achieve and maintain a high standard of workplace safety. In order to achieve this objective the Group will provide training and support to employees and sets demanding standards for workplace safety.

Statement of Disclosure of Information to Auditors

As at the date of this report, the Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditors

A resolution to re-appoint Baker Tilly UK Audit LLP and to authorise the Directors to determine their remuneration will be proposed at the next Annual General Meeting.

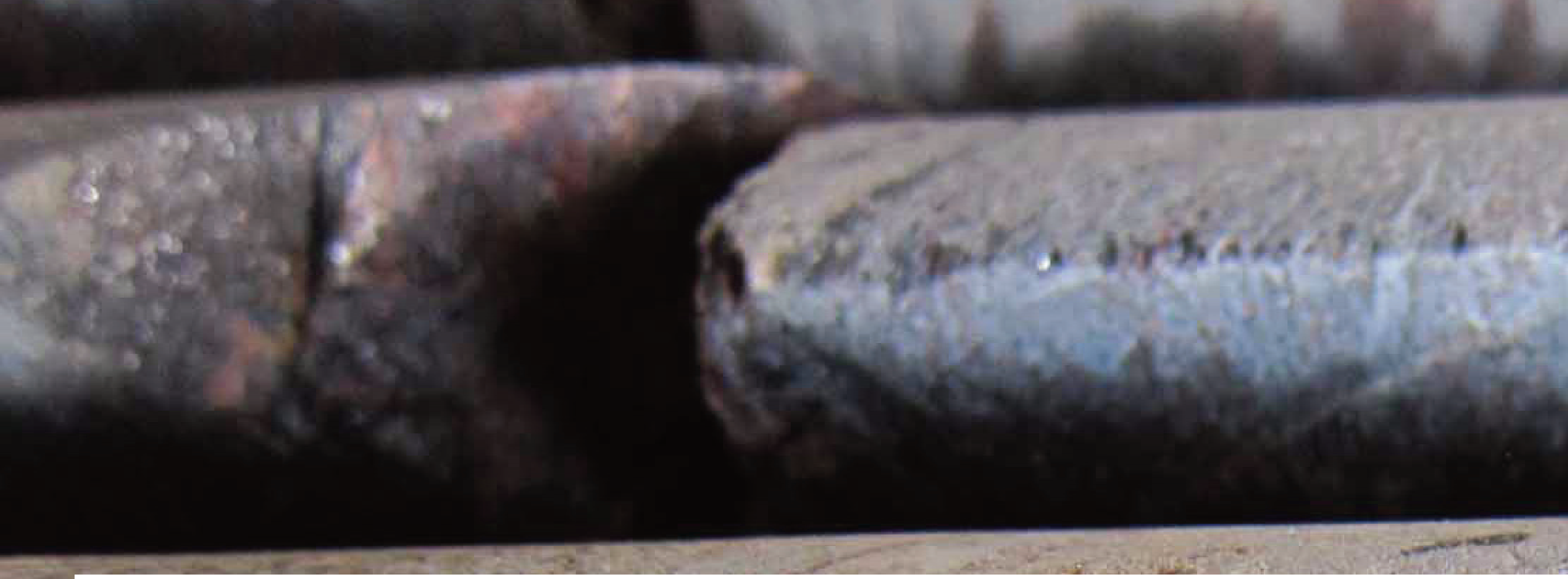
Going Concern

These consolidated financial statements were prepared on the going concern basis. The going concern basis assumes that the Group will continue in operation for the foreseeable future and will be able to realise its assets and discharge its liabilities and commitments in the normal course of business. The Group has incurred significant operating losses and negative cash flows from operations as the Group is an exploration stage resource Group.

The recoverability of the underlying value of exploration and evaluation assets is entirely dependent on the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, the ability of the Group to obtain the necessary financing to complete development, and future profitable production.

The Group has cash reserves at 24 June 2013 of approximately $338k and has an undrawn loan facility of £300,000 from the Chairman available to it, as disclosed in note 26. The Directors have prepared cash flow forecasts for the period ended 30 June 2014, taking into account forecast expenditure, available working capital and the existing loan facility. These forecasts indicate that the Group will need to obtain additional loan finance or equity to fund its operations for the period to 30 June 2014.

As disclosed in the Chairman's Statement, it was announced on 24 May 2013 that the Chairman intends to increase the loan facility to not less than £600,000, subject to agreement with the Board. The Chairman has recently also confirmed to the Board that he is in negotiations with potential third party investors to increase this facility further



and expects that these negotiations will be finalised shortly after release of a maiden resource and near-term mine development plan for RHA which is expected by 31 July 2013. In addition, the Board believes that the Ethiopian Potash Corp. transaction (refer note 27), if completed, has the potential to provide significant shareholder value, both if Premier can retain its shareholding in EPC and allow the Company to dispose of some of its shares in EPC for cash, subject to market conditions being favourable.

After careful consideration of those matters set out above, the Directors are of the opinion that the Group will be able to obtain adequate resources to enable it to undertake its planned activities for the period to 30 June 2014 and have prepared these consolidated financial statements on the going concern basis. These consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Group be unable to continue in business.

Directors' Responsibilities in respect of the preparation of Financial Statements

The Directors are responsible for preparing the financial statements in accordance with applicable laws and regulations. The Directors prepare group financial statements for each financial year. The Directors are required by the AIM Rules of the London Stock Exchange ("AIM Rules") to prepare group financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU").

The group financial statements are required by IFRS as adopted by the EU to present fairly the financial position and performance of the Group.

In preparing the group financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs adopted by the EU;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for ensuring that the Annual Report includes information required by the AIM Rules.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Premier African Minerals Limited website. The Company's website is maintained in accordance with AIM Rule 26.

Legislation in the British Virgin Islands governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Signed on behalf of the Board of Directors

Pamela Hueston
Director

27 June 2013

INDEPENDENT AUDITOR'S REPORT

NON-STATUTORY INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PREMIER AFRICAN MINERALS LIMITED

We have audited the group non-statutory financial statements on pages 14 to 37 The financial reporting framework that has been applied in their preparation is International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This non-statutory report is made solely to the company's members, as a body, in accordance with the terms of our engagement dated 6 February 2013. Our non-statutory audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a non-statutory auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our non-statutory audit work, for this non-statutory auditor's report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 12, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the non-statutory financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on the non-statutory financial statements

In our opinion the non-statutory financial statements:

- give a true and fair view of the state of the group's affairs as at 31 December 2012 and of the group's loss for the year then ended; and
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union.

