Premier African Minerals

ANNUAL REPORT AND ACCOUNTS 2014

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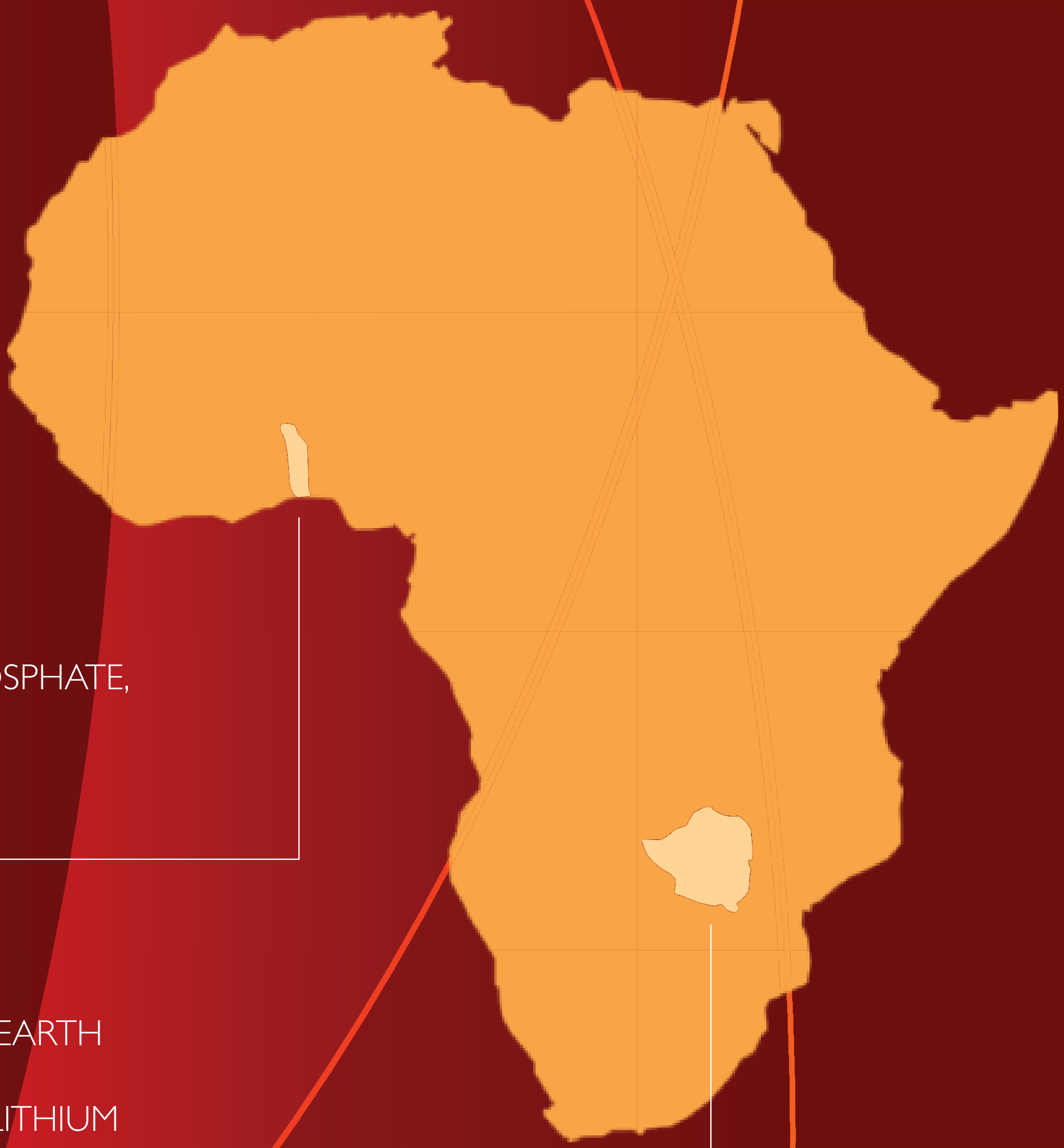
Premier African Minerals Report & Accounts 2014

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 Report For the Year Ended 31 December 2014

Despite the enduring challenges of present market sentiment to junior mining and development companies, I am pleased to deliver positive and encouraging news in our second full year results following the Company's admission to AIM in December 2012. As I write this, Premier is one of very few exploration companies that has transitioned to mining. Our RHA Tungsten Project ("RHA") announced the production of first concentrates and has now completed full mechanical installation and commissioning of the process plant. Fine tuning and plant optimisation is in progress and I discuss this in some detail below.

Understandably, our focus during 2014 and into the first half of 2015 has been on the implementation of the low-capital, open pit strategy at RHA that now sees this project in production. RHA is located in Zimbabwe and Premier is the operator and holds a 49% interest. That said, we see benefit in diversity and recognition of other opportunities and we continue to review our other licences in Togo and Zimbabwe as well as other potential opportunities that would fit within our strategy.

RHA Tungsten Project – Zimbabwe (RHA)

During the year under review, the Board and management decided that the only feasible method of getting RHA into production was to follow a low-capital open pit model. This decision was dictated as much by sentiment to junior exploration companies as by scepticism toward Zimbabwe. We considered that the results of our various studies, that are all available from our website and through various press releases, justified the decision to move directly to an implementation study and to progress from this rather than to accept a more conventional, more conservative, potentially less risky but definitely far more costly traditional approach of several feasibility studies and, in all probability, an eventual reliance on a highly dilutive financing option that would have needed to cover not only the additional study costs but also the time cost associated with that approach. The result of our decision is that we now potentially face an extended optimisation phase and learning curve but have avoided the uncertainty of a future need to finance the plant and mine development.

Important milestones in support of our decision included the determination of the concentrate grade and process recovery at RHA, and the significant increase in resource. As previously reported, resource tonnage at the site increased by 152% to 2.7 million tonnes at composite grade of 8.7kg/t WO_3. Measured and Indicated resources increased by 957% to 1.6 million tonnes at composite grade of 8.0 kg/t WO_3. with 1.2 million tonnes at a composite grade of 9.7kg/t WO_3 in the Inferred resources category. Cumulative wolframite concentrate grades ranging between 62.3% and 63.5% WO_3 were identified from the process test results, allowing us to confirm the marketable end product and progress off-take agreement talks.

On site, the underground mine below the 926 level that has been submerged for decades was completely dewatered down to the 859 level, the lowest historical level developed. This allowed us to assess different development options for the project and in October 2014 CAE Mining completed open pit optimization and mine design scheduling.

These achievements enabled Premier to identify two different development options for the project with the confidence that either underground mine redevelopment and/or optimised open pit are potential advancements for the project.

Further to this, after the financial period under review, the Company provided shareholders with an Implementation Study Report based on a low-capital, open pit start up strategy, confirming that the open pit will generate sufficient surplus cash to finance the development of the underground operations. An order for the processing plant was confirmed and secured prior to the financial year-end.

Reviews were undertaken of technical documents, including the Preliminary Economic Assessment of the project, prepared by Bara Consulting, which was previously published in 2013. The updated study reflected a substantial increase in confidence in the project with the life of mine extended to 15 years from 6 years, internal rate of return identified at 455% and a pre-tax project net present value at a 5% discount rate of $183m.

Other progress on site was made in preparation with the camp being upgraded, allowing for all requirements during the construction and operational phase. The Company also worked with local government bodies; we obtained approval from the Zimbabwean Railway Authority to lease the Lukhosi well, 16km to the North West of the mine and also received

WOLFRAMITE

PROCESS PLANT AT RHA TUNGSTEN

approval from the Environmental Management Agency of Zimbabwe ("EMA") that the mine is environmentally acceptable. Final licensing was approved by EMA following the financial year end.

Significant activity occurred after the financial year end with the appointment of Senet as the EPCM contractors and appointments were also made for earth and civils works, the mining contractor and tailings facility contractors. Mine construction started in early February 2015 with the processing plant expected to be delivered and commissioned to site during early June 2015.

In addition, after the financial year end, we signed an off-take agreement with Noble Resources International Pte Ltd ("Noble") to supply a minimum of 500 tonnes of wolframite concentrate over an initial six month period after which Noble will have a right of first refusal of all future concentrates provided Noble matches terms offered by another party.

On 5 June 2015, we were very pleased to announce that the processing plant had been delivered, erected and commissioned at RHA and that the first coarse grade concentrates were produced with fine tuning and optimisation ongoing.

Other Zimbabwe Projects

Premier holds claims to a number of other prospective projects in Zimbabwe. These include the Zulu Lithium and Tantalum pegmatites at Fort Rixon, Tinde Fluorspar, Globe multi-element and graphite and Rare Earth Elements at Katete. RHA has taken centre stage over the past year and these properties will now potentially benefit from exploration and possible exploitation afforded by developments at RHA and anticipated loan repayments over the next few years.

Investment – Circum Minerals Limited

Through an acquisition and subsequent disposal of a 30% interest in the Danakil Potash Project, located in Ethiopia, during the first half of 2014, Premier received 2 million shares in consideration in a private company, Circum Minerals Limited ("Circum") (representing under 2 per cent on a fully diluted basis). The shares have a fair value of $2.5 million at the reporting date. Circum owns 100% of the Danakil Potash Project in Ethiopia which has the potential to be a world class asset. Circum expects to complete its Definitive Feasibility Study ("DFS") in July 2015 and will apply for a mining license thereafter. Circum is looking to raise $30 million in private equity finance to fund further post DFS study work and to buy out early high net worth shareholders.

Togo and West African Operations

Operations in Togo have largely been placed under care and maintenance over the past year partly a result of our focus in Zimbabwe and on RHA, but also as a result of difficulties associated with the indecision from the Togo Mines Department in regard to renewal and validity of tenements held not only by Premier through our subsidiary but also through AgriMinco Corporation.

