PREMIER AFRICAN MINERALS LIMITED

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(AIM:PREM)

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Optimised Processing Plant at RHA with XRT Technology and achieved concentrate production

Substantial increases in Wolframite Concentrate pricing continue to de-risk restart at RHA

Completed over 8000 metres of drilling at Zulu to date and achieved grades up to 4.24% Li20

Established a Maiden Mineral Resource Estimate of 20.1 million tonnes grading 1.06% Li20 at the Zulu Lithium Project

Completed a metallurgical test work programme indicating excellent recoveries and battery grade lithium concentrate production at the Zulu Lithium Project

Completion of a Successful Scoping Study at Zulu demonstrating a technically viable and economically robust lithium project

Improved political landscape in Zimbabwe and possible restart of RHA operations will reverse impairment

Chairman & CEO Statement

The past year has seen significant changes that I believe will underpin the future and the value of Premier African Minerals Limited ("Premier" or "PREM"). Dramatic improvements in the political and business landscape in Zimbabwe and completion of the robust scoping study on Zulu Lithium and Tantalite Project ("Zulu") are certainly highlights. This was tempered by the slower than expected progress at RHA Tungsten Mine ("RHA"), suspension of production following the period end and subsequent decision to fully impair this asset, but with a potentially better outlook considering the increased demand for tungsten and continuously improving prices after period end. Events following the period end may well result in a reversal of this impairment.

During the year we continued our exploration efforts at Zulu and have now drilled more than 8,000 metres. In June, we established a sizable Maiden Mineral Resource of 20.1 Million tonnes grading 1.06% Li_20 in the Main Zone. We completed a metallurgical test work study demonstrating a viable process route as well as being able to produce a commercial battery grade lithium concentrate. Our exploration and drilling activities identified several large outcropping pegmatites in a step-out zone, which we believe has an exploration target of up to 80 million tonnes of ore. Drilling in this new zone continued to expose broad intervals of mineralised pegmatite. Many high grade intersections included a best reported grade of 4.24% Li_20 over 0.95m in an intersection of 11.47m in ZDD45 grading at 1.90% Li_2O over the entire width.

During the second half of the year, we continued to make excellent progress with our engineering studies which culminated in the completion of a scoping study at Zulu. The scoping study demonstrates that there is an opportunity to develop a robust, low capital cost lithium mine with low operating costs. Strong prices for spodumene concentrates and sustained demand for high-grade petalite, coupled to compelling forecasts for the lithium market, support our confidence in the future of this project. Normally, in an AIM environment, Premier would seek to advance Zulu into full definitive feasibility through equity funding but given the size of the project we looked to bring in a strategic equity partner to rapidly develop this exciting project. Negotiation that recognises the real value is neither quick nor easy. Mine development from commencement of exploration to commissioning is often a 12 to 15 year cycle, one that is not easy for an investor set on short term gain to endure. Premier is well into this cycle with Zulu and in anticipation of funding, has the potential to be in concentrate production within the next 2-3 years.

Similarly, at RHA where despite the disappointment of not attaining profitable production, development of the underground stopes has advanced to that point that a definite completion date is now possible and a far better understanding of the mineralisation and what still needs to be done, has followed. Subsequent events at RHA are set out below, but these should be viewed in the context of anticipated amendments to the 49/51 ownership requirements in Zimbabwe and the continuously improving tungsten concentrate prices we have seen over the past 12 months leading up to the date of this statement. Premier has carefully assessed options for operations at RHA and has engaged an independent engineering practice to validate the lowest cost baseline restart alternative based on low tonnages from existing underground operations.

We hold 5,010,333 shares in Circum Minerals Limited ("Circum"), currently valued in total at $6,262,916.25. Recent developments in the settlement of historic border disputes and future potential access to nearby Eritrean ports, together with a number of other factors, potentially add substantial value and make this project far more attractive. The Company believes that updates to the Definitive Feasibility Study ("DFS") indicate a modular approach which reduces the original forecast capital cost and retains an NPV of approximately $1.7 billion. The Company believes that Circum has engaged major brokerages and other debt advisors and a liquidity event may be anticipated during Q1 2019.

On a corporate level, in September, we appointed Godfrey Manhambara to the Board. Godfrey Manhambara is a Zimbabwean national with extensive commercial experienced. He has proved to be a great asset to the Company with respect to the ongoing negotiations with National Indigenisation and Economic Empowerment Fund ("NIEEF") and the Zimbabwean authorities.

In March 2018, John (Ian) Stalker retired from the Board to decrease his workload. Again, I would like to thank him for his valuable contribution on a wide range of matters during the Company's more formative years. At the same time, we bolstered the Board with the appointment of Wolfgang Hampel who has made a significant contribution to the Company and has extensive rare earth experience. This expertise becomes significantly more important to the Company with the development of the feasibility study at Zulu as well as to advance the Katete rare earth element project, which has the potential to contain significant amounts of critical rare earths such as neodymium.

As the Company develops, we are actively seeking to strengthen the Board and management team to improve the leadership of Premier and so we have also announced that Michael Foster, a Senior Non-Executive Director on the Board of Premier has been appointed as Chairman of the Company with effect from 20 July 2018. I will remain as CEO of Premier. The separation of Chairman and CEO roles is long overdue and is expected to enhance board oversight and direction. Michael has a wealth of experience in management and development of resource companies and I am appreciative that he has agreed to work with me over the next critical period to realising the potential that Premier offers.

As we look ahead into 2018, we see a strong market for lithium and tungsten. Premier will remain focussed on increasing the value of our assets by delivering a feasibility study on Zulu as well as finalising the restructuring negotiations at RHA. We look forward to expanding exploration activities at the Katete Rare Earths (Katete Mining Private Limited) and the ongoing changing landscape in Zimbabwe that is expected to present other opportunities for Premier to exploit.

As a final note, I would like to thank all our employees, directors and consultants for their continued hard work.

I look forward to 2018 and beyond with a greater degree of optimism than I have had for some years.

George Roach

Chief Executive Officer & Outgoing Chairman

26 July 2018

Strategic Report

The strategic report provides a detailed assessment of the activities of the company during the period under review. It also details the main objectives of the company related to our portfolio of assets. The principal risks and uncertainties associated with our activities are outlined in a specific principal risks and uncertainties section. This section of the annual report is produced in accordance with Guidance on the Strategic Report, June 2014 issued by United Kingdom and the Republic of Ireland's independent regulator, the Financial Reporting Council.

RHA Tungsten Mine

49% Interest owned by Premier

51% Locally indigenized owned by NIEEF

2017 began on a high note at the RHA with the installation of the XRT sorter, commissioning of vertical shaft upgrades and anticipation of adequate ore and grade from both the underground and open pit operations to attain profitable production. Mining and processing commenced and initial response to the installation of the XRT sorter was most encouraging. The sorter exceeded design criteria and achieved recoveries of over 95% of all contained wolframite in approximately 7% of the feed. However, it became apparent early into this restart that projected grade from the open pit was not being achieved, neither tonnage from the underground operations. In an effort to mitigate operating losses, production was stopped from the open pit. It was clear that the predicted grade and tonnage from the open pit could not be attained. A complete re-evaluation of the pit was planned, and a carefully controlled section of the pit selected for evaluation of in situ grade, mining dilution and plant recovery. The intention being to determine definitively whether the resource forecast in a carefully controlled sector was valid and if that mineralisation could be cost effectively mined and recovered through the plant. It became clear that the extent to which the ore body in the open pit appears disseminated, extended below the depth forecast in the resource model, and further mining at that point in the open pit would likely extend losses already incurred.

Ore from Underground operations was largely from development drives and similarly failed to meet the grades anticipated. A decision was taken that plant operations should be suspended for a period to allow development of anticipated higher-grade stopes from underground to become available. Target date for completion of first stopes was forecast to be December 2017, and this anticipated resumption of mining activity and continuous profitable operations which did not materialise.

The Board had been clear during 2017, that Premier could not be expected to finance RHA indefinitely. Discussions had been ongoing with NIEEF for some time in an attempt to deal with the inequalities of the shareholder agreement that had been concluded some years earlier as a condition of us operating in Zimbabwe. Almost simultaneously, there was a change in leadership and policy in Zimbabwe, and advice from our team at RHA late in December 2017 that they would not meet the target date for profitable operation and required further funding for another four months. The subsequent decision to place RHA under care and maintenance from 9 January 2018 is dealt with in a later section of this report.

It is important to understand that RHA is a fully developed mine with a commissioned and operating plant. The RHA plant has demonstrated the ability to process ore and recover contained wolframite. The feed rate and recovery is adequate to sustain profitable operations, subject to continuous availability of ore at the reported resource grades. There have been challenges in mining tungsten and these have related as much to the nature of the mineralisation within the ore body as well as the massive tungsten price variations over the past few years. RHA was originally brought into production on a low-cost implementation study, driven as much by the imposed ownership as misplaced confidence in resource and test work that had been independently concluded. RHA has seen the price of wolframite plummet from the mid $400 mtu to the mid $100 mtu. It should be noted that the price of Ammonium Para-tungstate (APT) in July 2017 was $235 mtu and at the end of December 2017, $303 mtu. With knowledge now gained and the positive price movements back to >$350 mtu, RHA has the potential to return to production dependent on the following main factors:

- Resolving the RHA equity negotiations;
- Selecting the most appropriate alternative proposed by RHA, which will be validated by an independent engineering practice; and
- Obtaining finance to restart mining operations at RHA.

Recoverability of mine assets

Determining whether a mine asset is impaired requires an assessment of whether there are any indicators of impairment, including by reference to specific impairment indicators prescribed in IAS36 Impairment of Assets. 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 the present value. In the light of the current suspension of operations and the failure on the part of NIEEF to agree a redistribution of the equity, as at 31 December 2017 the mine assets have been fully impaired by $9,809 million (2016: $nil).

Post Reporting Period

On 9 January 2018, operations at RHA were suspended. This was pursuant as much to the facts that RHA had failed to meet the end of December 2017 target date for profitable operations, and that Premier had stated that it would not continue to sole fund the mine. The new Government in Zimbabwe has amended the previous indigenisation policy and it is no longer a requirement that 51% of ownership is surrendered. 51% of RHA is held by NIEEF and our relationship with them is governed by a shareholder agreement that inter alia restricts dilution. Premier proposed to NIEEF that Premier would agree to capitalise existing shareholder loans in exchange for new equity to be issued such that Premier would hold 90% of RHA. NIEEF has indicated they are supportive of this and Premier has been assured in many meetings at Ministerial level that this should be implemented. Our understanding is that this process requires a sign-off from the Minister of Commerce and Industry, and that we should expect this. We have anticipated this sign off since February 2018, which has to date not materialised.

Premier has demanded immediate remedy of RHA default under the Plant Rental Contract, which outstanding rentals are secured by RHA's mineral claims certificates. To date, RHA has failed to remedy this default within the contractual timeframe. Premier continues to evaluate alternative options to resolve RHA ownership. Holding the mine in care and maintenance has significant ongoing costs, and as Premier is already the single largest creditor, liquidation of RHA Tungsten Pvt Limited is a real option and would likely mean that Premier would become the 100% owner of RHA.

In the interim, considerable re-evaluation has taken place at RHA, with a particular focus on the underground. It is clear that we need to understand definitively whether mineralisation in the open pit is more consolidated, and thus able to be mined with less dilution of grade with depth and at what depth. We have designed a limited short hole drilling program to test this in the open pit and to allow us to determine once and for all whether the open pit can ever be viable.

In terms of underground, a reassessment of the geological data confirms that ore at adequate grade will be available to drive profitable operations from limited and relatively low tonnage underground mining. Latest modelling suggests that at anticipated grade, only 3,000 tpm needs to be delivered to the ROM pad for breakeven; conversely, at the initial targeted 6,000 tpm, the target grade drops by 45%. In fact, every sensitivity becomes less critical with the continuing improvement in wolframite pricing and confidence in the future of RHA should improve. The development of stopes to access the next 11 months of underground ore could complete within 2 to 3 months of commencement of mining and the plant, which is ready to run, could be brought back on line immediately.

When RHA was first designed, the intention had been that the initial open pit would finance the development of a decline to allow vehicle access to the underground. This remains a medium-term goal, however our re-evaluation suggests that prior to this new drive being commissioned, additional deeper drilling should be undertaken and RHA will seek to complete this simultaneous with the short hole drilling suggested for the open pit.

Even more significant is the continuously improving outlook for Tungsten and the rising price of APT, which continues to reduce risk associated with RHA.

Premier anticipates that when the ownership issues at RHA are resolved, many alternatives will be available. These include the conclusion of a new take off agreement with pre-funding to cover start up, an

introduction of a JV partner to provide funding, spin off RHA, inter alia, but all dependent on resolution of the ownership issues.

Considering the above, Premier has identified four alternatives for restart of operations at RHA, and has engaged independent engineering consultants to validate the conclusions reached regarding the lowest capital cost and shortest time frame alternative. This would see RHA complete the stope development underway at the time of shutdown and would expect to see plant operations commencing in as short a time as two months with a target throughput of 6000 tpm. Other alternatives in summary include reopening the open pit operations, drilling results dependent, and open pit operations together with existing underground operations and development of the decline drive to give vehicle access to the underground operations.

Zulu Lithium and Tantalum Project

Zulu has progressed substantially during the past year. Notable achievements include the publication of our maiden Mineral Resource statement and completion of the scoping study. Both add support to our view that Zulu may be a world class deposit.

In June 2017, we announced a maiden Mineral Resource statement, reporting a SAMREC compliant inferred Mineral Resource estimate of 20.1 million tonnes at 1.06 % Li2O and 51 ppm Ta2O5 using a cut-off grade of 0.5% Li2O, including 7,159,048 tonnes at 1,5% Li2O. The maiden Mineral Resource estimate covered only 35% of Zulu's known 3.5km surface strike length.

In June 2017, the Company also announced results from an initial metallurgical test work study completed by German based Dorfner Anzaplan GmbH ("Dorfner"), a leading authority in the field of lithium and speciality minerals processing and treatment. The results demonstrate that a commercial grade, high quality lithium mineral concentrates from both the spodumene and petalite mineralisation can be achieved with a very low iron content that offers additional markets not only for spodumene and petatlite but also the potential for high grade feldspar and high purity quartz.

Further development at Zulu will require further financing for a planned DFS and Zulu has been seeking a suitable partner for this process and announced following the period end the conditional investment by Cadence Minerals plc as detailed below.

In November 2017, we announced the scoping study on Zulu, the Scoping Study has been prepared in compliance with the guidelines of SAMREC by independent South African mine planning consultants, Bara Consulting (Pty) Limited ("Bara Consulting"). The Scoping Study is the first study undertaken by Premier to evaluate the economics of developing:

- An open pit mine and processing facility to directly produce spodumene and petalite concentrate (Concentrate Sales Option); and
- A processing facility for a lithium carbonate plant (Lithium Carbonate Option)

Results of the Scoping Study demonstrated excellent potential for developing a robust, low capital cost lithium project with low operating costs, strong cash flow generation capacity and significant upside potential through further Resource growth.