Emphasis of matter – going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 5 of the financial statements concerning the group's ability to continue as a going concern. The group incurred a loss for the year ended 31 December 2012 of £2,098,269. The group's forecasts indicate that operating losses are expected to continue for the foreseeable future and that the group requires additional working capital, as explained in note 5 to the financial statements. These conditions, along with the other matters explained in note 5 of the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the group's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the group was unable to continue as a going concern.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matter where the terms of our engagement require us to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit.

Baker Tilly UK Audit LLP
Chartered Accountants
25 Farringdon Street
London EC4A 4AB

27 June 2013

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EXPRESSED IN US DOLLARS
FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	2012 $	2011 $
Administrative expenses	7	(2,040,721)	(895,881)
Depreciation and amortization expense		(25,581)	(23,212)
Exploration expenses		(36,279)	(75,415)
Operating loss		(2,102,581)	(994,508)
Finance costs	9	4,312	(4,312)
Loss before tax		(2,098,269)	(998,820)
Income tax expense	10	–	–
Loss for the year		(2,098,269)	(998,820)
Other comprehensive income:			
Exchange differences on re-translation of foreign operations		31,408	–
Total comprehensive income for the year attributable to the owners of the parent		(2,066,861)	(998,820)
Loss per share (expressed in US cents)			
Basic loss per share	11	(3c)	(2c)
Diluted loss per share	11	(3c)	(2c)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EXPRESSED IN US DOLLARS
FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	2012 $	2011 $
ASSETS			
Non-current assets			
Intangible exploration and evaluation assets	12	6,724,099	2,512,136
Property, plant and equipment	13	48,301	42,938
Total non-current assets		6,772,400	2,555,074
Current assets			
Trade and other receivables	15	179,973	101,437
Cash and cash equivalents		1,517,784	68,448
Total current assets		1,697,757	169,885
TOTAL ASSETS		8,470,157	2,724,959
LIABILITIES			
Current liabilities			
Trade and other payables	16	(170,324)	(153,566)
Borrowings	17	–	(3,433,461)
Shares to be issued	18	(1,500,000)	–
TOTAL CURRENT LIABILITIES AND TOTAL LIABILITIES		(1,670,324)	(3,587,027)
NET ASSETS/(LIABILITIES)		6,799,833	(862,068)
EQUITY			
Share capital	19	11,006,728	1,562,000
Merger reserve	20	(176,495)	(176,495)
Foreign exchange reserve	21	31,408	–
Share based payment reserve	22	303,638	19,604
Retained earnings		(4,365,446)	(2,267,177)
TOTAL EQUITY ATTRIBUTABLE TO THE OWNERS		6,799,833	(862,068)

These financial statements were approved and authorised for issue by the Board on 27 June 2013 and are signed on its behalf.

Pamela Hueston
Finance Director

George Roach
Chief Executive Officer

CONSOLIDATED STATEMENT OF CASH FLOWS

EXPRESSED IN US DOLLARS
FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	2012 $	2011 $
Net cash outflow from operating activities	24	(1,759,712)	(1,223,875)
Investing Activities			
Exploration and evaluation expenditures	12	(1,825,596)	(1,516,121)
Purchases of property, plant and equipment	13	(30,862)	(20,815)
Net cash used in investing activities		(1,856,458)	(1,536,936)
Financing Activities			
Proceeds from borrowings	17	3,766,385	2,105,086
Net proceeds from issue of share capital	19	1,291,272	400,000
Net cash from financing activities		5,057,657	2,505,086
Net increase/(decrease) in cash and cash equivalents		1,441,487	(255,725)
Cash and cash equivalents at beginning of year		68,448	324,173
Effect of foreign exchange rate variation		7,849	–
Net cash and cash equivalents at end of year		1,517,784	68,448

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
EXPRESSED IN US DOLLARS
FOR THE YEAR ENDED 31 DECEMBER 2012

	Share capital $	Merger reserve $	Foreign exchange reserve $	Share based payment reserve $	Retained earnings $	Total $
At 1 January 2011	1,562,000	(944,500)	–	–	(1,268,357)	(650,857)
Loss and total comprehensive income for the year	–	–	–	–	(998,820)	(998,820)
Transactions with owners						
Issue of equity shares by ZimDiv Holdings Ltd.	–	768,005	–	–	–	768,005
Share based payment	–	–	–	19,604	–	19,604
At 31 December 2011	1,562,000	(176,495)	–	19,604	(2,267,177)	(862,068)
Loss for the year	–	–	–	–	(2,098,269)	(2,098,269)
Exchange differences on re-translation of foreign operations	–	–	31,408	–	–	31,408
Total comprehensive income for the year	–	–	31,408	–	(2,098,269)	(2,066,861)
Transactions with owners						
Issue of equity shares	10,843,510	–	–	–	–	10,843,510
Share issue costs	(1,398,782)	–	–	–	–	(1,398,782)
Share based payment	–	–	–	284,034	–	284,034
At 31 December 2012	11,006,728	(176,495)	31,408	303,638	(4,365,446)	6,799,833

NOTES TO THE CONSOLIDATED 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.

The Group's operations and principal activities are the exploration, evaluation and development of mineral reserves, primarily on the African continent.

Premier's shares were admitted to trading on the London Stock Exchange's AIM market on 10 December 2012.

2 Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) in issue and as endorsed by the European Union. IFRS includes interpretations issued by the IFRS interpretations Committee (formerly IFRIC).

The consolidated financial statements have been prepared on the historical cost convention and on a going concern basis. The preparation of financial statements in conformity with EU adopted IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

The accounting policies set out below are consistent across the Group and to all periods presented in these financial statements.