We are in continuous negotiation with the Togo Mines Ministry and anticipate a favourable resolution to these difficulties in the future.

At the same time, we have established a foothold in neighbouring Benin and anticipate being able to develop exploration and development programs for certain potentially significant tantalum and tin bearing pegmatite ore bodies previously exploited in an artisanal manner. Premier regards diversification into other African opportunities and locations as important to the future development and stability of our company.

Board Members and Management Changes

As reported in the interim results, Alexander du Plessis tendered his resignation from the Board to pursue other interests. I extend my thanks to him for his service and support of the Company. Following the financial year end we were very pleased to appoint Michael Foster as a non-executive director.

In July 2014, we were delighted to welcome Werner Swanepoel as Chief Operating Officer and Project Director (non-Board). His role has been pivotal in progressing RHA from an exploration company to a mining company and he will play a central role in the development of the Company's other assets.

Funding

As part of the Circum transaction mentioned above, the Company received $5.5 million in cash that was used to fund

RHA's open-pit implementation study work, early works and camp construction and the part payment of the processing plant during the second half of 2014 and also funded the Group's general working capital and overheads. The final instalment of $1 million due from Circum was received shortly after the financial year end.

The Company also received net proceeds of $733,000 from the equity swap facility with YA Global Masters SPV Limited that was entered into in early 2014 and subsequently accelerated and closed in September 2014.

Subsequent to the year end, Premier raised gross funding of £2.65 million through both secured and unsecured loan notes from Darwin Strategic Limited and a further $500,000 in related party loans. Funding raised during the first half of 2015 was used primarily to implement RHA's low-capital open pit strategy.

Outlook

We have made significant strides during the last 12 months to move our Company from an explorer and developer to a producer. During the year ahead we will continue to optimise the open pit operations and plan to develop the underground model to reserve status and start planning work on the Phase 2 development and implementation of the underground mining operations.

In addition, we will look to develop the Zulu Project and will continue to look for opportunities to develop our other assets within the parameters of the Group's cash position.

I would like to take this opportunity to thank the shareholders and Directors for their continued support and confidence in Premier. We are in a fortunate position within the industry as we see revenue from production from first shipments of wolframite concentrate in the very near term and I look forward to updating shareholders in the year ahead.

George Roach
Executive Chairman and CEO
23 June 2015

STRATEGIC REPORT

Principal activities and review of the business

The principal activity of Premier African Minerals Limited ("Premier" or "the Company") and its subsidiary companies ("the Group") during the year under review is the exploration, evaluation and development of mineral properties on the African continent. Subsequent to the year end, the Company moved its flagship project, RHA Tungsten, located in Zimbabwe into production.

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 developments is included in the Executive Chairman and CEO's statement.

Objectives

During 2015, the primary focus will be to continue to optimise the open pit operations at RHA and to develop the underground geological model to reserve status and start planning work on the Phase 2 development and implementation of the underground mining operations. In addition, we will look to develop the Zulu Project in Zimbabwe and other licenses if funding permits.

Principal risks and uncertainties

The Group is subject to a number of risks and uncertainties which could have a material effect on its business, operations or future performance, including but not limited to:

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 but is expected to commence commercial production at one of its projects during 2015. The Group's success will depend on its ability to raise capital and generate cash flows from production in the future. The Board manages this risk by monitoring cash levels and reviewing cash flow forecasts on a regular basis.

Early stage project risk

The Group's flagship project, RHA Tungsten is moving into a production phase during 2015 but all others are at an early stage of development. In advancing these projects to the stage 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. The Board manages this risk by working with environmental consultants and by engaging with the relevant governmental departments and other concerned stakeholders.

Political and regulatory risk

The Group's operating activities in Africa, notably Zimbabwe and Togo, 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.

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 and the Group COO and Project Director
- weekly management meetings
- regular board and meetings and discussions with the Non-executive directors

The Group's activities expose it to a number of financial 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 29 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.

During 2015, the RHA Tungsten Project, located in Zimbabwe was granted approval of its Environmental Impact Assessment and hence permission to commence mining operations by the Environmental Management Agency of Zimbabwe (refer note 35).

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.

Going Concern

These consolidated financial statements are 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 was a development and exploration stage during the year under review.

The recoverability of the underlying value of exploration and evaluation assets is entirely

business. The Group has incurred significant operating losses and negative cash flows from operations as the Group was a development and exploration stage during the year under review.

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.

During the first half of 2015, the Group raised £2.65 million in gross funding through both secured and unsecured loan notes and a further $500,000 from related party loans and received its final $1 million in consideration from the Circum Minerals Limited transaction concluded in May 2014 to fund the implementation of its low-capital open-pit strategy for the RHA Project to move it into production from June 2015.

The Directors have prepared cash flow forecasts for the period ended 30 June 2016, taking into account forecast expenditure, debt repayments to Darwin Strategic Limited ("Darwin") starting from 1 October 2015, director and management options vested and available for conversion, available working capital and projected revenue from the sale of wolframite concentrate from its RHA Mine for the period starting from June 2015. In the event that Ammonium Para-Tungstate ("APT") prices remain soft and do not strengthen, the Group will need to obtain additional finance or equity to fund its operations and other project development activities for the period to 30 June 2016. The cash flow forecast is as much dependent on production targets being met at RHA, as the price of APT remaining stable during the period to June 2016.

The Board also believes that it has a valuable asset in the Circum shares whose estimated fair value at 31 December 2014 was $2,500,000. The Board believes that the value of the shares has increased further given Circum's soon to be completed Definitive Feasibility Study ("DFS"). Circum has reported that they are actively seeking private equity funding of $30 million for post DFS work and to fund the buy-out of founding shareholders. Circum has further reported in a press release in May 2015 that "the Company is in the process of engaging a major international investment bank to provide strategic advice on the options to be pursued to develop and maximize the value of this game changing potash industry asset". This may represent an opportunity for the Group to dispose of its shares in Circum for cash at significant uplift.

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 2016 and have prepared these consolidated financial statements on the going concern basis.

George Roach
Executive Chairman and CEO
23 June 2015

DIRECTORS' REPORT

THE DIRECTORS SUBMIT THEIR ANNUAL REPORT ON THE AFFAIRS OF THE GROUP TOGETHER WITH THE GROUP FINANCIAL STATEMENTS AND AUDITOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2014.

Results and Dividends

The audited financial statements for the year ended 31 December 2014 are set out on pages 14 to 49. The Group realised a loss before and after tax of $537,000 for the year ended 31 December 2014 (2013: $4,769,000).

The operating loss includes a gain on the sale of investment in Joint Venture of $2,283,000 and a gain on disposal of AgriMinco Corp. of $679,000.

These gains were offset by an impairment charge of $137,000 on exploration and evaluation assets in Zimbabwe (2013: $2,118,000 in relation to Togo assets) (refer note 12) and a charge of $421,000 (2013: $453,000) for options and warrants awarded during 2012 and 2014.

As the Company was still in an exploration and development stage during the financial year 2014, the Directors do not recommend payment of a dividend in respect of the financial year under review.

Fundraising and Capital

Net funds of $733,000 (2013: $nil) were raised through equity during the financial year 2014 from the equity swap facility with YA Global Masters SPV Limited.

On 28 January 2014, 1,079,550 shares were issued to a consultant in settlement of fees to the value of £22,000 ($36,000) accrued in the 31 December 2013 accounts.

On 13 May 2014, 55,833,454 shares at a value of $916,000 were issued to AgriMinco Corp. in settlement of the option exercise for the acquisition of Mandalore Development Limited which holds a 30% interest in the Danakil Potash Project.

Further information on these transactions is included in notes 13, 15, 20, 22, 23 and 31 to the financial statements.

The Group has a loan facility from the Chairman. Total funds drawn down on the facility during the year was $810,000 and repayments were made of $621,000. On 29 July 2014, 15,000,000 shares were issued to the Chairman for £300,000 ($508,000) of the facility at a conversion price of 2 pence per share. Further information is included in notes 20 and 23.

Events after the reporting date

At the date these financial statements were approved, being 23 June 2015, the Directors were not aware of any significant events after the reporting date other than those set out in note 35 to the financial statements.

Directors

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

- George Roach (appointed on incorporation April 2007)
- Pamela Hueston (appointed 15 March 2012, reappointed 30 January 2015)
- John (Ian) Stalker (appointed 4 December 2012)
- Neil Herbert (appointed 20 August 2013)
- Alex Du Plessis (appointed 20 August 2013, resigned 29 September 2014)
- Michael Foster (appointed 26 February 2015)

Substantial Shareholders

Premier has been notified as of 23 June 2015 of the following interests in excess of 3% of its issue share capital:

WATER DAM

ORE LOADING AT RHA TUNGSTEN

	Number of ordinary shares	% of issued share capital
Coc'Roach Limited[1]	125,559,109	20.5%
ZRH Nominees (0105) Ltd.[2]	79,936,153	13.1%
Paddington Commercial Limited[3]	19,135,500	3.1%

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.

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 Company's size, stage of development and resources.

Board Structure

At the reporting year end, the Board had four 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 Company 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 Company 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 Company, 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 two Non-executive Directors; John (Ian) Stalker and Neil Herbert (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

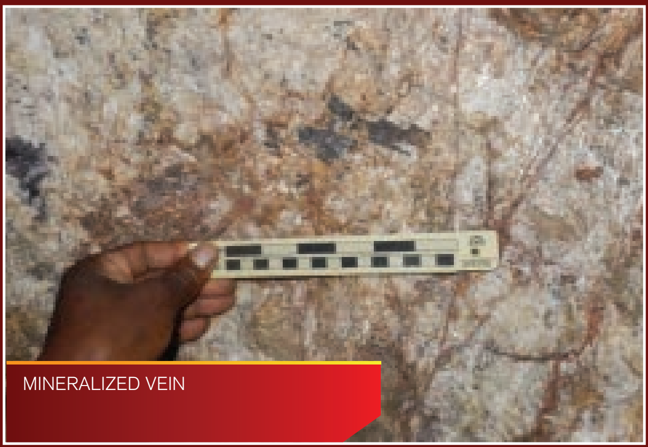
The Remuneration Committee consists of John (Ian) Stalker and Neil Herbert (Committee Chairman). It is responsible for reviewing the performance of the senior executives and for determining their levels of remuneration. The Committee will make recommendations to the Board, within agreed terms of reference, regarding the levels of remuneration and benefits including participation in the Company'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 Neil Herbert and is responsible for monitoring compliance with AIM Rules and liaising with the Company's Nominated Advisor.