The Scoping Study identified a target production of 84,000 tonnes of spodumene concentrate and 32,500 tonnes of petalite concentrate per year for an initial 15-year life of mine ("LOM") to be the most appropriate option. The significant exploration potential already identified close to the existing Resource base, together with the fact that mineralisation is open at depth and on strike, and the new zones identified and described in the Company's announcement dated 6 August 2017, indicated significant potential for a substantial increase in life of mine and production targets.

The Scoping Study assessment of a pre-tax Net present value at a 10% discount rate ('NVP10') of $127 million is based on prices of $800/t spodumene and $400/t petalite concentrate prices respectively. Analysis conducted as part of the Scoping Study to test Zulu sensitivity to the spodumene and petalite concentrate price highlights the potential for an uplift in value when current spodumene prices are applied. The results of the Scoping Study are set out in Table 2 below.

Table 2 - Zulu Scoping Study Results (concentrate sales option)

Zulu - Economic Summary	**Unit**	**Value**
Life of Mine (LOM)	Years	15
Spodumene Concentrate Sold	Tonnes M	1,146
Spodumene Concentrate Price (LOM Average)	$/t	800
Petalite Concentrate Sold	$ M	445
Petalite Concentrate Price (LOM Average)	$/t	400
Gross Revenue	$ M	1,095
LOM C1 Operating Costs Total	$ M	773
LOM C1 Operating Cost Per tonne of concentrate	$/t	486
Royalties	$ M	17
Product Transportation	$/t	85
Initial Capital Cost (including a 30% Contingency)	$ M	64
Taxes	$ M	60
NPV and IRR (Concentrate Sales Option) (Notes 1,2)		
Discount Rate	%	10.0
Pre-Tax NPV	$ M	127
Pre-Tax IRR	%	85.9
Pre-Tax Payback Period	Years	2.0
After-Tax NPV	$ M	92
After-Tax IRR	%	65.0
Peak Funding Requirement	$ M	38.4
Operating Margin	%	27.7

Note 1: The NPVs are shown for the gross value of the Zulu.
Note 2: All NPV values extracted from the Scoping Study have been rounded to the nearest whole million.
Note 3: Source – Scoping Study.

In addition to considering the sale of spodumene and petalite concentrates, a secondary option of selling lithium carbonate was evaluated. This option entails the transportation of spodumene and petalite concentrates from the mine to a lithium carbonate plant in Bulawayo. The operating and capital cost of the lithium carbonate plant was added to the evaluation. Operating costs were estimated at $2,1 per tonne Li_2CO_3 and capital costs were estimated at $130 million for the plant. The results of this option are set out in the table 3 below.

Table 3 - Economic Summary Lithium Carbonate Option

Zulu - Economic Summary (Lithium Carbonate Option) (Notes 1,2,3)	**Unit**	**Value**
Initial Capital Cost (including 30% contingency)	$ M	238
Li_2CO_3 Sales Price	$/t	15,000
Pre-Tax NPV10	$ M	719
Pre-Tax IRR	%	80
Post-Tax NPV10	$ M	524
Post-Tax IRR	%	63
Payback Period	Years	2
Peak Funding Requirement	$ M	178
Operating Margin	%	61

Note 1: The NPVs are shown for the gross value of the Zulu.

Note 2: The initial capital cost for the Lithium Carbonate Option includes the capital cost for the Concentrate Sales Option.
Note 3: All NPV values extracted from the Scoping Study have been rounded to the nearest whole million.
Note 4: Source – Scoping Study.

Post Reporting Period

On 26 June 2018, Premier announced the signing of a conditional Heads of Agreement with Cadence Minerals plc ("Cadence") to fully fund the Definitive Feasibility Study on the Zulu. Cadence will earn up to 30% of Zulu by investing up to $5,1 million in milestone payments. Cadence will perform further Due Diligence and the Company hopes to conclude a definitive investment agreement with Cadence within the coming months.

Circum Minerals

5% interest

Premier over the course of the period increased its holding in Circum to 5,010,333 shares representing approximately 5% of Circum. At present these shares are valued at $6,2 million based on the last placing price.

TCT Industrias Florestais Limitada

The Board announced in the period that it was considering possible partnerships and/or a sale of TCT Industrias Florestais ("TCT IF") forestry interests whilst ensuring that Premier could maintain an interest in the limestone deposit in July 2017. In respect of TCT IF's forestry interests, the Board did not believe that there was anything material in the ongoing development and strategy of Premier since operating conditions in Mozambique had continued to be challenging and in particular the timber industry was affected earlier during the period by a country-wide suspension of timber cutting and export licences in Mozambique for un-processed timber of over 125 mm in diameter.

Premier had first conditionally acquired its interest in TCT IF in October 2016 ("TCT IF Acquisition Agreement"), and the subsequent payment by Premier of the consideration due to Transport Commodity Trading Mozambique Limitada ("TCTM") and GAPI Sociedade de Investimentos S.A. ("GAPI") (together the "TCT Vendors") was only due following final procedural registration of the assignment of quotas by the Mozambique authorities this registration had remained outstanding and as set out in Premier's 2016 audit report and accounts, amounted in aggregate to approximately $2,1 million as at 30 June 2016, to be settled in either New Premier Ordinary Shares or cash at the election of the TCT Vendors ("Vendor Consideration"). During the period, the TCT Vendors made it increasingly clear to Premier that the outstanding consideration had to be settled as soon as possible, failing which the TCT IF Acquisition Agreement could lapse.

In September 2017, Premier secured an agreement with Amire Glory Limited ("Amire") to novate its rights and obligations under the TCT IF Acquisition Agreements, whilst still retaining a free carried interest in the limestone deposits to completion of the initial exploration programme and without cost. The consideration was satisfied through the transfer by Premier of all rights and obligations held under the public deeds for the assignment of quotas to acquire its 52% interest in TCT IF. Amire has assumed Premier's responsibility to settle the Vendor Consideration of $2,1 million and, Premier has no further liabilities or obligations to the TCT Vendors.

Post Reporting Period

Following the novation to Amire, TCT IF's limestone licence has not been renewed.

CASA Mining

3.9% Interest

Premier increased its holding in Casa Mining Limited ("Casa") on 30 March 2017 by a further $0,050 million investment in exchanged for 100,000 shares in Casa. In November 2017, Arc Minerals (formerly known as Ortac Resources Limited) announced that it would make an offer to acquire all the outstanding issued shares in Casa for a consideration of 14.85 shares in Arc Minerals for each Sale Share (the "Casa Offer").

Post Reporting Period

The Casa offer was due to close on 10 May 2018 and Premier elected to accept the Casa Offer. Premier received 6,128,822 new Arc Minerals shares ("Consideration Shares") for the 412,500 Casa shares it owned. At the closing

Arc Minerals' market price on the 15 June 2018 (4.20p), the Consideration Shares have a value of approximately £257,410.52.

Funding

During the reporting period we raised gross proceeds of $11,624 million (2016:$5,195 million), acquired further investments and redeemed the outstanding Darwin Loan Notes by converting to equity. Premier also used the Primarybid platform whereby Premier was able to give private shareholders a chance to participate in the fundraise that had been previously only accessed by institutional investors.

John (Ian) Stalker and Michael Foster each converted their £0.015 million Director Fees into 6,000,000 new Ordinary Shares respectively.

George Roach was granted conversion rights in respect of his $0,300 million Loan, which can be converted into new ordinary shares at a price of 0.5p per new ordinary share.

RHA increased its credit facility from a local bank to $0,300 million, which can be utilised for payment of direct operating expenses associated with the production of wolframite concentrates. The facility bears interest at the bank's costs of funds plus a margin of 8.75% and is guaranteed by Premier.

Principal activities and strategic review of the business

The principal activity of Premier and its subsidiary companies (the Group) during the year under review is the mining, exploration, evaluation development and investment in natural resource properties on the African continent

Premier was incorporated on 21 August 2007 in the British Virgin Islands (BVI) as a BVI business company with number 1426861. The registered office is Craigmuir Chambers, PO Box 71, Road Town, Tortola, British Virgin Islands. The Company was admitted to trading on the London Stock Exchange's AIM Market on 10 December 2012.

Objectives

During 2018, the primary focus will be to progress the Zulu DFS and resolve the ownership restructuring of RHA. When this has been achieved and an appropriate option for RHA implemented, focus will move to our other exploration assets and other opportunities that the changing landscape in Zimbabwe may offer.

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:

Credit Risk

Credit risk is the risk of potential loss to the Company if counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets, including cash, receivables, and balances receivable from the government. The Company limits the exposure to credit risk in its cash by only investing its cash with high-credit quality financial institutions in business and savings accounts, guaranteed investment certificates and in government treasury bills which are available on demand by the Company for its programs. The Company does not invest in money market funds. The Company has no risk exposure to asset backed commercial paper or auction rate securities.

Liquidity Risk

Liquidity risk is the risk that the Company will not have the resources to meet its obligations as they fall due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that it will have sufficient liquidity to meet its obligations.

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, geo-political risks, 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 un-favourable 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

In the year under review, the Group recently recorded some revenue from operations at RHA and future revenue from RHA will remain subject to rising of capital as contemplated in the previously proposed funding options. 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.

Market Risk (exchange rates, commodity and equity)

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant.

Interest Rate Risk: The Company is exposed to interest rate risk to the extent that its cash balances bear variable rates of interest. The interest rate risks on cash and short-term investments and on the Company's, obligations are not considered significant.

Foreign Currency Risk: The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates against the Company's functional currency, which is the United States dollar ("USD"). The Company expects to continue to raise funds in the United Kingdom. The Company conducts its business in Zimbabwe ("USD") with a significant portion of expenditures in that country denominated in USD and, in addition, a portion of the Company's business is conducted in South African Rands ("ZAR"). As such, it is subject to risk due to fluctuations in the exchange rates between the USD and each of the ZAR and GBP, A significant change in the currency exchange rates between the USD relative to foreign currencies could have an effect on the Company's results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations.

Commodity Price Risk - While the value of the Company's core mineral resource properties, the RHA and Zulu are related to the price of tungsten and lithium and the outlook for these minerals, the Company currently does not have any operating mines and hence does not have any hedging or other commodity-based risks in respect of its operational activities.

Early-stage Project Risk

RHA moved into production during 2017 and was then suspended on 9 January 2018 after the period end, the Zulu 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.

Licencing Risk

The Company's exploration and development activities are dependent upon the grant of appropriate licences, concessions, leases, permits and regulatory consents which may be withdrawn or made subject to limitations or performance criteria. Such licences and permits are as a practical matter subject to the discretion of the applicable Government or Government office. The Group must comply with known standards, existing laws and regulations that may entail greater or lesser costs and delays depending on the nature of the activity to be permitted. The interpretations, amendments to existing laws and regulations, or more stringent enforcement of existing laws and regulations could have a material adverse impact on the Group's results of operations and financial condition. Whilst the Company continually seeks to do everything within its control to ensure that the terms of each licence are met and adhered to, third parties may seek to exploit any technical breaches in licence terms for their own benefit. There is a risk that negotiations with a Government in relation to the grant, renewal or extension of a licence may not result in the grant, renewal or extension taking effect prior to the expiry of the previous licence period, and there can be no assurance of the terms of any extension, renewal or grant.

Political and Regulatory Risk

The Group's operating activities in Africa, notably in 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 management information presented to the Board;
- Day to day hands on involvement of the Executive Directors and Senior Management; and
- 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. The Group has identified certain short coming in the financial control systems, which are currently in the process of being addressed.

Disclosure of management's objectives, exposure and policies in relation to these risks can be found in note 30 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.

The RHA located in Zimbabwe was granted approval of its Environmental Impact Assessment and is permitted to undertake mining operations by the Environmental Management Agency of Zimbabwe.

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 provides ongoing 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 operating losses from continuing operations amounting to $8,205 million (2016: $4,751 million) and negative cash flows from operations amounting to $6,215 million for the year ended 31 December 2017 (2016: $3,153 million) as the Group continued to move from a development and exploration company into operations during the year under review.

As at 31 December 2017, current liabilities exceeded current assets by $1,843 million (2016: $5,578million). The Group raised $11,624 million (2016: $5,195 million) in net funding through share and warrant subscriptions to fund further investment in the RHA, further exploration at Zulu, to increase the minor stakes in the unlisted Circum and Casa and to fund working capital.

As detailed in note 33.1, the Group has secured a direct investment at subsidiary level into Zulu of up to $5,1 million. Therefore the Group will not be required to fund this project itself in the foreseeable future.

The Directors have prepared cash flow forecasts for the period ending 31 December 2019, considering forecasted operating cash flow and capital expenditure requirements for its RHA mining operations, available working capital and forecast expenditure for the rest of the Group including overheads and other E&E costs. The cash flow forecasts are dependent on the following main factors:

- Resolving the RHA negotiations (note 33.1);
- Consider the alternatives proposed by an independent engineering practice to restart mining operations of RHA based on low tonnages from existing fully equipped underground facilities and resolve which alternative to follow ahead of restarting operations.
- Obtaining additional debt or equity finance to restart mining operations at RHA;
- Obtaining additional debt or equity finance to fund group working capital requirements.

RHA Negotiations – the subsequent events note disclose that on 9 January 2018 RHA has been placed under care and maintenance, which situation continues pending positive resolution on the negotiations, around the majority NIEFF share. These negotiations commenced on 18 January 2018 and have continued to the date of this report. In the event of non-resolution by the end of Q3 2018, Premier would consider acting on a number of options, amongst other calling up its security and consider placing the business into judicial management. Whilst anticipating a positive resolution to negotiations any further RHA capital expenditure will be deferred indefinitely or until an alternative solution is reached.

The group have appointed and independent engineering practice who have commenced a review of the RHA operating model.

The start-up of the RHA mining operations is dependent on the positive outcome of the RHA negotiations and then raising additional equity funds. Historically the group has successfully raised debt or equity finance for its projects and there is still an appetite for this.

The group cash flow forecast is dependent on raising additional debt or equity finance to fund group working capital requirements. The group has raised £0,400 million via a placing as disclosed in the subsequent events note 33.3. The announcement on 16 March 2018 cancelling the Darwin warrants, anticipated the requirement for future capital raising by reducing the overhang in the Company stock. In June 2018, the Chairman also has provided $0,300 million additional loan funding. As evidenced during the announcement dated 5 June 2018, there remains an active and very liquid market for the Group's shares. The Group is pursuing several options in this regard and historically has been successful in raising adequate funding.

In the event that the RHA negotiations are not successful, the alternatives proposed by the independent engineering practice are considered impractical and the Group is unable to obtain additional debt or equity finance for RHA and the group working capital, a material uncertainty exists which may cast significant doubt on the ability of the Group to continue as a going concern and therefore be unable to realise its assets and settle its liabilities in the normal course of business.