3 Significant accounting policies

Accounting for merger

On 4 December 2012, Premier entered into an agreement (conditional on AIM admission) to issue shares to acquire 100% of the shares in ZimDiv Holdings Limited ('ZimDiv'). Prior to this transaction, Premier and ZimDiv were controlled by Mr. George Roach and consequently this transaction is outside the scope of IFRS 3 "Business Combinations". This transaction has been accounted for as a merger, which is consistent with the aggregation presentation used in the AIM Admission Document. These consolidated financial statements merge the two groups as if they were one group controlled by Premier throughout the entire period of presentation of financial information. The difference between the share capital issued by Premier to acquire ZimDiv and ZimDiv's issued share capital is accounted for as a merger reserve.

Basis of consolidation

Subsidiaries are entities whose financial and operating policies the Group controls, directly or indirectly, so as to obtain benefits from their activities. Subsidiaries are consolidated, using the acquisition method, from the date that control is gained and non-controlling interests are apportioned on a proportional basis.

Inter-company transactions and balances between group companies are eliminated in full on consolidation.

Adoption of new and revised standards

At the date of authorisation of these financial statements, the following Standards and Interpretations, which have not been applied in these financial statements, were in issue but not yet effective:

Title	Subject	Effective date
IFRS 9	Financial instruments – Classification and Measurement	1 January 2015*
IFRS 10	Consolidated Financial Statements	1 January 2013
IFRS 11	Joint arrangements	1 January 2013
IFRS 12	Disclosure of Interests in Other Entities	1 January 2013
IFRS 13	Fair Value Measurement	1 January 2013
IAS 27	Separate Financial Statements (amended May 2011)	1 January 2013
IAS 28	Investments in Associates and Joint Ventures (amended May 2011)	1 January 2013
IAS 19	Employee Benefits (as amended June 2011)	1 January 2013
IAS 32	Financial Instruments – Presentation (amendment)	1 January 2014
IFRIC20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

*subject to EU endorsement

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

Adoption of the above is not considered to have a material impact on the Group financial statements.

Revenue

The Group's principal activities are exploration and therefore did not earn any revenue for the two years ending 31 December 2012.

Foreign currencies

The Group's presentation currency is US Dollars. Each entity in the Group determines its own functional currency. As at the reporting date, the asset and liabilities of these entities are translated into the presentation currency of the Group which is the US Dollar ($), at the rate of exchange ruling at the balance sheet date and their income statements are translated at the monthly average exchange rate.

Exchange rates used as at the reporting date were as follows:

US$: £ – 1.62
US$: Euro – 1.32
US$: XOF – 0.002
US$: ZAR – 0.118

Exchange differences arising, if any on translation of the results and financial position of the Group's entities with functional currencies different from the Group's presentation currency are recognised in other comprehensive income and the Group's translation reserve. Such translation differences are recognised as income or as expenses in the period in which the operation is disposed of. All other differences are taken to profit or loss.

Taxation

The Group has no taxable profit during the year.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the tax computations, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Exploration and evaluation assets

The Group applies the full cost method of accounting for Exploration and Evaluation ('E&E') costs, having regard to the requirements of IFRS 6 *Exploration for and Evaluation of Mineral Resources*. Under the full cost method of accounting, costs of exploring for and evaluating mineral resources are accumulated by reference to appropriate cost centres being the appropriate licence area and/or licence areas held under option agreements. An option agreement grants the option holder the right to explore and evaluate mineral resources, and to acquire the licences at a later date at the discretion of the option holder. Exploration and evaluation assets are tested for impairment as described further below. Where appropriate, licences may be grouped into a cost pool.

E&E assets comprise costs of E&E activities that are on-going at the balance sheet date, pending determination of whether or not commercial reserves exist and costs of E&E that, whilst representing part of the E&E activities associated with adding to the commercial reserves of an established license area, did not result in the discovery of commercial reserves.

All costs of E&E are initially capitalised as E&E assets, such as, payments to acquire the legal right to explore, including option payments, costs of technical services and studies, seismic acquisition, exploratory drilling and testing. Intangible costs include directly attributable overheads together with the cost of other materials consumed during the exploration and evaluation phases.

Costs incurred prior to having obtained the legal rights to explore an area are expensed directly to profit or loss as they are incurred.

E&E costs are not amortised prior to the conclusion of appraisal activities.

E&E assets related to each exploration licence or pool of licences are carried forward, until the existence (or otherwise) of commercial reserves has been determined. If commercial reserves have been discovered, the related E&E assets are assessed for impairment on an individual licence or cost pool basis, as appropriate, as set out below and any impairment loss is recognised in profit or loss. The carrying value, after any impairment loss, of the relevant E&E assets is then reclassified as development and production assets.

E&E assets are assessed for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount. Such indicators include, but are not limited to, those situations outlined in paragraph 20 of IFRS 6 *Exploration for and Evaluation of Mineral Resources* and include the point at which a determination is made as to whether or not commercial reserves exist.

Where the E&E assets concerned fall within the scope of an established cost pool, the E&E assets are tested for impairment together with all development and production assets associated with that cost pool, as a single cash generating unit.

The aggregate carrying value is compared against the expected recoverable amount, generally by reference to the present value of the future net cash flows expected to be derived from production of commercial reserves.

When a licence or pool of licences is abandoned or there is no planned future work the costs associated with the respective licences are written off in full.

Any impairment loss is recognised in profit or loss as additional depreciation and amortisation, and separately disclosed.

The Group considers each licence, or where appropriate, a pool of licences, separately, for the purposes of determining whether impairment of E&E assets has occurred.

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided on all tangible assets to write off the cost less estimated residual value of each asset over its expected useful economic life on a straight-line basis at the following annual rates:

- Buildings – 10 years
- Motor vehicles – 4 years
- Computer equipment – 5 years
- Office and other equipment – 5 years

All assets are subject to annual impairment reviews.

Impairment of property, plant and equipment

At each reporting date, the Group reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss.

If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Financial instruments

The Group's financial instruments comprise cash and cash equivalents, loans and shareholder borrowings and payables and receivables arising from its operations. The Group has subsidiaries in Togo, Mali, Benin and Zimbabwe whose expenses are denominated in the West African CFA Franc and US dollars. Exchange risk is inherent in the Group's activities and is accepted as such.

There is no material difference between the book value and fair value of the Group's cash and loans and borrowings.

Financial assets

The Group classifies all its financial assets as loans and receivables. Management determines the classification of financial assets at initial recognition.