MINERALIZED VEIN

DRILL CORE STORAGE

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.

Auditor

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.

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
23 June 2015

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 12 to 46. 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 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 11, the directors are responsible for the preparation of the group non-statutory 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 group non-statutory 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 Financial Reporting Council's website at http://www.frc.org.uk/auditscopeukprivate.

Opinion on non-statutory financial statements

In our opinion the group non-statutory financial statements:

- give a true and fair view of the state of the group's affairs as at 31 December 2014 and of its loss for the year then ended; and
- 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 uncertainty regarding the production volumes and sales prices that will be achieved at the RHA mine and the need for additional fund-raising in the next 12 months, on which the Group is dependent in order to continue operating as a going concern. These factors 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 engaged to report by exception

We have nothing to report in respect of the following matters where we are engaged 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
23 June 2015

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EXPRESSED IN US DOLLARS
FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 $ 000	2013 $ 000
Administrative expenses	7	(3,203)	(2,598)
Depreciation and amortisation expense	16	(10)	(12)
Impairment of exploration and evaluation assets	12	(137)	(2,118)
Operating loss		(3,350)	(4,728)
Share of Joint Venture results		(2)	(3)
Loss on settlement of financial instrument	15	(136)	–
Gain on disposal of interest in AgriMinco Corp	31	679	–
Gain on extinguishment of debt		5	–
Gain on sale of investment in Joint Venture	13	2,283	–
Finance costs	9	(16)	(38)
		2,813	(41)
Loss before income tax		(537)	(4,769)
Income tax expense	10	–	–
Loss for the year		(537)	(4,769)
Other comprehensive income:			
Items that may be subsequently reclassified to profit or loss:			
Gain arising on available for sale financial asset		1,100	–
Foreign exchange translation	14	154	13
		1,254	13
Total comprehensive income for the year		717	(4,756)
Loss attributable to:			
Owners of the parent		14	(3,811)
Non-controlling interests		(551)	(958)
Loss for the year		(537)	(4,769)
Total comprehensive income attributable to:			
Owners of the parent		1,268	(3,798)
Non-controlling interests		(551)	(958)
Total comprehensive income for the year		717	(4,756)
Loss per share (expressed in US cents)			
Basic loss per share	11	(0.1c)	(1c)
Diluted loss per share	11	(0.1c)	(1c)

The notes on pages 16 to 46 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EXPRESSED IN US DOLLARS
AS AT 31 DECEMBER 2014

	Notes	2014 $ 000	2013 $ 000
ASSETS			
Non-current assets			
Intangible exploration and evaluation assets	12	6,806	5,906
Investment in Joint Venture	13	–	5,440
Investment	14	2,500	–
Property, plant and equipment	16	1,040	37
Total non-current assets		10,346	11,383
Current assets			
Trade and other receivables	18	1,272	39
Cash and cash equivalents		174	97
Total current assets		1,446	136
TOTAL ASSETS		11,792	11,519
LIABILITIES			
Current liabilities			
Trade and other payables	19	(695)	(1,632)
Borrowings	20	(767)	(1,108)
Debentures	21	–	(1,744)
Shares to be issued	22	–	(36)
		(1,462)	(4,520)
TOTAL CURRENT LIABILITIES AND TOTAL LIABILITIES		(1,462)	(4,520)
NET ASSETS		10,330	6,999
EQUITY			
Share capital	23	14,792	12,599
Merger reserve	24	(176)	(176)
Foreign exchange reserve	25	299	145
Share based payment reserve	26	1,118	697
Retained earnings		(6,076)	(8,474)
Total equity attributable to the owners of the parent company		9,957	4,791
Non-controlling interests	32	373	2,208
TOTAL EQUITY		10,330	6,999

These financial statements were approved and authorised for issue by the Board on 23 June 2015 and are signed on its behalf.

Pamela Hueston
Finance Director

George Roach
Chief Executive Officer

The notes on pages 16 to 46 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
EXPRESSED IN US DOLLARS
FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 $ 000	2013 $ 000
Net cash outflow from operating activities	28	(2,438)	(2,046)
Investing Activities			
Exploration and evaluation expenditure	12	(1,037)	(1,254)
Cash acquired on acquisition of subsidiary		–	875
Costs of acquisition of subsidiary		–	(180)
Cash paid on exercise of Danakil option	13	(1,389)	–
Proceeds from sale of investment in Joint Venture	13	5,500	–
Cash given up on disposal of subsidiary		(71)	–
Costs on disposal of investment in Joint Venture		(233)	–
Purchases of property, plant and equipment	16	(1,013)	–
Net cash from (used) in investing activities		1,757	(559)
Financing Activities			
Proceeds from borrowings	20	810	1,108
Proceeds from term loan	13	2,500	–
Borrowings repaid	20	(621)	–
Term loan repaid	13	(2,500)	–
Cash paid for equity swap less cash returned under the swap		(136)	–
Net proceeds from issue of share capital		733	–
Net cash from financing activities		786	1,108
Net increase/(decrease)in cash and cash equivalents		105	(1,497)
Cash and cash equivalents at beginning of year		97	1,518
Effect of foreign exchange rate variation		(28)	76
Net cash and cash equivalents at end of year		174	97

The notes on pages 16 to 46 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EXPRESSED IN US DOLLARS
FOR THE YEAR ENDED 31 DECEMBER 2014

	Share capital $ 000	Merger reserve $ 000	Foreign exchange reserve $ 000	Share based payment reserve $ 000	Retained earnings $ 000	Total attributable to owners of parent $ 000	Non-controlling interests ("NCI") $ 000	Total Equity $ 000
At 1 January 2013	11,007	(176)	31	303	(4,365)	6,800	–	6,800
Loss for the year	–	–	–	–	(3,811)	(3,811)	(958)	(4,769)
Foreign exchange translation	–	–	114	–	(101)	13	–	13
Total comprehensive income for the year	–	–	114	–	(3,912)	(3,798)	(958)	(4,756)
Transactions with owners								
Gain on sale of Togo and Mali subsidiaries to non-controlling interest	–	–	–	–	725	725	–	725
Non-controlling interest arising on acquisition of AgriMinco	–	–	–	–	–	–	2,424	2,424
Reduction in ownership interest in RHA Tungsten	–	–	–	–	(742)	(742)	742	–
Cost attributable to acquisition of AgriMinco	–	–	–	–	(180)	(180)	–	(180)
Issue of equity shares	1,592	–	–	(60)	–	1,532	–	1,532
Share based payment	–	–	–	454	–	454	–	454
At 31 December 2013	12,599	(176)	145	697	(8,474)	4,791	2,208	6,999
Loss for the year	–	–	–	–	14	14	(551)	(537)
Foreign exchange translation	–	–	154	–	–	154	–	154
Gain on available for sale financial asset	–	–	–	–	1,100	1,100	–	1,100
Total comprehensive income for the period	–	–	154	–	1,114	1,268	(551)	717
Transactions with owners								
Elimination of non-controlling interest on disposal of AgriMinco	–	–	–	–	1,284	1,284	(1,284)	–
Issue of equity shares	2,285	–	–	–	–	2,285	–	2,285
Share issue costs	(92)	–	–	–	–	(92)	–	(92)
Share based payment	–	–	–	421	–	421	–	421
At 31 December 2014	14,792	(176)	299	1,118	(6,076)	9,957	373	10,330

The notes on pages 16 to 46 are an integral part of these consolidated financial statements.

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 mining and development of mineral reserves 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. 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 all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The Group also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control.

De-facto control may arise in circumstances where the size of the Group's voting rights relative to the size and dispersion of holdings of other shareholders give the Group the power to govern the financial and operating policies, etc.

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, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

The adoption of IFRS 10 *Consolidated Financial Statements* has not had a material impact on the Group.

Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

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 effective for the year ended 31 December 2014:

Title	Subject	Effective date
IFRS 9	Financial instruments – Classification and Measurement	1 Jan 2018
IFRS 10	Consolidated Financial Statements (amendment)	1 Jan 2016
IFRS 12	Investment Entities: Applying the Consolidation Exception	1 Jan 2016
IFRS 11	Joint arrangements (amendment)	1 Jan 2016
IFRS 14	Regulatory Deferral Accounts	1 Jan 2016
IFRS 15	Revenue from Contracts with Customers	1 Jan 2017
IAS 16	Property, Plant and Equipment (depreciation)	1 Jan 2016
IAS 27	Separate Financial Statements (amended May 2011)	1 Jan 2016
IAS 28	Investments in Associates and Joint Ventures (amended May 2011)	1 Jan 2016
IAS 38	Intangible assets (amortization)	1 Jan 2016

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

Revenue

The Group's principal activities are exploration and therefore it did not earn any revenue for the two years ending 31 December 2014.

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 reporting 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$: £ – 1.56
US$: Euro – 1.20
US$: ZAR – 0.085

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 reporting 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 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.

Investment in Joint Venture

The Company accounts for investments in Joint Ventures in accordance with IFRS 11 *Joint Arrangements*, which replaced IAS 31 *Interests in Joint Ventures* in the year.