George Roach
Chief Executive Officer & Outgoing Chairman
26 July 2018

Directors' Report

Results

The audited financial statements for the year ended 31 December 2017 are set out on pages 26 to 72. The Group reported a loss before and after tax of $19,761 million for the year ended 31 December 2017 (2016: $5,898 million).

The loss before and after tax includes:

- A gross trading loss after depreciation and amortisation is $4,603 million (2016: $1,818 million);
- Administration expenses amounting to $3,602 million (2016: $2,934 million);
- Given that RHA is under care and maintenance, it was decided to impair the carrying value in full of the RHA assets by $9,809 million (2016: Nil);
- Finance costs amounting to $1,507 million (2016: $1,113 million).

Impairments of the fair value of the available-for sale investments of $1,889 million (2016: $nil) were taken through other comprehensive income.

The total comprehensive loss for the year amounted to $21,650 million (2016: $5,898 million)

Dividends

The Directors do not recommend the payment of a dividend in respect of the year under review.

Fund-raising and capital

During the 2017 financial year, net funds of $11,624 million (2016: $5,195 million) were raised through direct subscriptions from the issue of share capital and the issuing of loan notes.

In January 2017, the Company raised a further $1,525 million (£1,220 million) through a direct subscription for new shares, whilst in March 2017 the Company raised further gross proceeds of $2,5 million (£2,0 million) through an underwritten offer through PrimaryBid.com. The Company raised $1,9 million (£1.3 million) in July 2018.

There remains an active and very liquid market for the Group's shares.

Darwin

On 19 January 2017, a further issue of loan notes generated proceeds of $0,523 million (£0,475 million). During January and February 2017 all outstanding loan notes were redeemed through the issue of equity. Further information on the Darwin loan notes is provided in notes 17.

Borrowings

On 19 January 2017 the Company agreed to settle the $0,25 million unsecured loan from AgriMinco Corp ("AgriMinco") through an offset of a loan receivable and repayment of the balance over four instalments.

During the prior years the outgoing Chairman had provided bridge loan financing of $0,55 million, of which $0,247 million was converted to equity during 2016. During the current year a further $0,1 million was converted through the issue of equity.

Further information on these transactions is included in note 16 and 32.

Disposal of TCT

During September 2017, a decision was taken to dispose of TCT IF. The group realised a loss of $0, 136 million on this disposal.

Other key elements of financial position

Exploration and Evaluation costs of $0,703 million (2016: $0,276 million) were capitalised on the Zulu in Zimbabwe.

The Company's holdings in Circum and Casa were increased through purchases of equity of $4,202 million (2016; $0,250 million). However, the directors believe that fair value to be $6,459 million and have impaired the carrying value by $1,889 million through Other Comprehensive Income (2016: Nil)

Some $1,591 million was invested in the acquisition of property, plant and equipment during the year (2016: $1,078 million), excluding TCT IF.

Events after the reporting date

At the date these financial statements were approved, the Directors were not aware of any significant events after the reporting date other than those set out in note 33 to the financial statements.

Directors

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

- George Roach (appointed on incorporation April 2007);
- John (Ian) Stalker (appointed 4 December 2012, reappointed 22 April 2016, resigned 10 April 2018);
- Michael Foster (appointed 26 February 2015);
- Russel Swarts (appointed 19 January 2017);
- Godfrey Manhambara (appointed 27 September 2017)
- Wolfgang Hampel (appointed 10 April 2018)

Share capital

Premier's shares are publicly traded on AIM with the stock ticker of PREM.

As at the 31 December 2017, the Company's issued share capital consists of 6,574,967,621 (note 18) Ordinary Shares of no par value.

The company does not hold any Ordinary Shares in treasury.

Major Shareholders

As at the date of this report the Company is aware of the following persons who hold, directly or indirectly, voting rights representing 3% or more of the issued share capital of the Company to which voting rights are attached:

Name	Number of Ordinary Shares	% Issued Share Capital
George Roach*	476,751,154	7.0%

* George Roach and/or structures associated with G Roach.

The percentage of shares not held in public hands is 7.19%.

There are no restrictions on the transfer of the Company's AIM securities.

Corporate Governance Statement

The Company and its Directors support the highest standards of corporate governance and intend to observe the requirements of The UK Corporate Governance Code (formerly the Combined Code) to the extent they consider appropriate in light of the Company's size, stage of development and resources.

Board Structure

At the reporting year-end, the Board had five directors, three of whom are non-executive.

John (Ian) Stalker, a non-executive director resigned on the 10 April 2018.

Godfrey Manhambara was appointed as a non-executive director was appointed on 27 September 2017 and Wolfgang Hampel was appointed as an executive director was appointed on 10 April 2018.

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.

The Company has established and adopted terms of reference for its Remuneration Committee, Audit Committee and Disclosure Committee with formally delegated duties and responsibilities.

Board Committees

Audit Committee

The Audit Committee, which comprises of Michael Foster and Russel Swarts, and is chaired by Russel Swarts, is responsible for the appointment of auditors and the audit fee, and for ensuring that the financial performance of the Company is properly monitored and reported. The Audit Committee, inter alia, meets with the Company's external auditor and its senior financial management to review the annual and interim financial statements of the Company, oversees the Company's accounting and financial reporting processes, the Company's internal accounting controls and the resolution of issues identified by the Company's auditors.

Remuneration Committee

The Remuneration Committee comprises of Godfrey Manhambara and Michael Foster and is chaired by Godfrey Manhambara. The Remuneration Committee assumes general responsibility for assisting the Board in respect of remuneration policies for Premier. The Committee reviews and recommends remuneration strategies for the Company and proposals relating to compensation for the Company's officers, directors and consultants and assesses the performance of the officers of the Company in fulfilling their responsibilities and meeting corporate objectives. It has the responsibility for, inter alia, administering share and cash incentive plans and programmes for Directors and employees and for approving (or making recommendations to the Board on) share and cash awards for Directors and employees.

Disclosure Committee

The Disclosure Committee comprises of Michael Foster and Godfrey Manhambara and is chaired by Godfrey Manhambara. The Disclosure Committee assumes general responsibility for approval and monitoring compliance with the Company's disclosure controls and procedures. It has the responsibility, inter alia, determining whether information is inside information, deciding whether the inside information is to be announced as soon as possible and reviewing the scope, content and accuracy of disclosure. The Company has adopted a share dealing code governing the share dealings of the Directors and applicable employees during close periods and is in accordance with Rule 21 of the AIM Rules.

Nomination Committee
The Nomination Committee meets 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 and Godfrey Manhambara and is chaired by George Roach.

AIM Compliance Committee
The AIM Compliance Committee comprises Brendan Roach and Michael Foster and is chaired by Michael Foster. The AIM Compliance Committee is responsible for monitoring compliance with AIM Rules and to liaise with the Company's Nominated Advisor.

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
The board of Premier have recommended the reappointment of KPMG, who have indicated their willingness to continue in office as auditor.

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 judgments and accounting estimates that are reasonable and prudent.
- State whether they have been prepared in accordance with IFRSs adopted by the EU; and
- 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

George Roach
Chief Executive Officer & Outgoing Chairman
26 July 2018

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

1 Qualified opinion

We have audited the consolidated financial statements of Premier African Minerals Limited ("the Group") for the year ended 31 December 2017 set out on pages 22 to 72 which comprise the consolidated statement of financial position, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows, the consolidated statement of changes in equity and the related notes, including the significant accounting policies in note 3.

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion section of our report, the consolidated financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 December 2017 and of the Group's loss for the year then ended; and
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU).

Basis for qualified opinion

Included in the consolidated statement of financial position is an amount of $917 000 relating to Provision – rehabilitation (the "provision"). In accordance with IFRSs as adopted by the EU 37, *Provision, Contingent Liabilities and Contingent Asset*, a provision shall be reviewed at the end of each reporting period and adjusted to reflect the current best estimate. As indicated in note 15 to the consolidated financial statements, the provision is based on the original assessment which was performed in 2014 and the Group has not performed an updated assessment as at 31 December 2017 of the present obligation arising from past disturbances. Consequently, we were unable to obtain sufficient and appropriate audit evidence to determine whether the provision as at 31 December 2017 represents the present obligation of the Group arising from past disturbances and whether any material adjustments to the consolidated financial statements were required.

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group, in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors ("IRBA Code") and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B).

We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our qualified opinion.

2 Material uncertainty related to going concern

The risk		Our response
Going concern We draw attention to note 5 to the consolidated financial statements which indicates that the Group's ability to continue as a going concern is dependent on additional funding being secured to meet its operational requirements. These events and conditions, along with the other matters explained in note 5, constitute a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is	**Accounting basis and disclosure quality:** The Group's ability to continue as a going concern is dependent on the following main factors: RHA mine • resolving the RHA company negotiations around the majority NIEEF share; • engaging an independent engineering practice to validate the most economical restart alternative based on the existing RHA mine; • obtaining additional debt finance or equity to fund additional start-up capital	**Our procedures included:** **Evaluating the director's cash flow forecast:** Reviewing the cash flow forecast to determine the Group's ability to continue as a going concern and challenging the assumptions used in the forecast. **Evaluating factors considered in the director's going concern assessment:** Reviewing correspondence between the directors and the NIEEF to understand the current status of negotiations and the likelihood of the ownership matter

not modified in respect of this matter.	expenditure required of the existing mine; and Group • Working capital - obtaining additional debt finance or equity to fund current and future working capital requirements. The RHA mine was placed under care and maintenance subsequent to year-end pending resolution of the ownership negotiations. Due to the operational challenges experienced at RHA mine, the RHA mine cash-generating unit was fully impaired at year-end. The directors have prepared cash flow forecasts for the period ending 31 December 2019, considering forecast operating cash flows and capital expenditure requirements for its RHA mining operation, available working capital and forecast expenditure for the rest of the Group including overheads and other development costs. The consolidated financial statements explain how the directors have formed a judgement that it is appropriate to prepare the consolidated financial statements of the Group on a going concern basis. However, the directors have concluded that: • the resolution of the RHA company negotiations around the majority NIEEF share; • the outcome of the validation by the independent engineering practice in respect of the most economical restart alternative based on the existing RHA mine; and • the ability to raise additional funding as required represent a material uncertainty that may cast significant doubt regarding the Group's ability to continue as a going concern. As this assessment involves a consideration of future events, there is a risk that the judgement is inappropriate. Furthermore, clear and full disclosure of the facts and the directors' rationale for the use of the going concern basis of preparation, including that there is a related material uncertainty, is a key financial statement disclosure. Auditing standards require such matters to be reported as a key audit matter.	being resolved in order to continue with RHA mining operations. Reviewing correspondence between the directors and the independent engineering practice to consider the viability of restarting the RHA mine. Considering the Group's historic ability to raise funds and the liquidity of the Group's shares. Reviewing of financing options available to the Group to evaluate the ability of the Group to pay their debts as they become due. **Assessing transparency:** Evaluating the adequacy of the Group's disclosures in respect of going concern.

3 Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the consolidated financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Going concern is the most significant key audit matter and is described in section 2 above. In arriving at our audit opinion above, the other key audit matter was as follows:

The risk		Our response
Impairment of the RHA mine cash-generating unit ("CGU") Impairment expense $9.8 million Refer to page 32 to 34 (accounting policy) and pages 39 – 40 (financial disclosures)	**Forecast-based valuation** The RHA mine impairment expense is significant in the context of the consolidated financial statements. The estimated recoverable amount of the RHA mine CGU is subjective due to the inherent uncertainty of the assumptions used in forecasting and discounting future cash flows. The key assumptions used in the impairment assessment are: • production volumes and grade; • commodity prices; • discount rates; • production costs; and • mine life.	**Our procedures included** - **Our sector experience**: Using our own valuation specialist to assess the appropriateness of the discount rate against externally derived data; - **Assessing expert's credentials:** Evaluating the competence and independence of an external geologist and engineer engaged by the Group to assess the measured and indicated resources, grade and capacity (mine life) used in the impairment calculation. - **Benchmarking assumptions:** Comparing the Group's assumptions to externally derived data in relation to key inputs such as commodity prices. - **Historical comparisons:** Comparing the Group's forecasted grade and production costs against the achievement of historic results. - **Sensitivity analysis:** Re-performing sensitivity analyses on the following key assumptions applied: • production volumes; • production grade; • production costs; and • commodity prices. - **Assessing transparency:** Assessing whether the Group's disclosures were appropriate in respect of the significant judgements, estimates and assumptions applied in the impairment calculation.

4 Other Matter

The consolidated financial statements of the Group for the year ended 31 December 2016, were audited by another auditor who expressed an unmodified opinion on those statements on 7 July 2017.

5 Our application of materiality and an overview of the scope of our audit

Materiality for the consolidated financial statements as a whole was set at US$ 110 000, determined with reference to a benchmark of total assets of which it represents 0.97%. We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding US$ 5 000, in addition to other identified misstatements that warranted reporting on qualitative grounds.

We subjected the RHA (Zimbabwe), RHA (Mauritius), Zulu Lithium and PREM components within the Group to full scope audits for Group purposes. The work was performed by the Group audit team.

The components within the scope of our work accounted for the following percentages of the group's results:

	Group loss after tax	Group total assets
Full scope audits	98%	97%

For residual components, we performed analysis at an aggregated group level to re-examine our assessment that there were no significant risks of material misstatement within these.

6 We have nothing to report on the other information in the Annual Report

The directors are responsible for the other information presented in the Annual Report together with the consolidated financial statements. Our opinion on the consolidated financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our consolidated financial statements audit work, the information therein is materially misstated or inconsistent with the consolidated financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

7 Respective responsibilities

Responsibilities of the Directors for the Consolidated Financial Statements

The directors are responsible for the preparation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, including being satisfied giving a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors intend either to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities in the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and, therefore, are the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

8 The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the members of Premier African Minerals Limited ("the Company"), as a body. Our 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 an 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 audit work, for this report, or for the opinions we have formed.

Per Nick van Niekerk (Signed)
for and on behalf of KPMG Inc
Chartered Accountant (SA)
Registered Auditor
Director

85 Empire Road, Parktown
Johannesburg, 2193
South Africa
26 July 2018

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December

	Notes	2017 $ 000	Restated 2016 $ 000
ASSETS			
Non-current assets			
Intangible assets	7	4,291	6,458
Goodwill		-	1,034
Investments	8	6,459	4,250
Property, plant and equipment	9	-	9,775
Trade and other receivables	10	-	196
		10,750	21,713
Current assets			
Inventories	11	-	335
Trade and other receivables	10	239	268
Cash and cash equivalents	12	316	399
		555	1,002
TOTAL ASSETS		11,305	22,715
LIABILITIES			
Non-current liabilities			
Other financial liabilities	13	(97)	(937)
Deferred tax	25	-	(983)
Provision - rehabilitation	15	(917)	(809)
		(1,014)	(2,729)
Current liabilities			
Bank overdraft	12	(182)	(155)
Trade and other payables	14	(1,942)	(2,615)
Other financial liabilities	13	(58)	(1,370)
Borrowings	16	(216)	(566)
Loan notes and derivatives	17	-	(1,874)
		(2,398)	(6,580)
TOTAL LIABILITIES		(3,412)	(9,309)
NET ASSETS		7,893	13,406
EQUITY			
Share capital	18	44,158	27,633
Share based payment and warrant reserve	19	2,393	1,846
Revaluation reserve		711	2,600
Retained earnings		(27,614)	(14,957)
Total equity attributable to the owners of the parent company		19,648	17,122
Non-controlling interest	20	(11,755)	(3,716)
TOTAL EQUITY		7,893	13,406

These financial statements were approved and authorised for issue by the Board on 26 July 2018 and are signed on its behalf.