Loans and receivables are classified as current assets or non-current assets based on their maturity date. Loans and receivables comprise "Trade and other receivables" and "Cash and cash equivalents" in the statement of financial position. Loans and receivables are recognised initially at fair value and subsequently carried at amortised cost less any impairment.

A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due. Indicators of impairment would include financial difficulties of the debtor, likelihood of the debtor's insolvency, default in payment or a significant deterioration in credit worthiness. Any impairment is recognised in profit or loss.

Subsequent recoveries of amounts previously written off are credited in profit or loss.

Financial liabilities

Borrowings and other financial liabilities are recognised initially at fair value, net of transaction costs incurred and are subsequently stated at amortised cost. Any difference between the amounts originally received (net of transaction costs) and the redemption value is recognised in profit or loss over the period to maturity using the effective interest method.

Borrowings and other financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date, or may not have the ability to repay the liability with 12 months of the statement of financial position date.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Share based payment transactions

The Group operates an equity-settled share option plan. The fair value of the service received in exchange for the grant of options is recognised as an expense. Equity-settled share based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of equity-settled share based payment is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions.

Fair value is measured by use of the Black Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The Company also entered into agreements to settle amounts due from advisors using equity and an agreement to acquire a licence using equity. The fair value of the equity issued was measured using the fair value of goods and services received.

Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Operating segments

IFRS 8 provides segmental information for the Group on the basis of information reported internally to the chief operating decision-maker for decision-making purposes. The Group considers that the role of chief operating decision-maker is performed by the Group's board of directors.

Operating loss

Operating loss is stated before income tax expense and finance costs.

4 Significant accounting judgments, estimates and assumptions

In applying the Group's accounting policies, the Directors are required to make judgments, estimates and assumptions about the carrying amounts of the assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The key estimates and assumptions that have a significant risk of causing material adjustments to the carrying amounts of certain assets and liabilities recognised in these consolidated financial statements are:

Recoverability of exploration and evaluation assets

Determining whether an exploration and evaluation asset is impaired requires an assessment of whether there are any indicators of impairment, including by reference to specific impairment indicators prescribed in IFRS 6 *Exploration for and Evaluation of Mineral Resources*. If there is any indication of potential impairment, an impairment test is required based on value in use of the asset. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. The carrying amount of exploration and evaluation assets at 31 December 2012 was $6,724,099 (2011: $2,512,136) and no impairment was identified or recognised.

5 Going concern

These consolidated financial statements were prepared on the going concern basis. The going concern basis assumes that the Group will continue in operation for the foreseeable future and will be able to realise its assets and discharge its liabilities and commitments in the normal course of business. The Group has incurred significant operating losses and negative cash flows from operations as the Group is an exploration stage resource Group.

The recoverability of the underlying value of exploration and evaluation assets is entirely dependent on the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, the ability of the Group to obtain the necessary financing to complete development, and future profitable production.

The Group had cash reserves at 24 June 2013 of approximately $338,000 and has an undrawn loan facility of £300,000 from the Chairman available to it, as disclosed in note 26. The Directors have prepared cash flow forecasts for the period ended 30 June 2014, taking into account forecast expenditure, available working capital and the existing loan facility. These forecasts indicate that the Group will need to obtain additional loan finance or equity to fund its operations for the period to 30 June 2014.

As disclosed in the Chairman's Statement, it was announced on 24 May 2013 that the Chairman intends to increase the loan facility to not less than £600,000 subject to agreement with the Board.

The Chairman has recently also confirmed to the Board that he is in negotiations with potential third party investors to increase this facility further and expects that these negotiations will be finalised shortly after release of a maiden resource and near-term mine development plan for RHA which is expected by 31 July 2013. In addition, the Board believes that the EPC transaction (refer note 27), subject to approval on 30 June 2013, has the potential to provide significant shareholder value both if Premier can retain its shareholding in EPC and allow the Company to dispose of some of its shares in EPC for cash, subject to market conditions being favourable.

After careful consideration of those matters set out above, the Directors are of the opinion that the Group will be able to obtain adequate resources to enable it to undertake its planned activities for the period to 30 June 2014 and have prepared these consolidated financial statements on the going concern basis. These consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Group be unable to continue in business.

6 Segmental Reporting

Segmental information is presented in respect of the information reported to the Directors. As currently the Group is in the exploration phase there is no revenue being generated, and the main business segment is that of an exploration group and a corporate administrative entity.

Segmental results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

By geographical area 2012	**BVI/Parent $**	**Togo $**	**Zimbabwe $**	**Mali $**	**Total $**
Result					
Operating loss	(1,290,776)	(207,611)	(426,776)	(177,418)	(2,102,581)
Loss before taxation	(1,286,464)	(207,611)	(426,776)	(177,418)	(2,098,269)
Assets					
Exploration and evaluation assets	–	1,917,079	4,807,020	–	6,724,099
Property, plant and equipment	–	6,768	41,533	–	48,301
Financial assets	147,289	30,867	–	1,817	179,973
Cash	1,498,075	5,739	720	13,250	1,517,784
Total assets	1,645,364	1,960,453	4,849,273	15,067	8,470,157
Liabilities					
Segment liabilities	(102,490)	(17,139)	(1,545,415)	(5,280)	(1,670,324)
Loans and shareholder loans	–	–	–	–	–
Total liabilities	(102,490)	(17,139)	(1,545,415)	(5,280)	(1,670,324)
Net assets	1,542,874	1,943,314	3,303,858	9,787	6,799,833
Other information					
Depreciation	–	(20,064)	(5,517)	–	(25,581)
Property, plant and equipment additions	–	–	(30,862)	–	(30,862)

By geographical area 2011	**BVI/Parent $**	**Togo $**	**Zimbabwe $**	**Mali $**	**Total $**
Result					
Operating loss	(311,774)	(403,028)	(247,971)	(31,735)	(994,508)
Loss before taxation	(316,086)	(403,028)	(247,971)	(31,735)	(998,820)
Assets					
Exploration and evaluation assets	–	966,685	1,545,451	–	2,512,136
Property, plant and equipment	–	26,750	16,188	–	42,938
Other receivables	101,437	–	–	–	101,437
Cash	23,559	2,995	5,667	36,227	68,448
Total assets	124,996	996,430	1,567,306	36,227	2,724,959
Liabilities					
Segment liabilities	(14,852)	(15,356)	(92,938)	(30,420)	(153,566)
Loans and shareholder loans	(3,433,461)	–	–	–	(3,433,461)
Total liabilities	(3,448,313)	(15,356)	(92,938)	(30,420)	(3,587,027)
Net assets/(liabilities)	(3,323,317)	981,074	1,474,368	5,807	(862,068)
Other information					
Depreciation	–	(23,067)	(145)	–	(23,212)
Property, plant and equipment additions	–	4,482	16,333	–	20,815