The Group uses the equity method to account for investments in joint ventures and the adoption of IFRS 11 did not impact the Group.

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 Property, Plant and Equipment 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

- Mine construction – see note below
- Assets under construction – see note below

Mine construction consists of early works site preparation, camp upgrade and construction management at RHA in preparation for the 2015 open pit implementation. Costs will be capitalised and depreciated on completion of the mine construction and commencement of commercial production.

Assets under construction will be depreciated when fully ready to use.

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, investment in Circum Minerals Limited shares, 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 financial instruments.

Financial assets

The Group classifies all its financial assets as loans and receivables or as available for sale investments. 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 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.

Available for sale investments are non-derivative financial assets that are either designated in this category or not classified in any other category of financial asset. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date. Available for sale investments are initially recognised at fair value plus transaction costs and subsequently carried at fair value. Changes in fair value are recognised in equity. When available for sale investments are sold or impaired, the accumulated fair value adjustments recognised in equity are included in profit or loss as gains or losses from available for sale investments.

Available for sale investments are assessed for indicators of impairment at the end of each reporting period. They are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been negatively affected.

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 within 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 and has issued warrants. The fair value of the service received in exchange for the grant of options or warrants 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 payments 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 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.

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 2014 was

$6,806,000 (2013: $5,906,000). An impairment of $137,000 in respect of the Lubimbi assets, located in Zimbabwe was recognised in 2014 (2013: $2,118,000 in respect of Togo assets).

Basis of consolidation

RHA Tungsten (Private) Limited

During 2013, Premier concluded a shareholders' agreement with the National Indigenisation and Economic Empowerment Fund ('NIEEF') whereby NIEEF acquired 51% of the shares of RHA Tungsten (Private) Limited ('RHA'). The principal terms of the agreement are as follows:

- ZimDiv Holdings Limited ('ZimDiv'), a wholly owned subsidiary, is appointed as the Manager of the project for an initial 5 year term.
- ZimDiv has marketing rights to the product.
- Each shareholder can appoint up to two directors each, with a 5th director who is rotated between each shareholder. The 5th director will not have a vote.
- Although the local Zimbabwean company is responsible for financing and repayment of such, Premier has secured the funding to advance RHA to production.
- There has been no operational change since the agreements were signed and Premier continues to fund RHA until it becomes cash generative.

At the financial year-end, two directors of RHA were from the Premier Group and two from NIEEF. A fifth board appointee has not yet been made. There is no majority vote at board level and Premier still retains operational and management control through its shareholders' agreement. Following the assessment, the Directors concluded that Premier, through its wholly owned subsidiary ZimDiv, retained control and should continue to consolidate 100% of RHA and recognise non-controlling interests in the group accounts.

Valuation of Circum shares

During the year, Premier acquired a shareholding in a private company, Circum Minerals Limited ("Circum"). On acquisition, the shares were recognised at fair value, being the most recent price at which share subscriptions were made in Circum at $0.70 per share for an initial carrying value of $1,400,000.

As the Circum shares are classified as an available for sale investment they are required to be measured at fair value at the reporting date. As Circum is unlisted there are no quoted market prices. Fair value of the shares was therefore estimated using the price at which warrants in Circum shares were exercised by a third party in February 2015 at $1.25 per share. The warrants were issued prior to the 31 December 2014 year-end.

5 Going concern

These consolidated financial statements are 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 was a development and exploration stage during the year under review.

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.

During the first half of 2015, the Group raised £2.65 million in gross funding through both secured and unsecured loan notes and a further $500,000 from related party loans and received its final $1 million in consideration from the Circum Minerals Limited transaction concluded in May 2014 to fund the implementation of its low-capital open-pit strategy for the RHA Project to move it into production from June 2015.

The Directors have prepared cash flow forecasts for the period ended 30 June 2016, taking into account forecast expenditure, debt repayments to Darwin Strategic Limited ("Darwin") starting from 1 October 2015, director and management options vested and available for conversion, available working capital and projected revenue from the sale of wolframite concentrate from its RHA Mine for the period starting from June 2015. In the event that Ammonium Para-Tungstate ("APT") prices remain soft and do not strengthen, the Group will need to obtain additional finance or equity to fund its operations and other project development activities for the period to 30 June 2016. The cash flow forecast is as much dependent on production targets being met at RHA, as the price of APT remaining stable during the period to June 2016.

The Board also believes that it has a valuable asset in the Circum shares whose estimated fair value at 31 December 2014 was $2,500,000. The Board believes that the value of the shares has increased further given Circum's soon to be completed Definitive Feasibility Study ("DFS"). Circum has reported that they are actively seeking private equity funding of $30 million for post DFS work and to fund the buy-out of founding shareholders. Circum has further reported in a press release in May 2015 that "the Company is in the process of engaging a major international investment bank to provide strategic advice on the options to be pursued to develop and maximize the value of this game changing potash industry asset". This may represent an opportunity for the Group to dispose of its shares in Circum for cash at significant uplift.

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 2016 and have prepared these consolidated financial statements on the going concern basis.

6 Segmental Reporting

Segmental information is presented in respect of the information reported to the Directors. The Group is in the exploration and development phase and revenue is not being generated. The main business segments are the exploration and development activities in each country and a corporate administrative and financing function.

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 2014	**Unallocated Corporate $ 000**	**Zimbabwe $ 000**	**West Africa $ 000**	**Total $ 000**
Result				
Impairment of exploration and evaluation assets	–	(137)	–	(137)
Operating loss	(2,613)	(657)	(80)	(3,350)
Loss before taxation	200	(657)	(80)	(537)
Assets				
Exploration and evaluation assets	–	6,806	–	6,806
Investment	2,500	–	–	2,500
Property, plant and equipment	–	1,040	–	1,040
Financial assets	1,272	–	–	1,272
Cash	153	21	–	174
Total assets	3,925	7,867	–	11,792
Liabilities				
Segment liabilities	414	281	–	695
Loans	767	–	–	767
Total liabilities	1,181	281	–	1,462
Net assets	3,432	6,898	–	10,330
Other information				
Depreciation	–	(8)	(2)	(10)
Exploration and evaluation additions	–	(1,037)	–	(1,037)
Property, plant and equipment additions	–	(1,013)	–	(1,013)

Unallocated

By geographical area 2013	**Corporate $ 000**	**Zimbabwe $ 000**	**West Africa $ 000**	**Total $ 000**
Result				
Impairment of exploration and evaluation assets	–	–	(2,118)	(2,118)
Operating loss	(3,867)	(538)	(323)	(4,728)
Loss before taxation	(3,908)	(538)	(323)	(4,769)
Assets				
Exploration and evaluation assets	–	5,906	–	5,906
Investment in Joint Venture	5,440	–	–	5,440
Property, plant and equipment	–	35	2	37
Financial assets	39	–	–	39
Cash	96	1	–	97
Total assets	5,575	5,942	2	11,519
Liabilities				
Segment liabilities	(1,279)	(389)	–	(1,668)
Debentures	(1,744)	–	–	(1,744)
Loans	(1,108)	–	–	(1,108)
Total liabilities	(4,131)	(389)	–	(4,520)
Net assets	1,444	5,553	2	6,999
Other information				
Depreciation	–	(6)	(6)	(12)
Exploration and evaluation additions	–	(1,100)	(154)	(1,254)
Property, plant and equipment additions	–	–	–	–

7 Administrative Expenses

	2014 $ 000	**2013 $ 000**
Staff costs	**162**	213
Consulting and advisory fees	**777**	487
Management fees	**30**	62
Directors' fees	**68**	69
Audit, accounting and legal fees	**410**	381
Marketing and public relations	**168**	51
Travel	**346**	244
Vehicle operating costs	**101**	68
Insurance	**35**	20
Office and administration	**666**	527
Foreign exchange losses	**19**	23
Share based payment (notes 26 and 27)	**421**	453
	3,203	2,598

8 Directors' remuneration

	2014 $ 000	2013 $ 000
Directors' remuneration (**)	**466**	284

2014	Directors Fees $000	Consultancy Fees $ 000	Total $ 000
Executive Directors			
George Roach	–	218	218
Pamela Hueston	–	180	180
Non-Executive Directors			
John (Ian) Stalker	25	–	25
Neil Herbert	25	–	25
Alex Du Plessis (*)	18	–	18
	68	398	466

2013	Directors Fees $000	Consultancy Fees $ 000	Total $ 000
Executive Directors			
George Roach	–	–	–
Bruce Cumming (*)	–	49	49
Pamela Hueston	–	180	180
Non-Executive Directors			
John (Ian) Stalker	24	–	24
Leslie Goodman (*)	15	–	15
Neil Herbert (*)	8	–	8
Alex Du Plessis (*)	8	–	8
	55**	229	284

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

(**) The difference in Directors' fees with note 7 is the fees paid to AgriMinco directors during the year ended 31 December 2013.

No pension benefits are provided for any Director.

9 Finance costs

	2014 $ 000	2013 $ 000
Interest on debentures	**16**	38

10 Taxation

	2014 $ 000	2013 $ 000
Taxation charge for the year	**–**	–

There is no taxation charge in the year ended 31 December 2014 (2013: nil). As the Group is an international Business Group, the British Virgin Islands imposes no corporate taxes or capital gains tax. However, the Group may be liable for taxes in the jurisdictions of the underlying operations.

There are no recognised tax losses in West Africa or Zimbabwe at this time. 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:

	2014	2013
Net loss after taxation ($000)	**(537)**	(4,769)
Weighted average number of Ordinary Shares in calculating basic earnings per share ('000)	**463,493**	346,096
Basic loss per share (US cents)	**(0.1c)**	(1c)
Weighted average number of Ordinary Shares used in calculating fully diluted earnings per share ('000)	**832,876**	689,660
Diluted loss per share (US cents)	**(0.1c)**	(1c)

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

12 Exploration and evaluation assets

	$ 000
Cost	
Cost at 1 January 2013	6,724
Expenditure on exploration and evaluation	1,254
Impairment	(2,118)
Foreign exchange	46
Cost at 31 December 2013	5,906
Expenditure on exploration and evaluation	1,037
Impairment (a)	(137)
Cost at 31 December 2014	6,806

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. During the year $nil (2013: $nil) exploration costs were expensed.