George Roach
Chief Executive Officer

The notes on pages 26 to 72 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December

Continuing operations	**Notes**	**2017 $ 000**	**Restated 2016 $ 000**
Revenue		368	135
Cost of sales excluding depreciation and amortisation expense	21	(3,500)	(559)
Depreciation and amortisation	7,9	(1,471)	(1,394)
Gross loss		(4,603)	(1,818)
Administrative expenses	22	(3,602)	(2,933)
Operating loss		(8,205)	(4,751)
Fair value movement on available-for-sale investment	8	(104)	-
Impairment of RHA	9	(9,809)	-
Finance costs	23	(1,507)	(1,113)
		(11,420)	(1,113)
Loss before income tax		(19,625)	(5,864)
Income tax expense	24	-	-
Loss from continuing operations		(19,625)	(5,864)
Discontinued operation			
Loss from discontinued operation net of tax	25	(136)	(34)
Loss for the year		(19,761)	(5,898)
Other comprehensive income:			
Items that are or may be reclassified subsequently to profit or loss:			
Fair value movement on available-for-sale investment	8	(1,889)	-
		(1,889)	-
Total comprehensive income for the year		(21,650)	(5,898)
Loss attributable to:			
Owners of the Company		(12,657)	(3,768)
Non-controlling interests		(7,104)	(2,130)
		(19,761)	(5,898)
Total comprehensive income attributable to:			
Owners of the Company		(14,546)	(3,768)
Non-controlling interests		(7,104)	(2,130)
Total comprehensive income for the year		(21,650)	(5,898)
Loss per share (expressed in US cents)			
Basic loss per share	26	(0.3)	(0.2)
Diluted loss per share	26	(0.3)	(0.2)

The notes on pages 26 to 72 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December

	Share capital	Merger reserve	Foreign currency translation reserve	Share option and warrant reserve	Revaluation reserve	Retained earnings	Total attributed to owners of parent	Non-controlling interest ("NCI")	Total equity
	$ 000	$ 000	$ 000	$ 000	$ 000	$ 000	$ 000	$ 000	$ 000
At 1 January 2016	21,469	(176)	349	1,079	-	(9,473)	13,248	(1,497)	11,751
Restatement of prior year (Note 29)	386	176	(349)	-	2,600	(1,716)	1,097	(1,097)	-
Restated 1 January 2016	21,855	-	-	1,079	2,600	(11,189)	14,345	(2,594)	11,751
Loss for the year	-	-	-	-		(3,768)	(3,768)	(2,130)	(5,898)
Total comprehensive income for the year	-	-	-	-	-	(3,768)	(3,768)	(2,130)	(5,898)
Transactions with owners									
Acquisition of TCT IF	-	-	-	-	-	-	-	1,008	1,008
Issue of equity shares	6,031	-	-	-	-	-	6,031	-	6,031
Share issue costs	(253)	-	-	-	-	-	(253)	-	(253)
Share based payment	-	-	-	205	-	-	205	-	205
Loan note warrants	-	-	-	562	-	-	562	-	562
At 1 January 2017	27,633	-	-	1,846	2,600	(14,957)	17,122	(3,716)	13,406
Loss for the year	-	-	-	-	-	(12,657)	(12,657)	(7,104)	(19,761)
Other comprehensive income	-	-	-	-	(1,889)	-	(1,889)	-	(1,889)
Total comprehensive income for the period	-	-	-	-	(1,889)	(12,657)	(14,546)	(7,104)	(21,650)
Transactions with owners									
Disposal of TCT IF	-	-	-	-		-	-	(935)	(935)
Issue of equity shares	17,503	-	-	-		-	17,503	-	17,503
Share issue costs	(978)	-	-	-	-	-	(978)	-	(978)
Share based payment	-	-	-	404	-	-	404	-	404
Loan note warrants	-	-	-	143	-	-	143	-	143
At 31 December 2017	44,158	-	-	2,393	711	(27,614)	19,648	(11,755)	7,893

The notes on pages 26 to 72 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December

	Notes	2017 $ 000	Restated 2016 $ 000
Net cash outflow from operating activities	28	(6,215)	(3,153)
Investing activities			
Acquisition of property, plant and equipment	9	(1,592)	(1,078)
Acquisition of intangibles assets	7	(704)	(276)
Disposal of discontinued operation, net of cash disposed of	25	(84)	-
Acquisition of subsidiary, net of cash acquired		-	25
Acquisition of investments	8	(2,986)	(250)
Net cash used in investing activities		(5,366)	(1,579)
Financing activities			
Borrowings repaid	16	(65)	-
Proceeds from issue of loan notes	17	523	2,350
Proceeds from issue of share capital	18	11,101	2,845
Finance charges		(18)	(168)
Payment of finance lease		(71)	(36)
Net cash from financing activities		11,470	4,991
Net (decrease) / increase in cash and cash equivalents		(111)	259
Cash and cash equivalents at beginning of year		244	(17)
Effect of foreign exchange rate variation		1	2
Cash and cash equivalents at end of year	12	134	244

The notes on pages 26 to 72 are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Reporting entity

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 accounting

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) in issue and as endorsed by the European Union ("EU"). They were authorised for issue by the Company's board of directors on 27 July 2018.

Details of the Group's accounting policies are detailed below.

The consolidated financial statements have been prepared under the historical cost convention with the exception of available-for-sale financial assets and derivative financial instruments which are included at fair value, 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.

Functional and presentation currency

The Group's presentation currency and the functional currency of the majority of the group's entities is US dollars. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

Use of judgements and estimates

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

For details of the use of judgments and estimates refer to note 4 and detailed notes on the Intangible exploration and evaluation assets (note 7), Investments (note 8), Property, plant and equipment (note 9), Inventory (note 11), Trade and other receivables (note 10) and Share and warrant based options (note 19).

3. Significant accounting policies

3.1 Basis of consolidation

Subsidiaries are all entities over which the Group has control. The Group controls an entity when it is exposed to, or has the rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. 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. This is evidenced with RHA Tungsten (Private) Limited which the Group owns 49% of but is consolidated into the Group (note 4).

Subsidiaries are consolidated, using the acquisition method, from the date that control is gained and non-controlling interests are apportioned on a proportional basis.

When necessary amounts reported by subsidiaries have been adjusted to conform to the Group's accounting policies.

3.2 Business combinations and goodwill

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.

3.3 Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

3.4 Non-controlling interests ("NCI")

Non-controlling interests are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

3.5 Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.6 Foreign currency

3.6.1 Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

3.6.2 Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into dollars at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into dollars at the exchange rates at the dates of the transactions.
Foreign currency differences are recognised in Other Comprehensive Income ("OCI") and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

3.7 Discontinued operation

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographic area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.
When an operation is classified as a discontinued operation, the comparative statement of profit or loss and OCI is re-presented as if the operation had been discontinued from the start of the comparative year.

3.8 Adoption of new and revised standards

A number of new standards are effective for annual periods beginning after 1 January 2017 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

The following standards are not expected to have a material impact on the Group's financial statements in the period of initial application. The significant standards have been elaborated on below.

Title	Subject	Effective date
Amendments to IFRS 2	Classification and Measurement of Share-based Payment Transactions	1 January 2018
IFRS 9	Financial Instruments	1 January 2018
IFRS 15	Revenue from Contracts with Customers	1 January 2018
IFRIC 22	IFRIC 22 Foreign Currency Transactions and Advance Consideration	1 January 2018
IFRS 16	Leases	1 January 2019
IFRIC 23	Uncertainty over Income Tax Treatments	1 January 2019

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

IFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics.

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, Fair Value through Other Comprehensive Income "FVOCI" and Fair Value through Profit and Loss "FVTPL". The standard eliminates the existing IAS 39 categories of held to maturity, loans and receivables and available for sale.

Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never bifurcated. Instead, the hybrid financial instrument as a whole is assessed for classification.

Based on its assessment, the Group does not believe that the new classification requirements will have a material impact on its accounting for trade receivables, loans and investments in equity securities that are managed on a fair value basis. At 31 December 2017, the Group had equity investments classified as available-for-sale with a fair value of $6,459 thousand that are held for long-term strategic purposes. Under IFRS 9, the Group will designate these investments as measured at FVOCI. Consequently, all fair value gains and losses will be reported in OCI, no impairment losses will be recognised in profit or loss and no gains or losses will be reclassified to profit or loss on disposal.

Currently, fair value adjustments in respect of investments are recognised in OCI unless these relate to impairment losses which are recognised in profit or loss. Therefore, the impact of the new standard is not expected to be significant.

IFRS 15 *Revenue from Contracts with Customers*

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes.

Sales of goods

For the sale of wolframite, revenue is currently recognised when the goods are delivered to the customers' premises, which is taken to be the point in time at which the customer accepts the goods and the related risks and rewards of ownership transfer. Revenue is recognised at this point provided that the revenue and costs can be measured reliably, the recovery of the consideration is probable and there is no continuing management involvement with the goods.

Under IFRS 15, revenue will be recognised when a customer obtains control of the goods.

The Group's assessment indicates that the customer obtains control of the goods when the goods are delivered to the customer. This is not expected to have a material impact on the group.

IFRS 16 *Leases*

IFRS 16 replaces existing leases guidance, including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The standard is effective for annual periods beginning on or after 1 January 2019. Early adoption is permitted for entities that apply IFRS 15 at or before the date of initial application of IFRS 16.

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

The Group has completed an initial assessment of the potential impact on its consolidated financial statements. This is not expected to have a material impact on the group because the group has only one lease, which is currently treated as a finance lease.

The Directors anticipate that the adoption of these Standards and Interpretations as appropriate in future periods will have no material impact on the financial statements of the Group.

3.9 Revenue

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably. Revenue is measured net of returns, trade discounts and volume rebates.

The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreement.

3.10 Employee benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Share-based payment arrangements

The Group operates an equity-settled share option plan and issues warrants from time to time either with direct subscriptions in equity or as finance related packages. The fair value of the service received in exchange for the grant of options or issue of warrants is recognised as an expense or recognised as a deduction from equity or an addition to intangible assets depending on the nature of the services received.

Share-based payments are measured at fair value 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.

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 warrants issued as part of the loan note agreements contain certain re-set provisions as to exercise price and/or number of warrants issued depending on certain conditions. Any share subscriptions priced at a price lesser than the warrant exercise price will trigger a re-set of the exercise price to the lower share subscription price. The warrants exercise price was re-set for all remaining Darwin warrants issued under the loan notes to a new exercise price of 0.375p being the lowest subscription price on 16 December 2016. There were no re-set events during 2017.

3.11 Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

3.11.1 Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

3.11.2 Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and — taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption.

Deferred tax assets and liabilities are offset only if certain criteria are met.

3.12 Intangible exploration and evaluation assets

All costs of Exploration and Evaluation ("E&E") are initially capitalised as E&E assets, such as payments to acquire the legal right to explore, 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.

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. Once the technical feasibility and commercial viability of extracting a mineral resource is demonstrable, 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 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.

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.

When impairment indicators exist, 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 and recognised in profit or loss.

Any impairment loss is recognised in profit or loss and separately disclosed.

3.13 Impairment

3.13.1 Non-derivative financial assets

Financial assets not classified as at FVTPL, including an interest in an equity-accounted investee, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes:

- default or delinquency by a debtor;
- restructuring of an amount due to the Group on terms that the Group would not consider otherwise;
- indications that a debtor or issuer will enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers;
- the disappearance of an active market for a security because of financial difficulties; or
- observable data indicating that there is a measurable decrease in the expected cash flows from a group of financial assets.

3.13.2 Financial assets measured at amortised cost

The Group considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

3.13.3 Available for sale financial asset

Impairment losses on available-for-sale financial assets are recognised, only when fair value is less than carrying value and this is significant over a prolonged period, by reclassifying the losses accumulated in the fair value reserve to profit or loss. The amount reclassified is the difference between the acquisition cost (net of any principal repayment and amortisation) and the current fair value, less any impairment loss previously recognised in profit or loss.

3.13.4 Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than biological assets, investment property, inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less cost of disposal. Value in use is based on the estimated future cash flows, 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 CGU.
An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.
An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.14 Cash and cash equivalents

The Cash and cash equivalent comprises of bank accounts and bank overdraft. Cash and cash equivalent are used for capital expenditure, exploration expenses, investments and working capital. Cash and cash equivalent are measured at cost.

3.15 Inventory

Inventory is measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in, first-out principle. The cost of inventories includes the cost of consumables and cost of production. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

3.16 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

- Land & buildings – 10 years
- Plant & equipment – 4/6 years
- Mine - depreciated over the life of the mine currently assessed at 10 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.17 Financial instruments

The Group classifies non-derivative financial assets into the following categories: loans and receivables and available-for-sale financial assets.

The Group classifies non-derivative financial liabilities into the following category: other financial liabilities.

3.17.1 Non-derivative financial assets and financial liabilities – Recognition and derecognition

The Group initially recognises loans and receivables on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date when the entity becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. Gains or losses on derecognition of financial liabilities are recognised in profit or loss as a finance charge.

Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3.17.2 Loans and receivables- Measurement

These assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

3.17.3 Available-for-sale financial assets- Measurement

These assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, are recognised in OCI and accumulated in the revaluation reserve.

When these assets are derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

3.17.4 *Non-derivative financial liabilities – Measurement*

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

3.17.5 Convertible loan notes and derivative financial instruments

The presentation and measurement of loan notes for accounting purposes is governed by IAS 32 and IAS 39. These standards require the loan notes to be separated into two components:

- A derivative liability, and
- A debt host liability.

This is because the loan notes are convertible into an unknown number of shares, therefore failing the 'fixed-for-fixed' criterion under IAS 32. This requires the 'underlying option component' of the loan note to be valued first (as an embedded derivative), with the residual of the face value being allocated to the debt host liability (refer financial liabilities policy above).

Compound financial instruments issued by the Group comprise convertible notes denominated in dollars that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognised in profit or loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognised.

3.17.6 Valuation of the embedded derivative

The embedded derivative represents the additional value of the conversion features on the note. The value depends on the probability of the conversion triggers being triggered and the expected payoff under that scenario.