7 Administrative Expenses

	2012 $	**2011 $**
Staff costs	**391,393**	342,312
Consulting and advisory fees	**235,727**	149,428
Directors' fees	**2,868**	–
Audit accounting and legal fees	**79,115**	57,743
Marketing and public relations	**36,961**	–
Travel	**219,661**	184,532
Vehicle	**36,433**	32,984
Donations	**25,088**	–
Office and administration	**218,444**	109,278
Realized foreign exchange loss	**48,037**	–
Aborted listing costs	**372,240**	–
Share based payment (notes 22 and 23)	**374,754**	19,604
	2,040,721	895,881

8 Directors' remuneration

	2012 $	2011 $
Directors' remuneration	**726,241**	55,000

2012	Directors Fees $	Consultancy Fees $	Shares Issued $	Share Options Issued $	Total $
Executive Directors					
George Roach	–	–	–	5,941	5,941
Bruce Cumming	–	80,000	453,600	9,505	543,105
Pamela Hueston (*)	–	147,000	–	9,505	156,505
Non-Executive Directors					
John (Ian) Stalker (*)	1,434	–	–	9,143	10,577
Leslie Goodman (*)	1,434	–	–	8,679	10,113
	2,868	227,000	453,600	42,773	726,241

2011	Directors Fees $	Consultancy Fees $	Shares Issued $	Share Options Issued $	Total $
Executive Directors					
George Roach	–	–	–	–	–
Bruce Cumming	–	55,000	–	–	55,000
	–	55,000	–	–	55,000

(*) These directors were not employed during the full financial year.

No pension benefits are provided for any Director.

9 Finance costs

	2012 $	2011 $
Interest on related party loan (note 17)	**(4,312)**	4,312

10 Taxation

	2012 $	2011 $
Taxation charge for the year	**–**	–

There is no taxation charge in the year ended 31 December 2012 (2011: nil). As 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.

11 Loss per share

The calculation of loss per share is based on the loss after taxation divided by the weighted average number of shares in issue during the year:

	2012 $	2011 $
Net loss after taxation	**(2,098,269)**	(998,820)
Weighted average number of Ordinary Shares in calculating basic earnings per share	**69,413,680**	47,300,002
Basic loss per share (expressed in US cents)	**(3c)**	(2c)
Weighted average number of Ordinary Shares used in calculating fully diluted earnings per share	**69,413,680**	47,300,002
Diluted loss per share (expressed in US cents)	**(3c)**	(2c)

As the Group incurred a loss for the year, there is no dilutive effect of share options or warrants.

12 Exploration and evaluation assets

	$
Cost	
Cost at 1 January 2011	996,015
Expenditure on exploration and evaluation	1,516,121
Cost at 31 December 2011	2,512,136
Expenditure on exploration and evaluation	4,188,476
Foreign exchange	23,487
Cost at 31 December 2012	6,724,099

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

Capitalised expenditure in the year of $4,188,476 (2011: $1,516,121) comprised cash outflows of $1,825,596 (2011: $1,516,121) together with shares issued and to be issued to Mr Richard Dollar to acquire the Zulu claims of $2,000,000 (note 18) and an allocation of $362,880 of the fair value of the shares received by Mr Bruce Cumming (note 19).

13 Property, plant and equipment

	Motor vehicles	Office & other equipment	Computer equipment	Buildings	Total
	$	$	$	$	$
Cost					
At 1 January 2011	71,930	20,145	4,156	–	96,231
Additions	–	20,815	–	–	20,815
At 31 December 2011	71,930	40,960	4,156	–	117,046
Additions	–	862	–	30,000	30,862
Exchange differences	1,748	598	101	–	2,447
At 31 December 2012	73,678	42,420	4,257	30,000	150,355
Depreciation					
At 1 January 2011	39,562	9,276	2,058	–	50,896
Charge for the year	17,983	4,398	831	–	23,212
At 31 December 2011	57,545	13,674	2,889	–	74,108
Charge for the year	14,330	8,173	828	2,250	25,581
Exchange differences	1,803	467	95	–	2,365
At 31 December 2012	73,678	22,314	3,812	2,250	102,054
Net Book Value					
At 31 December 2012	–	20,106	445	27,750	48,301
At 31 December 2011	14,385	27,286	1,267	–	42,938

14 Subsidiaries

Premier had investments in the following subsidiary undertakings as at 31 December 2012, which principally affected the losses and net assets of the Group:

Name	Country of incorporation and operation	Proportion of voting interest %	Activity
ZimDiv Holdings Limited	Mauritius	100	Holding Company
RRCC Ltd	BVI	100	Holding Company
Regent Resources Capital Corporation SAU	Togo	100	Exploration
G and B African Resources SARL	Togo	100	Exploration
G and B African Resources Benin SARL	Benin	100	Exploration
G and B African Resources Mali SARL	Mali	100	Exploration
Zulu Lithium Mauritius Holdings Limited	Mauritius	100	Holding Company
R.H.A. Tungsten Mauritius Limited	Mauritius	100	Holding Company
Kavira Minerals Holdings Limited	Mauritius	100	Holding Company
Tinde Fluorspar Holdings Limited	Mauritius	100	Holding Company
Lubimbi Minerals Holdings Limited	Mauritius	100	Holding Company
Gwaaii River Minerals Holdings Limited	Mauritius	100	Holding Company
Zulu Lithium (Private) Limited	Zimbabwe	100	Exploration
RHA Tungsten (Private) Limited	Zimbabwe	100	Exploration
Katete Mining (Private) Limited	Zimbabwe	100	Exploration
Tinde Fluorspar (Private) Limited	Zimbabwe	100	Exploration
LM Minerals (Private) Limited	Zimbabwe	100	Exploration
BM Mining & Exploration (Private) Limited	Zimbabwe	100	Exploration

As described in note 3, the Group has been presented as a merger of entities under common control and the group of companies listed in the above table have been consolidated for reporting purposes in these financial statements from 1 January 2011.