Capitalised expenditure in the year of $1,037,000 comprised entirely of cash outflows (2013: $1,254,000).

The carrying amount of exploration and evaluation assets at 31 December 2014 that relates to the RHA Tungsten Project is $2,730,000.

(a) During the year capitalised costs relating to the Lubimbi assets located in Zimbabwe were impaired. The Lubimbi Project holds 9 mineral block claims prospective mainly for xenotime. Given the lack of exploration work on these claims over the past few years and the main focus on its RHA Project, the Board of Directors has decided to not undertake any further work on these claims and to concentrate its resources on more prospective projects.

13 Investment in Joint Venture

	$ 000
At 1 January 2013	–
Fair value of Joint Venture on acquisition of AgriMinco	5,443
Share of Joint Venture results	(3)
At 31 December 2013	5,440
Share of Joint Venture results	(2)
Foreign exchange	(54)
Disposal of Joint Venture	(5,384)
At 31 December 2014	–

On 20 March 2014, the Company entered into an option agreement with AgriMinco in which AgriMinco granted Premier the exclusive option to purchase AgriMinco's 30% interest in the Danakil Potash Project through its subsidiary Mandalore Development Limited ('Mandalore').

On 2 May 2014, Premier concluded the principal terms of a conditional interest free, term loan of $2.5 million repayable on 31 December 2014 with Circum Minerals Limited ('Circum') and granted Circum an option valid until 5 June 2014 to acquire Mandalore from Premier should Premier exercise its option with AgriMinco, conditional on TSXV and AgriMinco shareholder approval.

Premier exercised its option on 13 May 2014 by settling certain debentures amounting to $1.4 million (CDN$ 1.5 million), by ceding its 120 million shares in AgriMinco and, on 19 May 2014, with the issue of 55,833,454 new ordinary shares to the value of $916,000 (CDN$ 1 million) at an issue price of 0.9753p per share. This transaction resulted in the loss of control of AgriMinco (see note 31).

On 15 May 2014, Circum exercised its option to acquire Mandalore following Premier's exercising of its option with AgriMinco. Under the Circum option agreement, Premier received an amount of cash on completion equal to the amount advanced to Premier under the term loan, 2 million new Circum shares and a further four payments of $1 million each in cash payable on the second, fourth, sixth and eighth month anniversary of completion.

14 Investment

	$ 000
At 1 January 2013 and 2014	–
Fair value of shares on acquisition *	1,400
Fair value adjustment at the reporting date **	1,100
At 31 December 2014	2,500

* During the year, the Company acquired 2 million shares in Circum Minerals Limited as part of the acquisition of AgriMinco's 30% interest in the Danakil Potash Project and subsequent disposal to Circum (note 13). Circum is an unlisted entity that now holds 100% of the Danakil Project. The shares had a fair value of $1.4 million on acquisition.

** As Circum is unlisted there are no quoted market prices. Fair value of the shares was therefore estimated using the price at which warrants in Circum shares were exercised by a third party in February 2015 at $1.25 per share. The warrants were issued prior to the 31 December 2014 year-end. The investment is considered to be level 3 financial assets under the IFRS 13 categorisation of fair value measurements.

15 Derivative financial instruments

On 28 January 2014, the Company entered into a finance package with YA Global Master SPV ('YAGM'). The finance package included a £3 million Standby Equity Facility ('SEDA') and a £500,000 subscription agreement and, separately a £300,000 equity swap agreement covering ordinary shares. YAGM subscribed for a total of 42,735,030 shares at a price of 1.17p per share (note 23).

	$ 000
At 1 January 2013 and 2014	–
Shares issued in equity swap agreement	495
Settlement payments received	(359)
Loss on acceleration and early settlement of swap facility	(136)
At 31 December 2014	–

During the year, the Company accelerated the swap facility and closed it down. The Company has not made any drawdowns under the SEDA facility and is precluded from doing so under new financing arrangements entered into post the reporting date (refer note 35).

16 Property, plant and equipment

	Mine construction $ 000	Assets under construction $ 000	Motor vehicles $ 000	Office & other equipment $ 000	Computer equipment $ 000	Buildings $ 000	Total $ 000
Cost							
At 1 January 2013	–	–	74	42	4	30	150
Additions	–	–	–	–	–	–	–
Exchange differences	–	–	3	1	–	–	4
At 31 December 2013	–	–	77	43	4	30	154
Additions	284	688	41	–	–	–	1,013
At 31 December 2014	284	688	118	43	4	30	1,167
Depreciation							
At 1 January 2013	–	–	74	22	4	2	102
Charge for the year	–	–	–	8	–	3	11
Exchange differences	–	–	3	1	–	–	4
At 31 December 2013	–	–	77	31	4	5	117
Charge for the year	–	–	2	5	–	3	10
At 31 December 2014	–	–	79	36	4	8	127
Net Book Value							
At 31 December 2014	284	688	39	7	–	22	1,040
At 31 December 2013	–	–	–	12	–	25	37

17 Subsidiaries

Premier had investments in the following subsidiary undertakings as at 31 December 2014, 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 Benin SARL	Benin	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	49*	Development
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

* Accounted as a controlled subsidiary, refer note 4, Significant accounting judgments, estimates and assumptions

18 Other receivables

	2014 $ 000	2013 $ 000
Other receivables	**1,255**	2
Prepayments	**17**	37
	1,272	39

Other receivables at 31 December 2014 consist of a $1 million receivable from Circum Minerals Limited and $255,000 from AgriMinco Corp. and are due within one year. The Directors consider that the carrying amount of other receivables and prepayments approximates their fair value.

19 Trade and other payables

	2014 $ 000	2013 $ 000
Trade payables	**301**	1,445
Accruals	**394**	187
	695	1,632

All trade and other payables at 31 December 2014 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.

20 Borrowings

	2014 $ 000	2013 $ 000
As at 1 January	**1,108**	–
Loan received	**810**	1,108
Loans repaid	**(621)**	–
Amounts reclassified to accrued expenses	**(22)**	–
Loans capitalised as equity	**(508)**	–
As at 31 December	**767**	1,108

Loans from a related party are further disclosed in Note 30, Related Party Transactions. The loans are unsecured and non-interest bearing and repayable on demand.

21 Debentures

	2014 $ 000	2013 $ 000
Arms-length debenture	**–**	294
Non-arms length debenture	**–**	130
Arms-length debenture	**–**	864
Arms-length debenture	**–**	418
Arms-length debenture	**–**	38
As at 31 December	**–**	1,744

All debentures are unsecured and were held by AgriMinco Corp ("AgriMinco").

Debentures in the amount of $1,686,000 were settled by AgriMinco on 13 May 2014 with cash proceeds from the Company's exercising of the option agreement over Mandalore Development Limited (refer note 31).

22 Shares to be issued

	2014 $ 000	2013 $ 000
As at 1 January	**36**	1,500
Shares issued for Zulu option	**–**	(1,500)
Shares accrued for consulting fees (1)	**(36)**	36
As at 31 December	**–**	36

(1) Shares issued to a consultant in settlement of consulting fees accrued at 31 December 2013.

23 Share capital

Authorised share capital

1 billion ordinary shares of no par value

Issued share capital

	Number of Shares '000	$ 000
As at 1 January 2013	335,568	12,406
18 October 2013 shares issued for advisor fees (1)	2,010	32
18 October 2013 shares issued for Zulu option exercise (2)	48,878	1,500
19 December 2013 shares issued for exercise of share options (3)	2,013	60
31 December 2013	388,469	13,998
Shares issued under subscription agreement (4)	42,735	825
Shares issued for services received (5)	1,080	36
Shares issued on disposal of subsidiary (note 31)	55,833	916
Shares issued on conversion of loan (6)	15,000	508
31 December 2014	503,117	16,283

(1) On 18 October 2013, 2,010,000 shares were issued to an advisory firm in settlement of brokerage fees to the value of $32,000. The fair value of the fees has been charged to administration expenses during the year.

(2) On 18 October 2013, 48,878,000 shares were issued to Alpha International Business Limited in settlement of the Zulu option exercise.

(3) On 19 December 2013, 2,013,000 shares were issued on exercise of share options under the Group's share option plan. The share options had an exercise price of $nil. The fair value of the share options has been credited to share capital.

(4) Shares issued to YAGM for finance package (note 15). YAGM subscribed for a total of 42,735,030 shares at a price of 1.17p per share.

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

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

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

	Total $ 000
Issued share capital (before issue costs) as at 31 December 2014	16,283
Share issue costs – years ended 31 December 2012 and 31 December 2013	(1,399)
Share issue costs year ended 31 December 2014	(92)
Issued share capital (net of issue costs) as at 31 December 2014	14,792

24 Merger reserve

	Total $ 000
At 31 December 2012 and 2014	(176)

25 Foreign exchange reserve

	Total $ 000
At 1 January 2013	31
Change in reserves during the year	114
At 31 December 2013	145
Change in reserves during the year	154
At 31 December 2014	299

26 Share based payment reserve

	Total $ 000
At 1 January 2013	303
Share options charge (note 27)	562
Share options cancelled	(109)
Share options exercised	(59)
At 31 December 2013	697
Share options charge (note 27)	429
Share options cancelled*	(108)
Share options expired	(20)
Warrants charge (note 27)	120
At 31 December 2014	1,118

* During the year 4.5 million share options were cancelled for a manager who resigned before the options had vested. The $108,000 reversal of the share options charge represents the fair value of the options granted and charged to date.