The valuation of the embedded derivative requires the estimation of the probability of default and the probability of the conversion triggers being triggered at each date where the company is contracted to redeem the notes. The value of the embedded derivative is the discounted probability weighted payoff under the different conversion trigger scenarios.

3.18 Provisions - Rehabilitation

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

An obligation to incur environmental restoration, rehabilitation and decommissioning costs arises when disturbance is caused by the development or on-going production of a mining property. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalised at the start of each project, as soon as the obligation to incur such costs arises. These costs are recognised in profit or loss over the life of the operation, through the depreciation of the asset and the unwinding of the discount on the provision. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and recognised in profit or loss as extraction progresses.

Changes in the measurement of a liability relating to the decommissioning of plant or other site preparation work (that result from changes in the estimated timing or amount of the cash flow, or a change in the discount rate) are added to or deducted from the cost of the related asset in the current period. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in profit or loss. If the asset value is increased and there is an indication that the revised carrying value is not recoverable, an impairment test is performed in accordance with the accounting policy above.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost in profit or loss.

3.19 Equity

Equity comprises the following:

- Issued 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.
- Merger reserve represents the difference between the nominal value of shares issued by the Company to the shareholders of ZimDiv Holdings Limited ("Zimdiv") and the nominal value of the ZimDiv shares taken in exchange.
- Foreign exchange reserve represents the differences arising from translation of investments in overseas subsidiaries.
- Share-based payment reserve represents equity-settled share-based payments. Retained earnings represent retained profits less retained losses.
- Non-controlling interests represents the share of retained profits less retained losses of the non-controlling interests.

3.20 Leases

Determining whether an arrangement contains a lease
At inception of an arrangement, the Group determines whether the arrangement is or contains a lease.

At inception or on reassessment of an arrangement that contains a lease, the Group separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Group's incremental borrowing rate.

3.20.1 *Leased assets*
Leases of property, plant and equipment that transfer to the Group substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

3.20.2 *Lease payments*
Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

3.21 Operating segments

Segmental information is provided 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 judgements, estimates and assumptions

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

4.1. *Judgements*

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

- Note 4.7 - consolidation: whether the Group has de facto control over an investee; and
- Note 13 - leases: whether an arrangement contains a lease;
- Note 13 - lease classification.

4.2. *Assumptions and estimation uncertainties*

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the year ended 31 December 2017 is included in the following notes:

- Note 24 - recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- Note 25 - determining the fair value less cost of the disposal on the basis of significant unobservable inputs;
- Note 4.4 - impairment test of intangible assets and goodwill: key assumptions underlying recoverable amounts;
- Note 4.5 - impairment test of RHA cash generating unit: key assumptions underlying recoverable amounts
- Note 30 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

4.3. *Measurement of fair values*

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.
When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.
Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 19 - share-based payment arrangements;
- Note 30 - financial instruments.

4.4 *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 or fair value less cost to sell.

The carrying amount of exploration and evaluation assets at 31 December 2017 amounted to $4,291 million (2016: $5,436 million). No impairment charge was recognised in 2017 because the directors' concluded that no indicator of impairment exists (2016: nil).

4.5 *Recoverability of RHA Cash-Generating Unit "CGU"*

Determining whether a CGU is impaired requires an assessment of whether there are any indicators of impairment, including by reference to specific impairment indicators prescribed in IAS36 *Impairment of Assets*. If there is any indication of potential impairment, an impairment test is required based on the greater of fair value less cost of disposal, and, 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 the present value.

During 2017 the operating losses at RHA were higher than predicted due to operations in the open pit and underground failing to deliver both the ore volumes and the anticipated grade. The operating losses are an indicator of potential impairment. In December 2017, due to the lower ore delivery, anticipated grade and operating losses, the Board of Directors decided to place the RHA Tungsten mine under care and maintenance.

As a result, management completed an impairment review.

The impairment review concluded that four months further capex will be required in order to open the existing underground mining of 6,000 tons per month run of mine ore. Concurrently additional plant upgrades and a connection to the national grid would result in a 40,000 ton per month run of mine ore operation. A further option to construct a new decline vehicle access was not considered during this review.

Key assumptions used in calculating the discounted cash flow analysis included:

- 7,265 mtu concentrate production per month; 10 year mine plan; APT price of $275 per metric ton unit ('mtu');
- 20% discount rate; and a zero growth rate in operating cash flow after the plant is fully operational, forecast to be for the full year 2019. Other key factors include attainment of forecast grade as set out in our resource statement and plant operating parameters being achieved.
- The XRT sorter installation is a significant element in increasing confidence in RHA in that 70% of the anticipated run of mine feed target of 40,000 ton per month is passed through the sorter, which is able to recover approximately 90% of the mineralisation in a mass pull of some 5%.

- The model assumes annual revenues of $13.1m from 2020. Revenue generation is dependent on a number of inter-linked assumptions and a combination of negative changes in those assumptions would result in further impairment charges.

Sensitivity analysis was conducted on the volume, grade, concentrate production per month and APT price assumptions in the model.

The management assessment concluded that the RHA Tungsten mine should be impaired in full. The impairment loss amounted to $9,809 million (2016: $nil).

In the event that the RHA negotiations are not successful, the alternatives proposed by the independent engineering practice are considered impractical and the Group is unable to obtain additional debt or equity finance for RHA, a material uncertainty exists which may cast significant doubt on the ability of RHA to realise its assets in the normal course of business.

4.6 *Estimation of useful life for mine assets*

Mine assets are depreciated /amortised on a straight-line basis over the life of the mine concerned. Judgement is applied in assessing the mine's useful life and in the case of RHA Tungsten, the Group's only operating concern, is based on the initial Preliminary Economic Assessment ('PEA') first published in August 2013 that initially modelled an 8 year life of mine. The life of mine has subsequently been reassessed to a total of 10 years.

4.7 *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, one director of RHA was from the Premier Group and one director from NIEEF. 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 of 51% in the consolidated financial statements.

4.8 *Valuations*

- Valuation of inventory – judgement was applied in calculating the initial carrying value of inventory and judgement continues to be applied in assessing the net realisable value. Refer to note 11.
- Available-for-sale investment – Premier's investment in Circum Minerals Limited ('Circum') is classified as an available-for-sale investment and as such is required to be measured at fair value at the reporting date. As Circum is unlisted there are no quoted market prices. In previous years

the fair value of the Circum shares was derived using the most recent placing price. In the absence of placings during 2017, the directors have sought to value all shares at the last placing price of $1.25 per share for shares acquired during 2017 and accordingly have concluded that a fair value adjustment charge was required to approximate fair value as at 31 December 2017.

- Valuation of warrants, share options and ordinary shares issued as consideration – judgement is applied in determining appropriate assumptions to be used in calculating the fair value of the warrants, shares and share options issued. Refer accounting policy note and note 19.
- Available-for-sale investment – Premier's investment in Casa Mining Limited ('Casa') is classified as an available-for-sale investment and as such is required to be measured at fair value at each reporting date. As Casa is unlisted there are no quoted market prices. The fair value of the Casa shares was derived using the most recent placing price on 23 August 2017.
- Provision for Rehabilitation - A provision is recognised for site rehabilitation and decommissioning of current mining activities based on current environmental and regulatory requirements. The net present value of the provision is calculated at a discount rate of 10% over an 8 year life of mine.
- The life of mine has subsequently been reassessed to a total of 10 years. The corresponding rehabilitation assets was capitalised to property, plant and equipment and is depreciated over the life of the mine.

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 operating losses from continuing operations amounting to $8,205 million (2016: $4,751 million) and negative cash flows from operations amounting to $6,215 million for the year ended 31 December 2017 (2016: $3,153 million) as the Group continued to move from a development and exploration company into operations during the year under review.

As at 31 December 2017, current liabilities exceeded current assets by $1,843 million (2016: $5,578 million). The Group raised $11,624 million (2016: $5,195 million) in net funding through share and warrant subscriptions to fund further investment in the RHA Tungsten Mine, further exploration at Zulu, to increase the minor stakes in the unlisted Circum Minerals Limited and Casa Mining Limited and to fund working capital.

As detailed in note 33.1, the Group has secured a direct investment at subsidiary level into Zulu of up to $5,1 million. Therefore, the Group will not be required to fund this project itself in the foreseeable future.

The Directors have prepared cash flow forecasts for the period ending 31 December 2019, considering forecasted operating cash flow and capital expenditure requirements for its RHA mining operations, available working capital and forecast expenditure for the rest of the Group including overheads and other E&E costs. The cash flow forecasts are dependent on the following main factors:

- Resolving the RHA negotiations (note 33.1);

- Consider the alternatives proposed by an independent engineering practice to restart mining operations of RHA based on low tonnages from existing fully equipped underground facilities and resolve which alternative to follow ahead of restarting operations.
- Obtaining additional debt or equity finance to restart mining operations at RHA;
- Obtaining additional debt or equity finance to fund group working capital requirements.

RHA Negotiations – the subsequent events note disclose that on 9 January 2018 RHA has been placed under care and maintenance, which situation continues pending positive resolution on the negotiations, around the majority NIEFF share. These negotiations commenced on 18 January 2018 and have continued to the date of this report. In the event of non-resolution by the end of Q3 2018, Premier would consider acting on a number of options, amongst other calling up its security and consider placing the business into judicial management. Whilst anticipating a positive resolution to negotiations any further RHA capital expenditure will be deferred indefinitely or until an alternative solution is reached.

The group have appointed and independent engineering practice who have commenced a review of the RHA operating model.

The start-up of the RHA mining operations is dependent on the positive outcome of the RHA negotiations and then raising additional equity funds. Historically the group has successfully raised debt or equity finance for its projects and there is still an appetite for this.

The group cash flow forecast is dependent on raising additional debt or equity finance to fund group working capital requirements. The group has raised £0,400 million via a placing as disclosed in the subsequent events note 33.3. The announcement on 16 March 2018 cancelling the Darwin warrants, anticipated the requirement for future capital raising by reducing the overhang in the Company stock. In June 2018, the outgoing Chairman also has provided $0,300 million additional loan funding. As evidenced during the announcement dated 5 June 2018, there remains an active and very liquid market for the Group's shares. The Group is pursuing several options in this regard and historically has been successful in raising adequate funding.

In the event that the RHA negotiations are not successful, the alternatives proposed by the independent engineering practice are considered impractical and the Group is unable to obtain additional debt or equity finance for RHA and the group working capital, a material uncertainty exists which may cast significant doubt on the ability of the Group to continue as a going concern and therefore be unable to realise its assets and settle its liabilities in the normal course of business.

6. Operating segments

The group has the following three reportable segments that are managed separately due to the different jurisdictions.

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

Reportable segments	Operations
RHA and RHA Mauritius	Development and mining of Wolframite
Exploration Zulu and Zulu Mauritius	Development of Lithium and Tantalite
TCT IF Mozambique	Forestry

By operating segment	Unallocated Corporate	RHA Tungsten Mine Zimbabwe and RHA Mauritius*	Exploration Zulu Lithium Zimbabwe and Zulu Mauritius	Total continued operations	TCT IF** Mozambique discontinued operation	Total
2017	**$ 000**	**$ 000**	**$ 000**	**$ 000**	**$ 000**	**$ 000**
Result						
Revenue (1)	-	368	-	368	246	614
Operating loss	(2,419)	(5,729)	-	(8,148)	(114)	(8,262)
Loss before taxation	(3,891)	(15,684)	-	(19,575)	(136)	(19,711)
Assets						
Exploration and evaluation assets	-	-	4,291	4,291	-	4,291
Investments	6,459	-	-	6,459	-	6,459
Trade and other receivables	18	221	-	239	-	239
Cash	306	2	8	316	-	316
Total assets	6,783	223	4,299	11,305	-	11,305
Liabilities						
Other financial liabilities	-	155	-	155	-	155
Borrowings	216	-	-	216	-	216
Bank overdraft	-	182	-	182	-	182
Trade and other payables	753	1,188	1	1,942	-	1,942
Provisions	-	917	-	917	-	917
Total liabilities	969	2,442	1	3,412	-	3,412
Net assets	**5,814**	**(2,219)**	**4,298**	**7,893**	**-**	**7,893**
Other information						
Depreciation and amortisation	-	(1,378)	-	(1,378)	(93)	(1,471)
Property, plant and equipment additions	-	1,473	-	1,473	-	1,473

*Represents 100% of the results and financial position of RHA Tungsten (Private) Limited ("RHA") whereas the Group owns 49%. Non-controlling interests are disclosed in note 20.

**Represents 100% of the results and financial position of TCT Industrias Florestais Limitada ("TCT IF") whereas the Group owns 52%. Non-controlling interests are disclosed in note 20.

(1) RHA Revenue is generated from sales to Noble Minerals, in line with RHA's off-take agreement, whilst TCT IF Revenue is generated from the sale of forestry products and the provision of hospitality services.

By operating segment	Unallocated Corporate	RHA Tungsten Mine Zimbabwe and RHA Mauritius*	Exploration Zulu Lithium Zimbabwe and Zulu Mauritius	Total continued operations	TCT IF** Mozambique discontinued operation	Total
Restated 2016	**$ 000**	**$ 000**	**$ 000**	**$ 000**	**$ 000**	**$ 000**
Result						
Revenue (1)	-	135	-	135	57	192
Operating loss	(2,227)	(2,499)	-	(4,752)	(34)	(4,786)
Loss before taxation	(2,625)	(3,214)	-	(5,864)	(34)	(5,898)
Assets						
Exploration and evaluation assets	-	-	3,468	3,468	1,968	5,436
Other intangible assets					1,022	1,022
Goodwill	-	-	-	-	1,034	1,034
Investments	4,250	-	-	4,250	-	4,250
Property, plant and equipment	-	9, 602	-	9,602	173	9,775
Inventories	-	221	-	221	114	335
Trade and other receivables	216	241	-	457	7	464
Cash	353	38	1	392	7	399
Total assets	4,819	10,102	3,469	18,390	4,325	22,715
Liabilities						
Other financial liabilities	2,127	180	-	2,307	-	2,307
Borrowings	566	-	-	566	-	566
Bank overdraft	-	155	-	155	-	155
Trade and other payables	228	2,165	8	2,401	214	2,615
Provisions	-	809	-	809	-	809
Deferred tax	-	-	-	-	983	983
Loan notes	1,874	-	-	1,874	-	1,874
Total liabilities	4,795	3,309	8	8,112	1,197	9,309
Net assets	**24**	**6,793**	**3,461**	**10,278**	**3,128**	**13,406**
Other information						
Depreciation and amortisation	-	(1,376)	-	(1,376)	(18)	(1,394)
Exploration and evaluation additions	-	-	276	276	1,968	2,244
Other intangible asset additions	-	-	-	-	1,022	1,022
Property, plant and equipment additions	-	1,180	-	1,180	-	1,180
Property, plant and equipment additions – TCT IF	-	-	-	-	190	190

*Represents 100% of the results and financial position of RHA whereas the Group owns 49%. Non-controlling interests are disclosed in note 20.