15 Trade and other receivables

	2012 $	2011 $
Sundry receivables	**151,287**	–
Prepayments	**28,686**	101,437
	179,973	101,437

16 Trade and other payables

	2012 $	2011 $
Trade payables	**107,037**	17,286
Accruals	**63,287**	131,968
Accrued interest	**–**	4,312
	170,324	153,566

All trade and other payables at 31 December 2012 are due within one year, non-interest bearing and comprise amounts outstanding for purchases and on-going costs. The Directors consider that the carrying amount of trade and other payables approximates their fair value.

17 Borrowings

	2012 $	2011 $
As at 1 January	**3,433,461**	1,696,380
Loan received	**3,766,385**	2,105,086
Loans capitalised as equity	**(7,199,846)**	(368,005)
As at 31 December	**–**	3,433,461

Loans from a related party are further disclosed in Note 26, *Related Party Transactions*. The loans are unsecured, and either non-interest bearing or bear interest at a rate of 4 per cent. per annum (2011: at rates of zero and 4 per cent. per annum). As detailed in Note 19, on 4 December 2012, Premier entered into an agreement to capitalise these loans as equity in Premier on Admission to AIM.

During 2012, Premier received $612,336 (2011: $nil) from Paddington Commercial Limited under a short-term non-interest bearing facility agreement. Paddington Commercial Limited is owned by Brendan Roach, George Roach's adult son. The total loan of $612,336 was capitalised as equity as part of Premier's Admission to AIM.

18 Shares to be issued

On 27 November 2012, the Group entered into an agreement to acquire the Zulu claims from Mr Richard Dollar, a consultant to the Group. The consideration for this acquisition was satisfied through the issue of $500,000 ordinary shares on Admission to AIM (see note 19) and $1,500,000 ordinary shares within 30 days. The quantity of shares to be issued is dependent on the post year end share price of the Company and consequently this obligation is accounted for as a liability.

On 8 March 2013, the Company approved, pursuant to the exercise of its option dated 27 November 2012 to acquire the Zulu licence area, the issue and allotment of 50,234,428 new ordinary shares in the Company to Richard Dollar. The value of the consideration is US$1.5 million (£1,004,688). The shares are being issued at a price of 2 pence per share, being the same price as the placing shares issued on Admission to AIM. The shares are waiting to be issued by AIM pending confirmation by Mr Dollar of his nominee company.

19 Share capital

Authorised share capital

1 billion ordinary shares of no par value.

Issued share capital

	Number of Shares	$
On incorporation	50,000	50,000
Subdivision of shares into 14 ordinary shares	650,000	–
Issue of shares to acquire ZimDiv Holdings Limited	47,250,002	1,512,000
As at 1 January 2011* and 31 December 2011	47,950,002	1,562,000
4 December 2012 shares issued for capitalisation of 2011 loans	56,000,000	3,409,692
4 December 2012 shares issued for services received **	14,175,000	453,600
4 December 2012 shares issued to Admission Placees	75,000,000	2,420,815
4 December 2012 shares issued for Zulu option, first tranche of shares	15,625,000	500,000
4 December 2012 shares issued for capitalisation of 2012 loans	118,442,589	3,790,163
4 December 2012 shares issued for advisor fees	8,375,000	269,240
As at 31 December 2012	335,567,591	12,405,510

* As described in note 3, Premier acquired the ZimDiv Group in a Share Exchange Agreement in advance of the Initial Public Offering. The transaction has been accounted for as a merger of entities under common control and presented in the consolidated financial statements as if the Group had been one since from 1 January 2011.

** Shares were issued to Mr B Cumming who is a Director of Premier as fully paid shares in recognition of his work performed to date on acquiring and securing of mineral assets and building the business since inception. Eighty per cent. of the value of the shares issued has been capitalised as an addition to the intangible exploration and evaluation asset while twenty per cent. has been expensed as a share based payment in 2012.

20 Merger reserve

	Total $
At 1 January 2011	(944,500)
28 February 2011 shares issued for cash proceeds	400,000
28 February 2011 shares issued for capitalisation of shareholder loans	39,560
30 September 2011 shares issued for capitalisation of shareholder loans	328,445
At 31 December 2011 and 2012	(176,495)

The balance as at 1 January 2011 includes the results of the Share Exchange Agreement entered into on 4 December 2012 to acquire the remaining issued share capital of the ZimDiv Group as described in notes 3 and 19 above.

The shares issued during the year ended 31 December 2011 were share issues by ZimDiv Holdings Limited. Any shares issued by ZimDiv Holdings Limited to Premier are eliminated on consolidation and not disclosed above.

21 Foreign exchange reserve

	Total $
At 1 January 2012	–
Change in reserves during the year	31,408
At 31 December 2012	31,408

22 Share based payment reserve

	Total $
At 1 January 2011	–
Share options charge	19,604
At 1 January 2012	19,604
Share options charge (Note 23)	213,106
Warrants charge (Note 23)	70,928
At 31 December 2012	303,638

23 Share based payments

Under IFRS 2 "Share Based Payments", the Group determines the fair value of shares, options and warrants issued to Directors and Employees as remuneration and, Consultants and Advisors as consideration for their services, and recognises the amount as an expense in profit or loss with a corresponding increase in equity.

IFRS 2 is also applied to shares issued to consultants and advisors with the fair value being recognised as an expense in profit or loss, a deduction from equity or an addition to intangible assets depending on the nature of the services received.

Details of share issues are provided in note 19 and details of share options and warrants are set out below.

Share Options

The Company adopted a new incentive share option plan (the 'Plan') during 2012. The essential elements of the Plan provide that the aggregate number of common shares of the Company's capital stock issuable pursuant to options granted under the Plan may not exceed 15% of the issued and outstanding Ordinary Shares at the time of any grant of options. Options granted under the Plan will have a maximum term of 10 years. All options granted to Directors and management are subject to vesting provisions of one to two years.