27 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 an expense in profit or loss, a deduction from equity or an addition to intangible assets depending on the nature of the services received. A corresponding increase is recognised in equity in the share based payment reserve.

Details of shares issues are provided in note 23 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 has granted the following share options during the years to 31 December 2014:

Issued to	Date Granted	Vesting Term	Number of Options Granted '000	Exercise Price	Expiry Date	Estimated Fair Value
Employees and consultants	10/02/2011	1 year	2,250	1.135c	09/02/2014	0.87c
Directors	04/12/2012	See 1 below	20,386	Nil	03/12/2022	0.0111p
Directors	04/12/2012	See 2 below	20,386	2p	03/12/2022	0.0185p
Employees and associates	04/12/2012	See 3 below	5,536	Nil	03/12/2022	0.0185p
Directors	29/07/2014	See 4 below	6,000	1.15	28/07/2024	0.0115p
Directors	29/07/2014	See 5 below	6,000	1.50	28/07/2024	0.0115p
Management	29/07/2014	See 4 below	6,500	1.15	28/07/2024	0.0115p
Management	29/07/2014	See 5 below	6,500	1.50	28/07/2024	0.0115p
Totals			73,558			

1. These 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. These 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. These 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.
4. These share options vest on the one-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.
5. These 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.

25,000,000 options were granted during the year ended 31 December 2014 (2013: nil) and a charge of $429,000 was recognised in respect of the above option schemes (2013: $562,000).

The fair value of the options granted during the year ended 31 December 2014 was $369,000 (2013: $nil). The assessed fair value of options granted to directors and management 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:

	29 July 2014 issue	**29 July 2014 issue**	**4 December 2012 issue**	**10 February 2011 issue**
Dividend yield (%)	**–**	**–**	–	–
Expected volatility (%)	**148.0**	**148.0**	75.0	70.0
Risk-free interest rate (%)	**1.71**	**1.71**	1.81	2.65
Share price at grant date	**1.15p**	**1.15p**	1.85p	1.135c
Exercise price	**1.15p**	**1.50p**	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. Share price volatility has been based on the Company's trading history since listing in December 2012.

The Group has the following share options outstanding:

Grant Date	**Expiry Date**	**Exercise Price**	**Number of options outstanding '000**	**Number of options vested and exercisable '000**
04/12/2012	03/12/2022	Nil	16,233	16,233
04/12/2012	03/12/2022	2p	12,458	12,458
04/12/2012	03/12/2022	Nil	3,524	3,524
29/07/2014	28/07/2024	1.15p	10,500	–
29/07/2014	28/07/2024	1.50p	10,500	–
			53,215	32,215

A summary of the status of the Group's share options as of 31 December 2014 and changes during the year are as follows:

	2014		**2013**	
	Shares '000	**Weighted Average Exercise Price**	**Shares '000**	**Weighted Average Exercise Price**
Options outstanding, beginning of year	**38,995**	**0.87p**	48,558	0.87p
Granted	**25,000**	**1.33p**	–	–
Cancelled	**(8,530)**	**0.87p**	(7,550)	0.88p
Expired	**(2,250)**	**1.135c**	–	–
Exercised	**–**	**–**	(2,013)	0.88p
Options outstanding, end of year	**53,215**	**1.05p**	38,995	0.87p

Warrants

During the year the Company granted 9,000,000 warrants over Ordinary Shares (2013: nil).

Issued to	Date Granted	Number of Warrants Issued '000	Exercise Price	Expiry Date
Advisors	04/12/2012	7,017	4p	03/12/2017
Funders	28/01/2014	9,000	1.25p	27/01/2017
Totals		16,017		

The fair value of the warrants granted to funders during the year ended 31 December 2014 was $120,000 (2013: $nil).

The following table lists the inputs into the model for the years ended 31 December 2014 and 31 December 2012:

	28 January 2014 issue	4 December 2012 issue
Dividend yield (%)	**–**	–
Expected volatility (%)	**133.0**	75.0
Risk-free interest rate (%)	**2.71**	1.81
Share price at grant date	**1.325p**	1.85p
Exercise price	**1.25p**	4p

A summary of the status of the Company's share warrants as of 31 December 2014 and changes during the year are as follows:

	2014 '000	2013 '000
Warrants outstanding, beginning of year	**207,171**	207,171
Granted	**9,000**	–
Cancelled	**–**	–
Expired	**(200,154)**	–
Exercised	**–**	–
Warrants outstanding, end of year	**16,017**	207,171

28 Notes to the statement of cash flows

	2014 $ 000	2013 $ 000
Loss before tax	**(537)**	(4,769)
Adjustments for:		
Depreciation and amortisation	**10**	12
Impairment of exploration and evaluation assets	**137**	2,118
Share of Joint Venture results	**2**	3
Foreign exchange	**19**	23
Finance costs	**16**	38
Loss on settlement of derivative financial instrument	**136**	–
Gain on extinguishment of debt	**(5)**	–
Gain on disposal of subsidiary	**(679)**	–
Gain on sale of investment in Joint Venture	**(2,283)**	–
Share based payments	**421**	453
Operating cash flows before movements in working capital	**(2,763)**	(2,122)
(Increase)/decrease in receivables	**(244)**	141
Increase in payables	**569**	(65)
Net cash (outflow) from operating activities	**(2,438)**	(2,046)

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.

29 Financial instruments

The Group uses financial instruments comprising cash, receivables, available for sale assets (investment in Circum shares), payables, borrowings and debentures. Cash balances are held in Sterling, US Dollars and the Euro.

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 cash and receivables and liabilities approximates the carrying values disclosed in the financial statements.

The fair value of available for sale financial assets is estimated by using quoted market prices for listed securities. For unlisted securities, the fair value is estimated by using other readily available information. As the Circum shares are in a privately held exploration company, the fair value was estimated using the most recent price at which shares were acquired/warrants were exercised in Circum by a third party.

Financial assets and liabilities

2014	**Available for sale financial asset $ 000**	**Loans and receivables $ 000**	**Financial liabilities at amortised cost $ 000**	**Total $ 000**
Trade and other receivables	–	1,255	–	1,255
Investment	2,500	–	–	2,500
Cash and cash equivalents	–	174	–	174
	2,500	1,429	–	3,929
Trade payables	–	–	301	301
Accrued liabilities	–	–	394	394
Borrowings	–	–	767	767
	–	–	1,462	1,462
2013				
Trade and other receivables	–	2	–	2
Cash and cash equivalents	–	97	–	97
	–	99	–	99
Trade payables	–	–	1,445	1,445
Accrued liabilities	–	–	187	187
Borrowings	–	–	1,108	1,108
Debentures	–	–	1,744	1,744
Shares to be issued	–	–	36	36
	–	–	4,520	4,520

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 and reserves. 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.

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FOR THE YEAR ENDED 31 DECEMBER 2014

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	
	2014 $000	2013 $000	**2014 $ 000**	2013 $ 000
Sterling	**160**	234	**2**	2
Euro	**65**	28	**1**	1
Canadian dollar (CDN$)	**–**	2,778	**–**	72
South African Rand (ZAR)	**9**	53	**–**	-
	234	3,093	**3**	75

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 most of its funding, against other currencies in which the Group incurs liabilities and expenditure.

Sensitivity analysis

Financial instruments affected by market risk include cash and cash equivalents, other receivables, trade and other payables and debentures. The following analysis, required by IFRS 7 Financial Instruments: Disclosures, is intended to illustrate the sensitivity of the Group's financial instruments (at year end) to changes in market variables, being exchange rates.

The following assumptions were made in calculating the sensitivity analysis:

- All income statement sensitivities also impact equity
- Translation of foreign subsidiaries and operations into the Group's presentation currency have been excluded from this sensitivity as they have no monetary effect on the results

	Income Statement/ Equity $ 000
Exchange rates:	
2014	
+10% US$ Sterling (GBP)	25
-10% US$ Sterling (GBP)	(25)
+10% US$ Euro	8
-10% US$ Euro	(8)
+10% US$ South African Rand (ZAR)	0.1
-10% US$ South African Rand (ZAR)	(0.1)

	Income Statement/ Equity $ 000
Exchange rates:	
2013	
+10% US$ Sterling (GBP)	38
-10% US$ Sterling (GBP)	(38)
+10% US$ CDN$	257
-10% US$ CDN$	(257)
+10% US$ Euro	4
-10% US$ Euro	(4)
+10% US$ South African Rand (ZAR)	1
-10% US$ South African Rand (ZAR)	(1)

The above sensitivities are calculated with reference to a single moment in time and will change due to a number of factors including:

- Fluctuating other receivable and trade payable balances
- Fluctuating cash balances
- Changes in currency mix

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 2014, the Group held $174,000 in cash and cash equivalents (2013: $97,000).

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 sale of assets and working capital with the exception of shares to be issued which will be settled from equity.

Market risk

The Group's investment in an available for sale financial asset is a small shareholding in an unlisted company. The shares are not readily tradable and any monetisation of the shares is dependent on finding a willing buyer.

30 Related party transactions

Borrowings

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. On 14 November 2013 Mr Roach increased the facility to not less than £600,000 on substantially the same terms. The conversion price for any additional drawings under the increased facility will be set by reference to the then most recent fundraising.

During the year ended 31 December 2014, Mr Roach elected to convert £300,000 of his loan into equity at the set conversion price of 2 pence per share (refer notes 20 and 23). Mr Roach provided further funding of $810,000 during the year and $621,000 of the loans were repaid.

The balance of the loan at 31 December 2014 was $767,000 (2013: $1,108,000) (refer note 20).

Subsequent to the reporting date, Mr Roach provided a bridge loan of $250,000 and agreed conversion and repayment terms for the outstanding amount as at the reporting date (refer note 35).

The following table shows receivables from related parties within the Premier Group. There were no payables from Premier to group companies.