**Represents 100% of the results and financial position of TCT IF whereas the Group owns 52%. Non-controlling interests are disclosed in note 20.

(2) RHA Revenue is generated from sales to Noble Minerals, in line with RHA's off-take agreement, whilst TCT IF Revenue is generated from the sale of forestry products and the provision of hospitality services.

7. Intangible assets and goodwill

	2017	2016
	$ 000	$ 000
Exploration and evaluations assets	4,291	5,436
Other intangible assets	-	1,022
Total intangible assets	4,291	6,458
Goodwill	-	1,034

	Exploration & Evaluation assets	Other intangible assets	Total
	$ 000	$ 000	$ 000
Opening carrying value 2016	3,192		3,192
Expenditure on Exploration and evaluation	276	-	276
Acquisition - limestone license	1,968	-	1,968
Acquisition - forestry concession	-	1,022	1,022
Opening carrying value 2017	5,436	1,022	6,458
Expenditure on Exploration and evaluation	704	-	704
Exploration and evaluation transfer from PPE	119	-	119
Amortisation charge forestry concession	-	(93)	(93)
Disposal - limestone license	(1,968)	-	(1,968)
Disposal - forestry concession	-	(929)	(929)
Closing carrying value 2017	**4,291**	-	**4,291**

Exploration and evaluation assets at 31 December 2017 comprise of Zulu located in Zimbabwe. In the prior year the exploration and evaluation assets comprised the Zulu and the limestone licence in Mozambique.

Zulu Lithium and Tantalite Project

During the year $0,822 million (2016: $0,276 million) exploration costs were incurred and capitalised to the Zulu Lithium and Tantalite Project. Exploration work conducted during the year indicated that both lithium and tantalum recovery may be a viable option. The Group views this project as strategic and exploration work will be continued in the future, cash flow permitting.

The carrying amount of the intangible exploration and evaluation assets at 31 December 2017 amounted to $4,291 million (2016: $ 3,468 million). No impairment indicators were identified at 31 December 2017.

8. Investments

Available-for-sale:	**Circum Minerals**	**CASA Mining**	**Total**
Opening carrying value 2016(1)	4,000	-	4,000
Acquisition at fair value	-	250	250
Opening carrying value 2017	4,000	250	4,250
Shares acquired (5)(6)	4,152	50	4,202
Fair value adjustment (7)(8)	(1,889)	(104)	(1,993)
Closing carrying value 2017	6,263	196	6,459

Reconciliation of movements in investments			
Investment in Circum Minerals Limited – 15 May 2014	1,400	-	1,400
Fair value adjustment - February 2015(2)	1,100	-	1,100
Fair value adjustment – June 2015(3)	1,500	-	1,500
Investment in Casa Mining Limited(4)	-	250	250
Opening carrying value 2017	4,000	250	4,250
Acquisition at fair value (5)	-	50	50
Acquisition at fair value 2017(6)	2,936	-	2,936
Issue of Premier shares (6)	1,216	-	1,216
Fair value adjustment – 31 December 2017(7)(8)	(1,889)	(104)	(1,993)
	6,263	196	6,459

(1) Represents 2 million shares in unlisted entity Circum Minerals Limited ('Circum').
(2) 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.
(3) Fair value of the shares was adjusted to the most recent placing price of $2 per share during August 2015.
(4) Represents a 4.5% interest in Casa Mining Limited acquired in October 2016. Due to the recent purchase date, no change in fair value was recognised in 2016.
(5) Represents a 0.5% interest in Casa Mining Limited acquired in 2017.
(6) Represents a further 3,010,333 shares in Circum Minerals Limited
(7) As Circum is unlisted there are no quoted market prices. Fair value of the shares was therefore estimated using the latest price at which the Company acquired shares during the current year (at $1.25 per share).
(8) The fair value of the Casa Mining Limited shares were derived from the swop values of shares acquired in Ortac Resources Limited announced on 6 November 2017.

The shares are considered to be level 3 financial assets under the IFRS 13 categorisation of fair value measurements.

The fair value of these available-for-sale investments at 31 December 2017 amounted to $6,459 million (2016: $4,250 million). The Directors consider that the carrying amount of investments approximates their fair value.

Premier's investment in Circum is classified as an available-for-sale investment and as such is required to be measured at fair value at each reporting date. As Circum is unlisted there are no quoted market prices. The fair value of the Circum shares was derived using the most recent placing price resulting in a decrease amounting to $1,889 million. As at 31 December 2017, the Company held a 5% interest in Circum.

Premier's investment in Casa Mining Limited ('Casa') is classified as an available-for-sale investment and as such is required to be measured at fair value at each reporting date. As Casa is unlisted there are no quoted market prices. In the previous financial year, the fair value of the Casa shares was derived using the most recent placing price. For the current financial year, the fair value of the Casa shares was derived based on the share price of the listed Arc Minerals shares applying the conversion rate (note 33.4). As at 31 December 2017, the company held a 5% interest in Casa.

Sensitivity analysis
The available-for-sale investments are subject to changes in market prices. A 10% reduction in market prices would result in a $0,625 million (2016: $0,425 million) charge to Other Comprehensive Income, and $0,020 million (2016: $nil) in profit and loss.

9. Property, plant and equipment

	Mine development $ 000	Plant & equipment $ 000	Land & buildings $ 000	Restated Total $ 000
Cost				
At 1 January 2016	6,900	3,058	801	10,759
Additions	782	288	8	1,078
Acquisition TCT IF	-	169	4	173
At 31 December 2016	7,682	3,515	813	12,010
Additions	845	693	43	1,581
Additions TCT IF	-	11	-	11
Transfer to E&E	(119)	-	-	(119)
Disposal of TCT IF	-	(104)	(4)	(108)
At 31 December 2017	**8,408**	**4,115**	**852**	**13,375**
Accumulated Depreciation and Impairment losses				
At 1 January 2016	431	361	49	841
Charge for the year	1,161	343	80	1,584
Charge for the year - restated	(190)	-	-	(190)
At 31 December 2016 - restated	1,402	704	129	2,235
Charge for the year	639	571	121	1,331
Charge for the year TCT IF	-	39	8	47
Impairment of RHA	6,367	2,840	602	9,809
Disposal of TCT IF	-	(39)	(8)	(47)
At 31 December 2017	**8,408**	**4,115**	**852**	**13,375**
Net Book Value				
At 31 December 2016 - restated	6,280	2,811	684	9,775
At 31 December 2017	-	-	-	-

The impairment assessment is detailed in note 4.5, *Significant accounting judgements, estimates and assumptions.*

Refer note 13, *Other financial liabilities* for capitalised lease assets.

Premier has demanded immediate remedy of RHA default under the plant rental contract which is secured by RHA mineral claims certificates. To date, RHA has failed to remedy the default within the prescribed time frame under the plant rental contract.

10. Trade and other receivables

	2017 $ 000	2016 $ 000
Indirect tax receivable	203	199
Other receivables	15	213
Prepayments	21	52
	239	464
Current	239	268
Non-current	-	196
	239	464

The Directors consider that the carrying amount of trade and other receivables approximates their fair value.

11. Inventories

	2017 $ 000	2016 $ 000
Wolframite concentrate and ore work-in-process	-	119
Mine consumables	-	102
Forestry raw material	-	20
Forestry work-in-progress	-	74
Forestry finished goods	-	20
	-	335

During 2017, following the decision to place the RHA mine under care and maintenance, inventories to the value of $0,795 million was impaired (2016: nil). Such impairment was recognised as 'cost of sales'.

12. Cash and cash equivalents

	2017 $ 000	2016 $ 000
Bank balances	316	399
Bank overdrafts	(182)	(155)
Cash and cash equivalents per the statement of cash flows	134	244

13. Other financial liabilities

Finance lease

During 2015, the Group entered into a finance lease with Board Market Trading 258 (Pty) Ltd for the purchase of two generators with a net book value of $0,124 million (2016: $0,149 million) to be used at the RHA Tungsten Mine. The finance lease is for a term of 48 months with interest charged at 19.5% per annum with monthly repayment of $5,960 million beginning from 1 August 2016. Depreciation of leased assets amounted to $0,033 million (2016: $0,019 million).

The agreement is classified as a finance lease as the rental period equal the estimated useful life of the assets concerned and the Group has the right to purchase the assets outright at the end of the minimum lease term by paying a nominal amount.

Future lease payments are due as follows:

2017	**Minimum lease payments $ 000**	**Interest $ 000**	**Present value of minimum lease payments $ 000**
Not later than one year	72	14	58
Between one year and five years	113	16	97
	185	30	155

2016	**Restated Minimum lease payments $ 000**	**Restated Interest $ 000**	**Restated Present value of minimum lease payments $ 000**
Not later than one year	72	22	50
Between one year and five years	185	55	130
	257	77	180

	2017 $ 000	**2016 $ 000**
Payable for 52% interest in TCT IF	-	2,127
Finance lease liability	155	180
	155	2,307
Other financial liabilities		
Current	58	1,370
Non-current	97	937
	155	2,307

14. Trade and other payables

	2017 $ 000	**2016 $ 000**
Trade payables *	362	937
Accrued expenses	1,011	1,443
Payroll liabilities	569	235
	1,942	2,615

All trade and other payables at 31 December 2017 are due within one year, non-interest bearing, and comprise amounts outstanding for mine purchases and on-going costs, except as described further below. The Directors consider that the carrying amount of trade and other payables approximates their fair value.

* On 10 March 2016, the contract with JR Goddard (Pvt) Ltd (JRG) was terminated and the Company entered into a Memorandum of Agreement to settle all outstanding amounts under the contract which was entered into on 9 March 2015. The parties agreed to terminate the open pit contract from 10 March 2016. Amounts owing to JRG as at 11 March 2016 amounted to $0,851 million including a $0,247 million termination benefit and interest but excluding VAT of 15% with first payment deferred to 1 May 2016. Interest is charged at 12% per annum, compounded monthly. Repayments are agreed at $0,055 million per month for a period of 20 months. At the year-end $0,248 million (2016: $0,656) was outstanding in terms of this Memorandum of Agreement.

15. Provisions - rehabilitation

	2017 $ 000	2016 $ 000
As at 1 January	809	735
Unwinding of discount	108	74
As at 31 December	917	809

A provision is recognised for site rehabilitation and decommissioning of current mining activities based on current environmental and regulatory requirements. The gross provision was calculated in 2014 and discounted to a net present value using a discount rate of 10% over a life of mine of 8 years. The corresponding rehabilitation assets was capitalised to property, plant and equipment and is depreciated over the life of the mine.

16. Borrowings

	2017 $ 000	2016 $ 000
Loan G Roach – see related party transactions, note 32.	216	307
Loan – Agriminco	-	259
	216	566
Reconciliation of movement in borrowings		
As at 1 January	566	808
Loans repaid through conversion to equity (1)	(100)	(247)
Offset of loan against receivable (2)	(196)	-
Repayment	(65)	-
Accrued interest	11	5
As at 31 December	216	566
Current	216	566
Non-current	-	-
	216	566

Borrowings comprise loans from a related party and a non-related party. Loans from a related party are further disclosed in Note 32, *Related Party Transactions*.

(1) On 15 September 2015, George Roach provided a $0,300 million loan direct to Premier for the use at RHA Tungsten (Pty) Limited ("RHA"). The loan is unsecured and accrues interest at a rate of 3% per annum. As at 28 March 2017, the loan and accrued interest totalled $ 0,309 million. On 28 March 2017 the Company announced that it had amended the terms of the existing loan agreement ("Loan") with George Roach through the grant of conversion rights. The Board granted conversion rights in respect of the Loan, which can now be converted into new ordinary shares at a price of 0.5p per new ordinary share. On 15 December 2017 the company announced that George Roach had elected to convert $0,100 million of the $0,300 million ("Loan") he provided to the Company. The outstanding loan balance continues to accrue interest at 3%.

(2) On 27 April 2015 the Company entered into a two year $0,250 million loan facility with AgriMinco. ("Loan Facility"). On 19 January 2017, Premier and AgriMinco agreed to settle the Loan Facility, subject to TSX Exchange approval, whereby the outstanding amount owed by Premier under the Loan Facility (amounting to $0,261 million including accrued interest) would be offset by the historic amounts owed by AgriMinco (amounting to $0,196 million). The net balance owed by Premier amounted to $0,065 million and Premier agreed to repay AgriMinco in four equal instalments of $0,012 million from 15 March 2017, with an initial amount of $0,016 million on execution of the settlement agreement. This balance was paid in full at year end.

17. Loan notes and derivatives

	2017 $ 000	Restated 2016 $ 000
Convertible loan notes		
As at 1 January	1,874	1,230
Loans notes issued	523	2,350
Loan notes converted (note 18)	(2,393)	(1,523)
Foreign exchange	-	(39)
Deferred finance costs	(4)	(144)
As at 31 December	-	1,874

Loan notes

On 23 August 2016, the Company entered into an agreement with Darwin whereby Darwin could subscribe for a total of £3.5 million in convertible loan notes in which the Company would receive 90% of the par value of the notes. The loan notes were to be issued in three tranches on fulfilment of certain milestones. The notes would redeem 12 months from the subscription date unless repaid or converted.

The gross amount of the loans issued can be converted 100% of principal into ordinary shares at 90% of the traded share price when certain conditions are met. In the prior year, this conversion option represents a derivative liability for the company that is separately presented on the statement of financial position and fair valued through profit or loss. The directors have concluded that the value of the conversion option is not material explaining why no value was presented in the 2016 accounts. There were no derivative financial instruments at the end of 2017.

During the current year, the Company issued a further $ 0,523 million of loan notes. Darwin has converted all outstanding loan notes into equity during the period under review.

Until all of the loan notes were converted in February 2017, they were secured by a put option held by the loan note holder that would require George Roach to purchase the shares held in Circum at $2 per share represented a guarantee given by the director. The put option expired on the conversion of the loan notes into ordinary shares.

18. Share capital

Authorised share capital

7 billion (2016: 4 billion) ordinary shares of no par value.