The Company granted the following share options during the two years ended 31 December 2012:

Issued to	Date Granted	Vesting Term	Number of Options Granted	Exercise Price	Expiry Date	Estimated Fair Value
Employees and consultants	10/02/2011	1 year	2,250,000	1.135c	09/02/2014	0.87c
Directors	04/12/2012	See 1 below	20,385,730	Nil	03/12/2022	0.0111p
Directors	04/12/2012	See 2 below	20,385,730	2p	03/12/2022	0.0185p
Employees and associates	04/12/2012	See 3 below	5,536,861	Nil	03/12/2022	0.0185p
Totals			48,558,321			

1. The above share options vest on the two-year anniversary of the grant date. The options are exercisable at any time after vesting during the grantee's period as an eligible option holder, and must be exercised no later than 10 years after the date of grant, after which the options will lapse.
2. The above share options vest in equal instalments annually on the anniversary of the grant date over a two year period. The options are exercisable at any time after vesting during the grantee's period as an eligible option holder, and must be exercised no later than 10 years after the date of grant, after which the options will lapse.
3. The above share options vested on the grant date. The options are exercisable at any time after vesting during the grantee's period as an eligible option holder, and must be exercised no later than 10 years after the date of grant, after which the options will lapse.

The fair value of the options granted and vested during the year ended 31 December 2012 was $213,106 (2011: $19,604). The assessed fair value of the options granted to employees and consultants was determined by an estimation of the fair value of services rendered. The assessed fair value of options granted to directors was determined using the Black-Scholes Model that takes into account the exercise price, the term of the option, the share price at grant date, the expected price volatility of the underlying share, the expected dividend yield and the risk-free rate interest rate for the term of the option.

The following table lists the inputs into the model for the year ended 31 December 2012:

	4 December 2012 issue	**10 February 2011 issue**
Dividend yield (%)	–	–
Expected volatility (%)	75.0	70.0
Risk-free interest rate (%)	1.81	2.65
Share price at grant date	1.85p	1.135c
Exercise price	2p	1.135c

Expected volatility is normally determined by calculating the historic volatility of the share price over the most recent period that is commensurate with the expected award term. As at 31 December 2012 the Group was a newly listed entity with limited trading history. Share price volatility has been based on the average share price volatility of similar sized publicly listed resource companies and the Company's recent trading history.

The Group has the following share options outstanding:

Grant Date	**Expiry Date**	**Exercise Price**	**Number of options outstanding**	**Number of options vested and exercisable**
10/02/2011	09/02/2014	1.135c	1,000,000	1,000,000
10/02/2011	09/02/2014	1.135c	1,250,000	1,250,000
04/12/2012	03/12/2022	Nil	20,385,730	–
04/12/2012	03/12/2022	2p	20,385,730	–
04/12/2012	03/12/2022	Nil	5,536,861	5,536,861
			48,558,321	7,786,861

A summary of the status of the Group's share options as of 31 December 2012 and changes during the year are as follows:

	2012		2011	
	Shares	**Weighted Average Exercise Price**	**Shares**	**Weighted Average Exercise Price**
Options outstanding, beginning of year	**2,250,000**	**1.115c**	–	–
Granted	**46,308,321**	**0.88p**	2,250,000	1.135c
Cancelled	**–**	**–**	–	–
Expired	**–**	**–**	–	–
Exercised	**–**	**–**	–	–
Options outstanding, end of year	**48,558,321**	**0.87p**	2,250,000	1.135c

Warrants

During the year the Company granted 207,170,698 warrants over Ordinary Shares (2011: nil) as part of the Initial Public Offering.

Issued to	**Date Granted**	**Number of Warrants Issued**	**Exercise Price**	**Expiry Date**
Placees and loan conversions	04/12/2012	193,442,589	4p	03/12/2014
Advisors	04/12/2012	6,711,352	4p	03/12/2014
Advisors	04/12/2012	7,016,757	4p	03/12/2017
Totals		207,170,698		

The warrants issued to placees and on loan conversion do not qualify as share based payments, so there is no fair value change arising.

The fair value of the warrants granted to advisors during the year ended 31 December 2012 was $70,928 (2011: nil).

The following table lists the inputs into the model for the year ended 31 December 2012:

	4 December 2012 issue
Dividend yield (%)	–
Expected volatility (%)	75.0
Risk-free interest rate (%)	1.81
Share price at grant date	1.85p
Exercise price	4p

A summary of the status of the Company's share warrants as of 31 December 2012 and changes during the year are as follows:

	2012	2011
Warrants outstanding, beginning of year	–	–
Granted	207,170,698	–
Cancelled	–	–
Expired	–	–
Exercised	–	–
Warrants outstanding, end of year	207,170,698	–

24 Notes to the cash flow statement

	2012 $	2011 $
Loss before tax	(2,098,269)	(998,820)
Adjustments for:		
Depreciation and amortization	25,581	23,212
Finance costs	(4,312)	4,312
Share based payments	374,754	19,604
Operating cash flows before movements in working capital	(1,702,246)	(951,692)
(Increase) in receivables	(78,536)	(101,437)
Increase/(decrease) in payables	21,070	(170,746)
Net cash (outflow) from operating activities	(1,759,712)	(1,223,875)

Cash and cash equivalents comprise cash at bank and short term bank deposits with an original maturity of three months or less. The carrying value of these assets is approximately equal to their fair value.

25 Financial instruments

The Group uses financial instruments comprising cash, receivables, payables and borrowings. Cash balances are held in Sterling, US Dollars, Euro and the West African CFA Franc (XOF).

The Group has a policy of not hedging and therefore takes market rates in respect of foreign exchange risk. However, rates are monitored closely by management.

The fair value of financial assets and liabilities approximates the carrying values disclosed in the financial statements.

Categories of financial instruments

	2012 $	2011 $
Financial assets		
Trade and other receivables	**151,287**	–
Cash and cash equivalents	**1,517,784**	68,448
	1,669,071	68,448
Financial liabilities		
Trade payables	**107,037**	17,286
Accrued liabilities	**63,287**	136,280
Borrowing	**–**	3,433,461
Shares to be issued	**1,500,000**	–
	1,670,324	3,587,027

Capital Management

The Group manages its capital resources to ensure that entities in the Group will be able to continue as a going concern, while maximising shareholder return.