		Receivables	
Entity	**Relationship**	**2014 $000**	**2013 $000**
AgriMinco Corp.	1	**255**	41
ZimDiv Holdings Limited	2	**5,693**	3,666
G and B African Resources Benin SARL	3	**22**	22
Regent Resources Capital Corporation SAU ('RRCC')	4	**3,061**	2,984
		9,031	6,713

1. Premier was the controlling party of AgriMinco Corp. which was accounted for as a subsidiary (refer note 4) until June 2014. The receivable relates to advances made to meet its expenses totaling $255,000 (2013: $41,000). The balance outstanding at the year-end is $255,000 (2013: $41,000).
2. ZimDiv Holdings Limited is a subsidiary and is therefore a related party. The receivable relates to advances made to its operating companies in Zimbabwe to further exploration and fund administrative costs and to its holding companies in Mauritius for administrative costs, totaling $2,027,000 (2013: $2,838,000). The balance outstanding at the year-end is $5,693,000 (2013: $3,666,000).
3. G and B African Resources Benin SARL is a wholly owned subsidiary. The receivable relates to advances made during 2012 to meet its expenses in Benin. No advances were made during 2013 and 2014. The balance outstanding at the year-end is $22,000 (2013: $22,000).
4. RRCC is a subsidiary and is therefore a related party. The receivable relates to advances made to meet its administrative expenses in Togo and to fund exploration in the second half of 2014 totaling $77,000 (2013: $169,000). The balance outstanding at the year-end is $3,061,000 (2013: $2,984,000). The loan was ceded to RRCC on the sale of G and B African Resources SARL to AgriMinco during the year 2013.

AgriMinco Corp.

On 5 July 2013 Premier acquired a 42% stake in AgriMinco Corp ('AgriMinco'). AgriMinco is a related party by virtue of 2 Premier board members who were also board members of AgriMinco, at the time of the transaction, as well as the controlling shareholder in Premier owning a significant shareholding in AgriMinco prior to the transaction.

On 20 March 2014, the Company entered into an option agreement with AgriMinco in which AgriMinco granted Premier the exclusive option to purchase AgriMinco's 30% interest in the Danakil Potash Project through its subsidiary Mandalore Development Limited ('Mandalore'). The option agreement was exercisable on or before 30 April 2014 and subject to TSX Venture exchange ('TSXV') approval.

The consideration payable by Premier on exercise comprised:

(i) The cancellation of all of the 120 million common shares of AgriMinco owned by Premier for no consideration, representing 42% of AgriMinco's issued share capital; and

(ii) The settlement of certain debt obligations owed by AgriMinco to third parties up to in aggregate a maximum of CDN$ 1.5 million; and

(iii) The issue to AgriMinco of new Premier ordinary shares with a value equal to CDN$1 million based on the volume weighted average trading price of Premier shares for the twenty consecutive trading days immediately prior to the exercise of the option agreement.

Approval from the TSXV was received on 9 May 2014 following approval by AgriMinco's independent shareholders of the transaction at a special meeting of shareholders held on 8 May 2014. Premier exercised its option on 13 May 2014 by settling certain debentures up to CDN$ 1.5 million, by ceding its 120 million shares in AgriMinco and, on 19 May 2014, with the issue of 55,833,454 new ordinary shares to the value of CDN$ 1 million at an issue price of 0.9753p per share.

The gain of $679,000 related to the disposal of its 42% interest in AgriMinco is recognised within the consolidated statement of comprehensive income.

Services

During 2014 administration fees of $33,000 (2013: $nil) 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.

During 2014 consulting fees for technical services of $nil (2013: $273,000) were paid by Premier to a trading business in which Mr A du Plessis, a former Director, is the beneficial owner. Of this amount $42,000 remains in creditors at the year-end.

Remuneration of key management personnel

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

	2014 $ 000	**2013 $ 000**
Consulting fees	**478**	349
Staff costs	**107**	–
Management fees	**30**	62
Directors' fees	**68**	69
Share based payments	**211**	364
	894	844

31 Deemed disposal of subsidiary (AgriMinco)

On 20 March 2014, the Company entered into an option agreement with AgriMinco in which AgriMinco granted Premier the exclusive option to purchase AgriMinco's 30% interest in the Danakil Potash Project through its subsidiary Mandalore Development Limited ('Mandalore'). The option agreement was exercisable on or before 30 April 2014 and subject to TSX Venture exchange ('TSXV') approval.

The consideration payable and costs incurred by Premier on exercise of the option comprised:

(i) The cancellation of all of the 120 million common shares of AgriMinco owned by Premier for no consideration, representing 42% of AgriMinco's issued share capital; and

(ii) The settlement of certain debt obligations owed by AgriMinco to third parties up to in aggregate a maximum of CDN$ 1.5 million; and

(iii) The issue to AgriMinco of new Premier ordinary shares with a value equal to CDN$1 million based on the volume weighted average trading price of Premier shares for the twenty consecutive trading days immediately prior to the exercise of the option agreement. The fair value of the ordinary shares issued to AgriMinco ($916,000) was based on the published share price on 13 May 2014.

Approval from the TSXV was received on 9 May 2014 following approval by AgriMinco's independent shareholders of the transaction at a special meeting of shareholders held on 8 May 2014. Premier exercised its option on 13 May 2014 by settling certain debentures up to CDN$ 1.5 million, by ceding its 120 million shares in AgriMinco and, on 19 May 2014, with the issue of 55,833,454 new ordinary shares to the value of CDN$ 1 million at an issue price of 0.9753p per share (refer note 23).

As a result of exercising the option, Premier lost control of AgriMinco and therefore the transaction has been accounted for as a deemed disposal of a subsidiary.

The following table summarises the consideration paid and costs incurred by the Company, the fair value of assets and liabilities disposed of and the non-controlling interest at the disposal date.

	Book value at disposal $ 000	Fair value adjustment $ 000	Fair value $000
Consideration			
Fair value of consideration paid and costs incurred ((ii) and (iii) above)			2,305
Assets and liabilities disposed of			
Prepayments and receivables	28	–	28
Cash	4	–	4
Accounts payable and accrued liabilities	(1,229)	–	(1,229)
Loans payable	(101)	–	(101)
Debentures	(1,686)	–	(1,686)
Total identifiable net liabilities			(2,984)
Non-controlling interest			1,284
Goodwill			–
Total			**(1,700)**

The gain, recognised in the consolidated statement of comprehensive income is equal to $679,000.

32 Non-controlling interests

	$ 000
At 1 January 2013	–
Non-controlling interests acquired in subsidiary undertakings	2,424
Non-controlling interests in net assets on partial disposal	742
Non-controlling interests in share of losses in the year	(958)
At 31 December 2013	2,208
Elimination of non-controlling interest on disposal of AgriMinco*	(1,284)
Non-controlling interest in share of losses in the year	(551)
At 31 December 2014	373

* refer note 31

The non-controlling interest in net assets on partial disposal represents the interest attributable to non-controlling interest as a result of the partial disposal of the Group's interest in RHA Tungsten (Pvt) Limited to 49% during the year 2013.

The non-controlling interest acquired with subsidiary undertakings represent the portion of the net assets of AgriMinco Corp. attributable to the non-controlling interests, which was acquired during 2013.

The share of losses in the year represents the losses attributable to non-controlling interests for the year.

33 Contingent liabilities

Conditions set out in the shareholders' agreement with the National Indigenisation and Economic Empowerment Fund ('NIEEF') may give rise to future equity issues. The agreement calls for the issue to NIEEF of $750,000 in Premier ordinary shares. The issue of equity is conditional upon the satisfaction of the following conditions:

(i) The local operating company in Zimbabwe having obtained sufficient committed finance on reasonable terms to enable it to implement its development objectives as set out in the agreement.

(ii) The commencement of commercial production having occurred at the RHA Tungsten Project.

34 Capital commitments

In December 2014, the Company placed an order with Appropriate Process Technologies for the fabrication of a wolframite processing plant at a cost of $2,136,333 and paid a deposit of $688,016. As at the balance sheet date, the Company had a remaining capital commitment of $1,448,317 to be paid in instalments over the first quarter of 2015 with delivery and commissioning expected in June 2015.

35 Events after the reporting date

Funding

Convertible Loan Note

On 2 February 2015, the Company entered into a finance package with Darwin Strategic Limited ('Darwin'), to provide funds for the continuing development of its RHA Tungsten Project in Zimbabwe and to fund ongoing overheads. The finance package is for £1 million zero coupon unsecured loan notes ('loan note') divided into 40 individual loan notes with a par value of £25,000 each ('Par Value'). The Company received 90 per cent. of the Par Value, equivalent to £22,500 per loan note. The issued notes will redeem after a period of 12 months from the date of issue, unless otherwise converted.

From 1 March 2015, the loan notes are convertible at Darwin's election into new ordinary shares at a conversion price, being the lesser of 1.35 pence per share or 90 per cent. of the arithmetic average of the five daily volume weighted average share price per share preceding conversion.

The Company has, at its election, the right to redeem prior to maturity one or all of the outstanding loan notes in cash at 105 per cent. of the Par Value subject to Darwin's right to convert up to eight loan notes in lieu of any such redemption. In addition from 1 July 2015, the Company has the option to redeem eight loan notes per month at 105 per cent. of Par Value in cash and on the first business day of each month thereafter until all of the loan notes have been redeemed. So long as the Company makes these cash redemptions Darwin shall have no right of conversion during the relevant calendar month.

Darwin has also been issued with warrants to subscribe for 40 million new ordinary shares at an exercise price of 1.25 pence per new ordinary share. The warrants can be exercised over a 3 year period.