Issued share capital

	Number of Shares '000	Restated Value $ 000
As at 1 January 2016	**1,105,249**	**23,426**
Shares issued on conversion of loan notes (1)	40,000	188
Shares issued on conversion of loan notes (2)	30,303	144
Shares issued under subscription agreement (3)	4,615	17
Shares issued under subscription agreement (4)	7,692	29
Shares issued under subscription agreement (5)	3,000	11
Shares issued under subscription agreement (6)	50,000	190
Shares issued under subscription agreement (7)	54,000	205

Shares issued on conversion of loan (8)	47,479	247
Shares issued on conversion of loan notes (9)	77,954	338
Shares issued on conversion of loan notes (10)	53,976	252
Shares issued on conversion of loan notes (11)	25,703	120
Shares issued on conversion of loan notes (12)	42,818	278
Shares issued on conversion of loan notes (13)	59,898	520
Shares issued on conversion of loan notes (14)	36,860	313
Shares issued under subscription agreement (15)	100,000	696
Shares issued under subscription agreement (16)	146,667	1,584
Shares issued under subscription agreement (17)	93,750	366
Shares issued on conversion of loan notes (18)	79,397	346
Shares issued on conversion for fees (19)	25,763	88
Shares issued on conversion for fees (20)	19,214	75
Shares issued on conversion for fees (21)	7,273	24
As at 31 December 2016	**2,111,611**	**29,457**
Shares issued on conversion for fees (22)	5,455	18
Shares issued on conversion of loan notes (23)	204,122	646
Shares issued under subscription agreement (24)	526,316	1,250
Shares issued under subscription agreement (25)	5,263	13
Shares issued under subscription agreement (26)	5,263	13
Shares issued under subscription agreement (27)	105,263	249
Shares issued on conversion of loan notes (28)	196,431	559
Shares issued on conversion of loan notes (29)	196,431	562
Shares issued on conversion of loan notes (30)	294,646	834
Shares issued on conversion of loan notes (31)	317,844	932
Shares issued on conversion of loan notes (32)	14,098	125
Shares issued under subscription agreement (33)	402,279	2,514
Shares issued on conversion for fees (34)	3,000	19
Shares issued on conversion for fees (35)	3,000	19
Shares issued to increase holding (36)	189,492	765
Shares issued under subscription agreement (37)	685,714	1,983
Shares issued to increase holding (38)	87,500	451
Shares issued on warrant exercise (39)	3,559	12
Shares issued to increase holding (40)	236,167	1,363
Shares issued under subscription agreement (41)	654,762	3,338
Shares issued under subscription agreement (42)	252,031	1,345
Shares issued on conversion for fees (43)	59,756	393
Shares issued on conversion of loan (44)	14,964	100
As at 31 December 2017	6,574,967	46,960

(1) On 13 January 2016, the Company issued 40,000,000 shares to Darwin Strategic Limited on conversion of £0.132 million of loan notes (note 17) at an issue price of 0.33p per share.

(2) On 13 January 2016, the Company issued 30,303,030 shares to Darwin Strategic Limited on conversion of £0.100 million of loan notes (note 17) at an issue price of 0.33p per share.

(3) On 29 January 2016, the Company issued 4,615,386 shares under a subscription agreement at a price of 0.26p per share.

(4) On 29 January 2016, the Company issued 7,692,308 shares under a subscription agreement at a price of 0.26p per share.

(5) On 29 January 2016, the Company issued 3,000,000 shares under a subscription agreement at a price of 0.26p per share.

(6) On 29 January 2016, the Company issued 50,000,000 shares under a subscription agreement at a price of 0.26p per share.

(7) On 29 January 2016, the Company issued 54,000,000 shares under a subscription agreement at a price of 0.26p per share.

(8) On 29 January 2016, the Company issued 47,479,109 shares at an issue price of 0.364p per share for a total value of £0.173 million ($0,247 million) to George Roach for conversion of a portion of his loans (note 17).

(9) On 12 February, the Company issued 77,954,475 shares to Darwin Strategic Limited on conversion of £0.210 million of loan notes (note 17) at an issue price of 0.269388p per share. The issue price represents 90% of the share price around the date of conversion.

(10) On 17 February, the Company issued 53,975,695 shares to Darwin Strategic Limited on conversion of £157,500 of loan notes (note 17) at an issue price of 0.291798p per share. The issue price represents 90% of the share price around the date of conversion.

(11) On 17 February, the Company issued 25,702,712 shares to Darwin Strategic Limited on conversion of £0.075 million of loan notes (note 17) at an issue price of 0.291798p per share. The issue price represents 90% of the share price around the date of conversion.

(12) On 19 February, the Company issued 42,817,855 shares to Darwin Strategic Limited on conversion of £0.175 million of loan notes (note 17) at an issue price of 0.408708p per share. The issue price represents 90% of the share price around the date of conversion.

(13) On 22 February, the Company issued 59,897,676 shares to Darwin Strategic Limited on conversion of £0.325 million of loan notes (note 17) at an issue price of 0.542592p per share. The issue price represents 90% of the share price around the date of conversion.

(14) On 24 February, the Company issued 36,860,109 shares to Darwin Strategic Limited on conversion of £0.200 million of loan notes (note 17) at an issue price of 0.542592p per share. The issue price represents 90% of the share price around the date of conversion.

(15) On 29 February 2016, the Company issued 100,000,000 shares under a subscription agreement at a price of 0.5p per share.

(16) On 26 April 2016, the Company issued 146,666,667 shares under a subscription agreement at a price of 0.75p per share.

(17) On 18 October 2016, the Company issued 93,750,000 shares under a subscription agreement at a price of 0.32p per share.

(18) On 23 November, the Company issued 79,396,838 shares to Darwin Strategic Limited on conversion of £0.250 million of loan notes (note 17) at an issue price of 0.314874p per share. The issue price represents 90% of the share price around the date of conversion.

(19) On 21 December 2016, the Company issued 25,763,185 shares at an issue price of 0.275p per share for a total value of £0.071 million ($0,088 million) for conversion of Directors fees.

(20) On 21 December 2016, the Company issued 19,213,580 shares at an issue price of 0.3162p per share for a total value of £0.061 million ($0,075) to Afmine for conversion of fees.

(21) On 22 December 2016, the Company issued 7,272,727 shares at an issue price of 0.275p per share for a total value of £0.020 million ($0,025 million) to Sam Levy for conversion of fees.

(22) On 01 January2017, the Company issued 5,454,545 shares at an issue price of 0.275p per share for a total value of £0.015 million ($0,018 million) for conversion of Directors fees.

(23) On 03 January 2017, the Company issued 204,121,975 shares to Darwin Strategic Limited on conversion of £0.475 million of loan notes (note 17) at an issue price of 0.232704p per share. The issue price represents 90% of the share price around the date of conversion.

(24) On 30 January 2017, the Company issued 526,315,789 shares under a subscription agreement at a price of 0.19p per share.

(25) On 30 January 2017, the Company issued 5,263,158 shares under a subscription agreement at a price of 0.19p per share.

(26) On 30 January 2017, the Company issued 5,263,158 shares under a subscription agreement at a price of 0.19p per share

(27) On 30 January 2017, the Company issued 105,263,158 shares under a subscription agreement at a price of 0.19p per share

(28) On 31 January 2017, the Company issued 196,430,851 shares to Darwin Strategic Limited on conversion of £0.400 million of loan notes (note 17) at an issue price of 0.203634p per share. The issue price represents 90% of the share price around the date of conversion.

(29) On 01 February 2017, the Company issued 196,430,851 shares to Darwin Strategic Limited on conversion of £0.400 million of loan notes (note 17) at an issue price of 0.203634p per share. The issue price represents 90% of the share price around the date of conversion.

(30) On 03 February 2017, the Company issued 294,646,277 shares to Darwin Strategic Limited on conversion of £0.600 million of loan notes (note 17) at an issue price of 0.203634p per share. The issue price represents 90% of the share price around the date of conversion.

(31) On 07 February 2017, the Company issued 317,844,496 shares to Darwin Strategic Limited on conversion of £0.675 million of loan notes (note 17) at an issue price of 0.212368p per share. The issue price represents 90% of the share price around the date of conversion.

(32) On 20 February 2017, the Company issued 14098407 shares at an issue price of 0.7093p per share for a total value of £0.0100 million ($124,735) to Afmine for conversion of fees.

(33) On 27 March 2017, the Company issued 402,279,254 shares under a subscription agreement at a price of 0.59p per share

(34) On 31 March2017, the Company issued 3,000,000 shares at an issue price of 0.5p per share for a total value of £0.015 million ($0,019 million) for conversion of Directors fees.

(35) On 31 March2017, the Company issued 3,000,000 shares at an issue price of 0.5p per share for a total value of £0.015 million ($0,019 million) for conversion of Directors fees.

(36) On 07 July 2017, the Company issued 189,491,750 shares to increase holding in Circum at a price of 0.4p per share.

(37) On 31 July 2017, the Company issued 685,714,286 shares under a subscription agreement at a price of 0.7p per share

(38) On 01 August 2017, the Company issued 87,500,070 shares to increase holding in Circum at a price of 0.55p per share.

(39) On 21 August 2017, the Company issued 3,559,479 shares to Darwin Strategic Limited on conversion of warrants at an issue price of 0.26p per share.

(40) On 23 August 2017, the Company issued 236,166,840 shares to increase holding in Circum at a price of 0.45p per share.

(41) On 02 October 2017, the Company issued 654,761,906 shares under a subscription agreement at a price of 0.3p per share.

(42) On 21 November 2017, the Company issued 252,031,250 shares under a subscription agreement at a price of 0.4p per share.

(43) On 12 December 2017, the Company issued 59,756,000 shares at an issue price of 0.5p per share to Afmine for conversion of fees.

(44) On 15 December 2017, the Company issued 14,964,020 shares at an issue price of 0.5p per share for a total value of $0,100 million to George Roach for conversion of a portion of his loan.

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

	2017 $ 000	Restated 2016 $ 000
As at 1 January	27,633	21,855
Shares issued under subscription agreements – cash flow	12,067	3,098
Shares issued to increase investment holding – non-cash	1,216	-
Shares issued on conversion of loans and loan notes (note 17) - non-cash	3,759	2,746
Shares issued on exercise of warrants – cash flow	12	-
Shares issued on conversion of fees – non-cash	449	187
Share issue costs – cash flow	(978)	(253)
As at 31 December	44,158	27,633

19. Share based payment and warrant reserve

	2017 $ 000	Restated 2016 $ 000
Share options and warrants reserve beginning of year	1,846	1,079
Share based payment expense		
Share options	404	205
Warrants	143	562
Share options and warrants reserve end of year	2,393	1,846

No share options or warrants expired during the year.

Share options and warrant arrangements are set out below.

Equity-settled Share base payment arrangement

The Company adopted an 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.

All options are to be settled by the physical delivery of shares.

The fair value of all the share options has been measured using the Black-Scholes Model.

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term. The expected term of the instruments has been based on historical experience and general option holder behaviour.

The Company has granted the following share options during the years up to 31 December 2017:

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	1.135p	09/02/2014	0.87p
Directors	04/12/2012	See 1 below	20,386	Nil	03/12/2022	1.11p
Directors	04/12/2012	See 2 below	20,386	2p	03/12/2022	1.85p
Employees and associates	04/12/2012	See 3 below	5,536	Nil	03/12/2022	1.85p
Directors	29/07/2014	See 4 below	6,000	1.15p	28/07/2024	1.15p
Directors	29/07/2014	See 5 below	6,000	1.50p	28/07/2024	1.15p
Management	29/07/2014	See 4 below	6,500	1.15p	28/07/2024	1.15p
Management	29/07/2014	See 5 below	6,500	1.50p	28/07/2024	1.15p
Directors	13/03/2015	See 4 below	2,000	0.9p	12/03/2025	0.67p
Directors	13/03/2015	See 5 below	2,000	1.17p	12/03/2025	0.64p
Management	13/03/2015	See 4 below	3,250	0.9p	12/03/2025	0.67p
Management	13/03/2015	See 5 below	3,250	1.17p	12/03/2025	0.64p
Directors	19/01/2017	See 5 below	30,500	0.28p	18/01/2027	0.278p
Consultants	19/01/2017	See 5 below	50,439	0.28p	18/01/2027	0.278p
Directors	19/01/2017	See 5 below	30,500	0.40p	18/01/2027	0.28p
Consultants	19/01/2017	See 5 below	50,439	0.40p	18/01/2027	0. 28p
Totals			**245,936**			

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.

During the year two tranches of 30,500,000 options were granted to directors at 0.28p and 0.40p, respectively, (2016: nil). Consultants were also awarded two tranches of 50,439,000 options at 0.28p and 0.40p, respectively.

The fair value of the options granted during the year ended 31 December 2017 was $0,624 million (2016: 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.

During the year, $0,404 million was charged to profit and loss and recognised in respect of the above option schemes. The remainder of the fair value will be expensed in profit and loss over the remaining vesting period.

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	2,013	2,013
04/12/2012	03/12/2022	2p	12,458	12,458
29/07/2014	28/07/2024	1.15p	3,000	3,000
29/07/2014	28/07/2024	1.50p	10,500	10,500
13/03/2015	12/03/2025	0.9p	5,250	5,250
13/03/2015	12/03/2025	1.17p	5,250	5,250
19/01/2017	18/01/2027	0.28p	80,939	-
19/01/2017	18/01/2027	0.40p	80,939	-
			200,349	**38,471**

The following table lists the inputs into the valuation model for the year to 31 December 2017:

	19 January 2017 issue	19 January 2017 issue
Dividend yield (%)	-	-
Expected volatility (%)	236.0	236.0
Risk-free interest rate (%)	1.43	1.43
Share price at grant date	0.28p	0.28p
Exercise price	0.28p	0.40p

The number and weighted-average exercise prices of share options under the share option programmes and replacement awards were as follows:

	2017		2016	
	Shares '000	Weighted Average Exercise Price	Shares '000	Weighted Average Exercise Price
Options outstanding, beginning of year	38,471	1.15p	38,471	1.15p
Granted	161,878	0.34p	-	-
Options outstanding, end of year	**200,349**	**0.55p**	**38,471**	**1.15p**

Warrants

The Company has granted the following warrant options during the years up to 31 December 2017:

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
Funders	02/02/2015	40,000	1.25p	09/02/2018
Funders	29/04/2015	16,674	2.96875p	06/05/2018
Subscribers	09/07/2015	1,500	3p	16/05/2018
Funders	15/09/2015	3,559	1.4047p	22/09/2017
Funders	09/10/2015	21,951	1.025p	16/10/2018
Funders	22/08/2016	79,778	0.8437p	29/08/2019
Advisors	20/09/2016	23,000	0.8p	19/09/2019
Funders	15/12/2016	44,000	0.375p	22/12/2019
Funders	26/01/2017	42,857	0.8437p	26/01/2020
Totals		**287,336**		

During the year, the Company granted 42,857,143 warrant options (2016: 144,777,778) over Ordinary Shares.

The assessed fair value of the warrant options granted to funders and advisors 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 interest rate for the term of the options. The fair value of the warrant options granted to funders during the year ended 31 December 2017 was $0,143 million (2016: $0,127 million).