The capital structure of the Group consists of equity attributable to shareholders, comprising issued share capital, reserves and deficit. The availability of new capital will depend on many factors including a positive mineral exploration environment, positive stock market conditions, the Group's track record, and the experience of management. There are no externally imposed capital requirements. The Directors are confident that adequate cash resources exist to finance operations but controls over expenditure are carefully managed.

Foreign currency risk

The Group undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Liabilities		Assets	
	2012 $	2011 $	2012 $	2011 $
Sterling	**29,986**	–	**1,377,006**	–
Euro	**–**	–	**30,237**	–
South African Rand (ZAR)	**69,243**	–	**–**	–
CFA Franc ('XOF')	**22,419**	–	**26,205**	60,900
	121,648	–	**1,433,448**	60,900

The presentation currency of the Group is US dollars.

The Group is exposed primarily to movements in USD, the currency in which the Group receives its funding, against other currencies in which the Group incurs liabilities and expenditure. Since the Group's operations in Western Africa are primarily transacted in XOF, there is a risk that purchasing power in XOF is lost through foreign exchange movements.

Credit risk

Financial instruments that potentially subject the Group to a significant concentration of credit risk consist primarily of cash and cash equivalents. The Group limits its exposure to credit loss by placing its cash with major financial institutions. As at 31 December 2012, the Group held $1,517,784 in cash and cash equivalents (2011: $68,448).

Liquidity Risk

All of the Group's financial liabilities are classified as current and are anticipated to mature within the next fiscal period. The Group intends to settle these liabilities from working capital with the exception of shares to be issued which will be settled from equity.

26 Related party transactions

Transactions between the Group, which are related parties have been eliminated on consolidation and are not disclosed in this note. Transactions between other related parties are discussed below.

On 1 November 2011, Premier entered into a short-term loan agreement (note 17) with a facility of up to $1 million (subsequently increased to $4.5 million) with Coc'Roach Limited. Coc'Roach Limited is owned by the Coc'Roach Trust. The Coc'Roach Trust is a partial discretionary trust pursuant to the terms of which George Roach may fall within the class of potential beneficiaries.

Funds advanced against the facility during the year ended 31 December 2012 were $2,956,928 (2011: $1,153,400). Interest on the loan of $4,312 accrued at 31 December 2011 was reversed during 2012. The total loan of $4,110,328 was capitalised as equity as part of Premier's Admission to AIM (note 19).

During 2012, Premier received $197,121 (2011: $646,888) in non-interest bearing loans from Corestar Holdings Ltd under a non-interest bearing facility agreement. Corestar Holdings Ltd. is a BVI company which is wholly owned by the Corestar STAR Trust, a trust established for the furtherance of certain purposes which could include the provision of benefits to George Roach and his family, at the discretion of the trustees of the trust. The total loan of $2,477,182 was capitalised to equity as part of Premier's Admission to AIM (note 19).

During 2012 administration fees of $26,878 (2011: $15,000) were paid by Premier to a trading business in which Mr G Roach, Director is the beneficial owner. Administration fees comprised allocated rental costs and accounting and administrative support services.

Included in other receivables at 31 December 2012 is $80,000 (2011: $nil) due from Ethiopian Potash Corp. in respect of recharged costs.

On 4 December 2012 Premier entered into a loan facility with Mr G Roach for up to £300,000 to be used for working capital purposes. The loan facility is available for drawdown from the date of admission of the shares in the Company to the AIM market of the London Stock Exchange plc until the date 18 months thereafter. The loan facility is unsecured and non-interest bearing. The loan is convertible at the discretion of Mr G Roach 30 days after the repayment date at the Placing Price of the new shares issued at Admission. As at 31 December 2012 the Company had not drawn down on the facility.

During 2012, ZimDiv received non-interest bearing loans of $nil (2011: $304,798) from ZRH Nominees as nominee for Corestar Holdings Ltd. The total loan of $368,005 was capitalized as equity in ZimDiv in 2011 (note 20).

Remuneration of key management personnel

The remuneration of the Directors, who are the key management personnel of the Group, is set out below for each of the categories specified in IAS 24 *Related Party Disclosures*.

	2012 $	2011 $
Consulting fees	**347,000**	175,000
Directors' fees	**2,868**	–
	349,868	175,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

27 Events after the balance sheet date

On 17 March 2011, the ZimDiv Group entered into an Option Agreement with Mr C Liebenberg and Ms C Correia for the right to initially prospect for base minerals and precious metals with an option to purchase a block of mineral claims located in Zimbabwe. The purchase price was $150,000 and the agreement was for a term of 12 months with the right to extend for a further 12 months under the same terms and conditions. On 17 February 2013 the Liebenberg option agreement was extended for a further six months at a monthly option fee of $4,000.

On 22 April 2013, the Company signed a Definitive Agreement ('DA') for the sale of its Mali subsidiary, G and B African Resources Mali SARL ('Mali Sub'), to Ethiopian Potash Corp ('EPC') for 20 million new EPC shares. The DA was amended on 23 May 2013 as a requirement of the TSX Venture Exchange that the new shares be held in escrow pending satisfactory completion of a NI43-101 compliant Technical Report that requires a site visit by the Competent Person. The visit will occur when the political situation has stabilised in Mali, provided the visit occurs within 12 months. The DA is also subject to EPC shareholder approval, a meeting of which has been set down for 30 June 2013.

On 23 May 2013, the Company further entered into a DA for the sale of its Togolese subsidiary, G and B African Resources SARL ('Togo sub'), which holds the Bassar permits and the Southern Togo Phosphates and Attapulgite permits to EPC as part of the same transaction for 100 million new shares in EPC. The Togo Sub's Dapaong gold permits and its Benin subsidiary will be retained 100% by the Group and will be transferred to its other Togolese subsidiary. The transaction is subject to the same closing conditions as the Mali sale and is subject to EPC shareholder approval.

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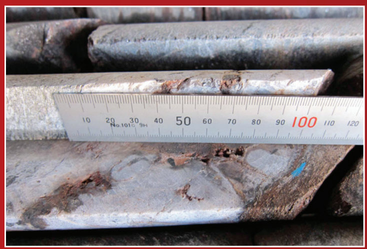

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