Bridge Loan

On 9 April 2015, the Company agreed terms of a bridge loan facility with the Company's Chairman and CEO for up to $250,000 to provide additional funding for the construction of its RHA Tungsten Project and general working capital for the Group. Additionally, the Company agreed repayment and conversion terms of the current borrowings outstanding (refer note 20).

The bridge loan and current borrowings ('the loans') are both unsecured and interest will accrue at the rate of LIBOR plus 3 per cent.

The loans will become repayable by the Company as soon as all other third party debt has been repaid in full or with the prior consent of all third party lenders

The loans may be converted, in part or in full, into new ordinary shares. The conversion price will be the lesser of the volume-weighted average price of the ordinary shares for the five trading days immediately prior to the date of conversion or the closing price of the ordinary shares on the date of the loans.

Loan Facility – $250,000

On 27 April 2015, the Company agreed terms of a loan facility of up to $250,000, consisting of two committed tranches, with AgriMinco Corp for the continuing construction of the RHA Tungsten Project and additional capital expenditure and/or working capital for the Company.

The loan facility is unsecured, bears interest at a rate of 5 per cent. and is repayable in 24 months or earlier with the prior consent of all third party lenders. The Company has also agreed not to request repayment of historic amounts owed by AgriMinco, prior to repayment of the loan facility.

AgriMinco may elect to convert all or part of the loan facility into new units when the loan facility becomes payable (where one unit comprises one new ordinary share and one new warrant). The conversion price of the new ordinary shares shall be the fifteen trading day volume-weighted average price or the ordinary shares before the earlier of the maturity date and the date of a repayment notice, if any. Each new warrant would entitle the unit holder to subscribe for one new ordinary share at an exercise price equivalent to a 20 per cent. premium to the conversion price. The warrants can be converted over a 24 month period from the date of issuance.

Loan Note Instrument

On 28 April 2015, the Company signed a subscription agreement with Darwin for 66 loan notes for a gross value of £1,650,000. Each loan note has a face value of £25,000. The loan notes are repayable at the rate of seven per month from 1 October 2015, and failing repayment, may be converted to new ordinary shares of the Company at 90% of the then ruling market price. The net proceeds from the loan notes will be used to fund the development of the RHA Tungsten Project located in Zimbabwe. For each £25,000 senior secured convertible loan note issued, the Company will receive 85% of the Par Value, equivalent to £21,250 per loan note. The loan notes will redeem after a period of 18 months from the date of the subscription agreement, unless otherwise repaid or converted.

The loan notes will be issued in three tranches. The issue of Tranches 1 to 3 under the subscription agreement is subject to certain conditions, including no material breach of warranties and the achievement of a number of milestones as follows:

- Tranche 1 (aggregate Par Value of £450,000) – on signing of the subscription agreement.
- Tranche 2 (aggregate Par Value of £750,000) – on 3 May 2015 subject to confirmation in a form satisfactory to Darwin from Appropriate Process Technologies, the manufacturer of the process plant, that the process machinery and equipment for the RHA Tungsten mine is ready for shipment.
- Tranche 3 (aggregate Par Value of £450,000) – on 1 June 2015 subject to the Company demonstrating to Darwin's satisfaction that the process plant and equipment for the RHA Tungsten mine has been delivered to the mine site and has assembled and commissioned.

From 1 October 2015 and each month thereafter until the loan note is repaid, the Company will redeem 7 notes in cash at a price equal to 105% of Par Value, amounting to £26,250 per loan note ("Amortisation Payment"). In the event that the Company fails to make the Amortisation Payment on the due date, Darwin may elect to convert up to 7 loan notes at 105% of Par Value into new ordinary shares at the conversion price of 90% of the arithmetic average of the volume weighted average share price per ordinary share for the five consecutive trading days preceding conversion ("Conversion Feature").

In addition, the loan notes have certain conversion triggers that, for as long as the relevant event remains in breach, the loan notes will have the right to convert into equity at 100% of Par Value on the terms of the Conversion Feature ("Conversion Triggers"). The Conversion Triggers are as follows:

- The process plant is not producing by 1 July 2015.
- The APT price as quoted by Bloomberg for five consecutive trading days is at or below $230 per mtu or such lower price as may be mutually agreed between the Company and Darwin subject to the Company securing sales contracts or off-take contracts at discounts less than 35 per cent. of the spot price.
- The WO_3 percentage contained in the Company's monthly production is below 60 per cent.

As long as any loan note remains in issue, the Company may not make any repayment of or convert into ordinary shares any amounts owed to the Chairman and CEO nor to AgriMinco.

The loan notes are secured by a fixed and floating charge over the assets of the Company. Furthermore, the Company together with the holders of the loan notes and the Chairman and CEO have entered into a put option agreement ("Put Option") over the Company's shareholding of 2 million shares in Circum Minerals Limited ("Circum") at a price of $1 per share (the "Circum Shares"). In the event of a default by the Company under the terms of the loan notes, the Chairman and CEO will be required by the Company to purchase its entire holding of Circum Shares for $2 million in cash, the proceeds of which will be used to settle any outstanding loan notes.

On 5 May 2015, the Company confirmed to Darwin that necessary conditions for the release of Tranche 2 of funding in the amount of £750,000 have been met and funds were released by Darwin.

On 5 June 2015, the Company confirmed to Darwin that necessary conditions for the release of Tranche 3 of funding in the amount of £450,000 have been met and funds were released by Darwin.

Issue of equity and share options

Exercise of Options

On 10 February 2015, the Company issued 12,206,271 new ordinary shares for a total value of nil consideration (nil cost per share) to directors of the Company pursuant to the terms of its 2012 Share Option Plan.

Conversion of Loan Notes

On 4 March 2015, the Company received a notice of exercise by Darwin to convert £150,000 loan notes into equity. The Company therefore issued 20,085,699 new ordinary shares at a price of 0.74675 pence per ordinary share in accordance with the terms of the agreement.

On 13 March 2015, the Company issued 4 million new ordinary shares for nil consideration (nil cost per share) to the Company's Chief Operating Officer and Project Director in accordance with the Company's Share Award Scheme. The Company also issued 4 million options to subscribe for new ordinary shares to a non-executive director and 6.5 million options to a non-board employee. Half of the options are exercisable at a price of 0.9 pence per ordinary share on or after 12 months from the date of issue, while the other half are exercisable at 1.17 pence per ordinary share 24 months after the date of issue. The options will expire 10 years from date of issue.

On 30 April 2015, the Company received a notice of exercise by Darwin to convert £250,000 loan notes into equity (refer 2 February 2015 funding agreement above). The Company therefore issued 18,518,518 new ordinary shares at a price of 1.35 pence per ordinary share in terms of the agreement.

On 4 June 2015, the Company received a notice of exercise by Darwin to convert £600,000 loan notes into equity (refer 2 February 2015 funding agreement above). The Company therefore issued 44,444,444 new ordinary shares at a price of 1.35 pence per ordinary share in terms of the agreement. This conversion settles the remaining February 2015 loan notes.

Exercise of Warrants

During June 2015, the Company received a notice of exercise from YA Global Masters SPV Ltd ('YAGM'), the holders of 9 million warrants at an exercise price of 1.25p per ordinary share. The Company received £112,500 on conversion of the warrants and issued 9,000,000 shares to YAGM.

Appointment of director

On 26 February 2015, Mr Michael Foster was appointed to the Board as Non-Executive Director.

Environmental Impact Assessment

On 7 April 2015, the Company was granted approval of its Environmental Impact Assessment ('EIA') by the Environmental Management Agency of Zimbabwe and permission was granted to commence mining operations at its flagship RHA Tungsten Project in Zimbabwe.

Commissioning of the Processing Plant

On 5 June 2015, the Company reported that the processing plant had been delivered to the RHA site, and that it was erected and commissioned and first coarse grade concentrates have been produced.

36 Ultimate Controlling Party

There is no single ultimate controlling party.

37 Posting of Accounts

The annual report for the financial year to 31 December 2014 will be distributed to all shareholders on 25 June 2015 and will be available for download on the Company's website www.premierafricanminerals.com

Enquiries

Pamela Hueston	Premier African Minerals Limited	Tel: +44 (0) 755 778 3855
Michael Cornish/Roland Cornish	Beaumont Cornish Limited (Nominated Adviser)	Tel: +44 (0) 207 628 3396
Jerry Keen/Edward Mansfield	Shore Capital Stockbrokers Limited	Tel: +44 (0) 207 408 4090
Kelsey Traynor/Dominic Barretto	Yellow Jersey PR Ltd	Tel: +44 (0) 779 900 3220

COMPANY INFORMATION

Registered Office
Craigmuir Chambers
PO Box 71
Road Town
Tortola VG 1110
British Virgin Islands

Nominated Adviser
Beaumont Cornish Limited
2nd Floor, Bowman House
29 Wilson Street
London EC2M 2SJ
United Kingdom

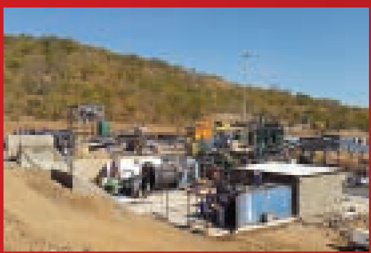
Broker
Shore Capital Stockbrokers Limited
Bond Street House
14 Clifford Street
London W1S 4JU
United Kingdom

PR/IR
Yellow Jersey PR
33 Stockwell Green
London SW9 9HZ
United Kingdom

Auditor
Baker Tilly UK Audit LLP
25 Farringdon Street
London EC4A 4AB
United Kingdom

Solicitors to the Company
Fladgate LLP
16 Great Queen Street
London WC2B 5DG
United Kingdom

Legal counsel to the Company in the BVI
Harneys
Craigmuir Chambers
PO Box 71
Road Town
Tortola VG 1110
British Virgin Islands

Craigmuir Chambers
P.O. Box 71
Road Town
Tortola VG 1110
British Virgin Islands