The following table lists the inputs into the valuation model for the year to 31 December 2017:

	26 January 2017 issue	22 August 2016 issue	20 September 2016 issue	15 December 2016 issue
Dividend yield (%)	-	-	-	-
Expected volatility (%)	236.0	203.0	206.0	214.0
Risk-free interest rate (%)	1.430	0.56	1.05	1.40
Share price at grant date	0.250p	0.475p	0.475p	0.250p
Exercise price	0.8437p	0.8437p	0.375p	0.800p

A summary of the status of the Company's share warrants as of 31 December 2017 and changes during the year are as follows:

	2017 '000	2016 '000
Warrants outstanding, beginning of year	200,479	55,701
Granted	44,801	144,778
Expired	(3,559)	-
Exercised	(7,017)	-
Warrants outstanding, end of year	**234,704**	**200,479**

The Group has the following warrant options outstanding:

Grant Date	Expiry Date	Exercise Price	Number of options outstanding '000	Number of options vested and exercisable '000
03/02/2015	10/02/2018	0.00p	5,000	5,000
29/04/2015	06/05/2018	0.26p	16,674	16,674
09/07/2015	08/07/2018	3.00p	1,350	1,350
09/07/2015	16/07/2018	3.00p	150	150
09/10/2015	16/10/2018	0.26p	21,951	21,951
22/08/2016	29/08/2019	0.40p	79,722	79,722
20/09/2016	19/09/2020	0.80p	23,000	23,000
15/12/2016	22/12/2019	0.38p	44,000	44,000
19/01/2017	26/01/2020	0.35p	42,857	42,857
			234,704	**234,704**

20. Non-controlling interests

	2017 $ 000	Restated 2016 $ 000
At 1 January	(3,716)	(2,594)
Non-controlling interest at (disposal) / acquisition – TCT IF	(935)	1,008
Non-controlling interest in share of losses for the year - RHA	(7,049)	(2,112)
Non-controlling interest in share of losses for the period ended September 2017 – TCT IF	(55)	(18)
At 31 December	(11,755)	(3,716)

The following table summarises the information relating to each of the Group's subsidiaries that has material Non-controlling Interest, before any intra-group eliminations.

	2017 TCT IF	2017 RHA	2016 TCT IF	2016 RHA
Non-controlling Interest percentage	-	51%	48%	51%
Non-current assets	-	-	3,128	9,412
Current assets	-	223	131	500
Non-current liabilities	-	(19,518)	(983)	(16,640)
Current liabilities	-	(3,754)	(214)	(2,499)
Net assets	-	(23,049)	2,062	(9,227)
Net assets attributed to Non-controlling Interest	-	(11,755)	990	(4,706)
Revenue	246	368	57	135
Loss	(114)	(13,822)	(34)	(4,141)
Other Comprehensive Income	-	-	-	-
Total comprehensive income	(114)	(13,822)	(34)	(4,141)
Loss allocated to NCI	(55)	(7,049)	(18)	(2,112)

The share of losses in the year represents the losses attributable to non-controlling interests in RHA Tungsten for the year and for the nine months ended 30 September 2017 for TCT IF.

21. Cost of sales excluding depreciation and amortisation expense

	2017 $ 000	Restated 2016 $ 000
Mining contractor	661	287
Staff costs	906	239
Consumables	240	87
Equipment hire and maintenance	816	100
Mining services	39	8
Plant services	11	9
Selling costs	32	37
Less capitalized to E&E development costs	-	11
Inventory write-down / (write-up)	795	(219)
	3,500	559

Cost of sales comprises production costs in both RHA and TCT IF. The inventory adjustment reflects the impairment of the Inventory holding at RHA at 31 December 2017 as a consequence of the RHA being placed under care and maintenance.

22. Administrative expenses

	2017 $ 000	Restated 2016 $ 000
Staff costs	461	462
Consulting and advisory fees	1,099	228
Directors' fees	74	59
Audit, accounting and legal fees	228	549
Marketing and public relations	152	99
Travel	419	273
Security costs	42	58
Vehicle operating costs	57	26
Insurance	51	61
Office and administration	465	290
Foreign exchange losses	7	61
Share based payment (note 19)	547	767
	3,602	2,933

23. Finance costs

	2017 $ 000	2016 $ 000
Interest charged by suppliers	22	138
Interest on borrowings	235	81
Derivative financial liability transaction costs	(4)	423
Unwinding of discount on provisions	108	74
Loss on extinguishment of debt	1,137	392
Interest on finance lease	9	5
	1,507	1,113

24. Taxation

Deferred tax	2017 $ 000	2016 $ 000
As at 1 January	983	-
Disposal of TCT IF	(983)	983
As at 31 December	-	983

Income Tax

Taxation charge for the year	-	-

There is no taxation charge for the year ended 31 December 2017 (2016: Nil) because the Group is registered in the British Virgin Islands where no corporate taxes or capital gains tax are charged. However, the Group may be liable for taxes in the jurisdictions of the underlying operations.

The Group has incurred tax losses in West Africa and Zimbabwe; however a deferred tax asset has not been recognised in the accounts due to the unpredictability of future profit streams. The accumulative tax losses not recognised at RHA amount to $15,684 million (2016: $13,369 million).

Reconciliation of effective tax rate	2017	2017 $ 000	2016	2016 $ 000
Loss before tax from continuing operations		(19,607)		(5,898)
Tax using the Zimbabwean company tax rate	25%	4,902	25%	1,475
Tax effect of:				
Effects of tax rates in foreign jurisdictions	(25%)	(4,902)	(25%)	(1,475)
	0%	-	0%	-

Contingent liability

The Group operates across different geographical regions and is required to comply with tax legislation in various jurisdictions. The determination of the Group's tax is based on interpretations applied in terms of the respective tax legislations and may be subject to periodic challenges by tax authorities which may give rise to tax exposures.

25. Disposal of discontinued operation

On 20 September 2017, the Board announced the disposal of the TCT IF operation. This operation was not material to the ongoing development and strategy of the Group. Operating conditions in Mozambique can be challenging, and in particular the timber industry was affected earlier this year by a country-wide suspension of timber cutting and export licences in Mozambique for un-processed timber of over 125 mm in diameter. TCT IF's forestry interests are relatively small scale and have underperformed against budget in the current year, and overall are expected only to be break-even for the year as a whole. The forestry interests will not generate the surplus cash flow that had been planned on acquisition to support further exploration activities on the limestone project in the current year.

When Premier initially completed the acquisition of its interest in TCT IF in October 2016 ("TCT IF Acquisition Agreement"), the subsequent payment by Premier of the consideration due to Transport Commodity Trading Mozambique Limitada ("TCTM") and GAPI Sociedade de Investimentos S.A. ("GAPI") (together the "TCT Vendors") was only due following final procedural registration of the assignment of quotas by the Mozambique authorities and this registration has remained outstanding and as set out in Premier's 2016 annual financial statements, amounted in aggregate to approximately $2,1 million as at 30 June 2016, to be settled in either New Premier Ordinary Shares or cash at the election of the TCT Vendors ("Vendor Consideration"). Given the lapse of time, the TCT Vendors made it increasingly clear to Premier that the outstanding consideration must be settled as soon as possible, failing which the TCT IF Acquisition Agreement could lapse.

Principal terms of the Disposal
Premier has entered into a binding letter of understanding ("LoU") with the Buyer for the sale by Premier of its 52% interest in TCT IF for a value of $2,1 million (before settlement of the Vendor Consideration). The consideration was satisfied through the transfer by Premier of all rights and obligations held under the public deeds for the assignment of quotas to acquire its 52% interest in TCT IF from the Vendors. The Buyer assumed Premier's responsibility to settle the Vendor Consideration of $2,1 million and on following completion of the Disposal, Premier has no further liabilities or obligations to the TCT Vendors. Net of the settlement of the Vendor Consideration the net proceeds retained by Premier is nil.

As George Roach is currently a director and shareholder of Amire Glory, the execution of the LoU was treated as a related party transaction under AIM Rule 13 and approved by the independent directors of the Company.

	2017 $ 000	Restated 2016 $ 000
Results from discontinued operations		
Revenue	246	57
Cost of sales	(65)	-
Gross profit	181	57
Expenses	(295)	(91)
Results from operating activities	(114)	(34)
Income tax	-	-
Results from operating activities, net of tax	(114)	(34)
Loss on sale of discontinued operation	(22)	-
Income tax on gain on sale of discontinued operation	-	-
Loss from discontinued operations, net of tax	(136)	(34)

	2017 $ 000	2016 $ 000
Cash flow from discontinued operation		
Net cash flow from operating activities	95	(25)
Net cash flow used in investing activities	(11)	25
Net Increase / (decrease) in cash and cash equivalents	84	-
Cash and cash equivalents at beginning of year	-	-
Cash and cash equivalents at end of year	84	-

Of the loss from discontinued operations of $0,114 million (2016: $ 0,058 million), an amount of $0,055 million is attributable to the owners of the Company (2016: $ 0,018 million).

Effects of disposal on the financial position of the Group	
Intangible Exploration and Evaluation	(2,897)
Property plant and equipment	(61)
Inventories	(130)
Trade and other receivables	(172)
Cash disposed	(84)
Trade and other payables	311
Deferred tax	983
Non-controlling interest	935
Goodwill	(1,034)
Net assets and liabilities	(2,149)
Consideration – Release of Vendor liability	2,127
Loss on disposal	(22)

	2017 $ 000
Net consideration received	-
Net Cash disposed	(84)
Net cash outflow	(84)

26. Loss per share

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

	2017 $ 000	Restated 2016 $ 000
Net loss attributable to owners of the company ($ 000)	(12,657)	(3,768)
Weighted average number of Ordinary Shares in calculating basic earnings per share ('000)	4,809,908	1,798,808
Basic loss per share (US cents)	(0.3)	(0.2)
Diluted loss per share (US cents)	(0.3)	(0.2)
Weighted average number of ordinary shares		
Issued ordinary shares at 1 January	2,111,611	1,105,249
Weighted average of shares issued during the year	2,698,297	693,559
Weighted average number of ordinary shares at 31 December	4,809,908	1,798,808

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.

27. Directors' remuneration

	Directors' Fees	Consultancy Fees	Share Options	Total
2017	**$ 000**	**$ 000**	**$ 000**	**$ 000**
Executive Directors				
George Roach	-	244	65	309
Non-Executive Directors				
John (Ian) Stalker	19	9	48	76
Michael Foster	19	-	48	67
Russel Swarts (*)	20	50	48	118
	58	**303**	**209**	**570**
2016				
Executive Directors				
George Roach	-	180	-	180
Pamela Hueston (*)	-	85	-	85
Non-Executive Directors				
John (Ian) Stalker	20	-	-	20
Michael Foster	15	-	-	15
	35	**265**	**-**	**300**

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

The Directors' fees disclosed in note 22 herein include $0,015 million (2016: $0,024 million) being the fees paid to Directors of RHA Tungsten (Pvt) Limited, who are not directors of the parent company. The Fair value of share options granted to directors was $0,111 million.

The 2017 Directors fees noted above remain unpaid at the financial year-end.
No pension benefits are provided for any Directors or other employee benefits.

28. Notes to the statement of cash flows

Cash and cash equivalents comprise cash at bank, bank overdrafts 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.

	2017	Restated 2016
	\$ 000	**\$ 000**
Loss before tax	(19,761)	(5,898)
Adjustments for:		
Finance costs	1,507	1,113
Impairment costs of RHA	9,809	-
Depreciation and amortization	1,471	1,394
Disposal of TCT IF	22	-
Fees settled in shares	-	187
Impairment of investments	104	-
Inventories impaired	795	-
Share based payments and warrant liabilities	547	204
Operating cash flows before movements in working capital	(5,506)	(3,000)
Decrease in inventories	(590)	(152)
(Increase) / Decrease in receivables	(144)	217
(Decrease) in payables	25	(218)
Net cash outflow from operating activities	(6,215)	(3,153)

29. Correction of errors

A number of prior period errors were identified in the current year and these have been corrected in the financial statements.

<u>Errors identified pre- 1 January 2016</u>

The impact of the errors prior to 1 January 2016 affects equity and reserves and the restated statement of financial position as at 1 January 2016 has been presented below. The impact of these errors with descriptions of the individual errors is shown below:

Impact on consolidated statement of financial position

	Impact of correction of error		
1 January 2016	As previously stated	Adjustments	As restated
	\$ 000	**\$ 000**	**\$ 000**
EQUITY			
Share capital (1)	21,469	386	21,855
Merger reserve (5)	(176)	176	-
Foreign currency translation reserve (2)	349	(349)	-
Share option and warrant reserve	1,079	-	1,079
Revaluation reserve (3)	-	2,600	2,600
Retained earnings	(9,473)	(1,716)	(11,189)
Total equity	13,248	1,097	14,345
Non-controlling interest (4)	(1,497)	(1,097)	(2,594)
Net impact of correction of errors at 1 January 2016	11,751	-	11,751

(1) Share capital was previously incorrectly stated at the value of the debt extinguished rather than the fair value of the shares issued, which has been corrected.

(2) The Foreign currency translation reserve was not reclassified to profit or loss when the foreign operations became dormant which has been corrected.

(3) The revaluation of available-for-sale investments was previously incorrectly recognised in retained earnings and has now been correctly presented in a separate revaluation reserve.

(4) The non-controlling interest of RHA Tungsten (Private) Limited was calculated incorrectly in prior years which has been corrected.

(5) The merger reserve was incorrectly raised as a separate reserve within equity relating to a transaction between owners, which has been corrected.

Errors identified post- 1 January 2016

Certain errors were identified in respect of the 2016 figures presented in the 2016 financial statements.

The comparative consolidated statement of financial position and consolidated statement of profit or loss and other comprehensive income have been restated to reflect the correct figures as these errors impacted the 2016 figures only.

The impact of these errors with descriptions of the individual errors is shown below:

Adjustments to the 2016 Financial statements

	Impact of correction of error		
	As previously stated and restated	Adjustments	As restated
	$ 000	**$ 000**	**$ 000**
Impact on Consolidated Statement of Financial Profit or Loss and Other Comprehensive Income			
Depreciation and amortisation (1)	(1,584)	190	(1,394)
Finance costs (2)	(721)	(392)	(1,113)
Administrative expenses (3)	(2,869)	(65)	(2,934)
Loss for the year	(5,631)	(267)	(5,898)
Foreign currency translation reserve (3)	(65)	65	-
Total comprehensive income for the year	(5,696)	(202)	(5,898)
Loss and total comprehensive income attributable to non-controlling interest	(2,227)	97	(2,130)
Impact on Consolidated Statement of Financial Position			
Property plant and equipment (1)	9,585	190	9,775
Share Capital (2)	27,241	392	27,633
Foreign currency translation reserve (3)	65	(65)	-
Retained earnings	(14,755)	(202)	(14,957)
Total Equity	13,216	190	13,406

(1) Depreciation for 2016 was incorrectly calculated because the useful life of the RHA mine was not re-assessed. Non-controlling interest has been corrected based on their share of the profit or loss impact.

(2) Shares issued in 2016 were previously incorrectly stated at the value of the debt extinguished rather than the fair value of the shares issued, which has been corrected.

(3) Foreign exchange movements were incorrectly included in the foreign currency translation reserve rather than profit or loss which has been corrected.

There is no material impact on the Group's basic or diluted earnings per share for all periods presented.

30. Financial instruments

The Group uses financial instruments comprising cash, receivables, available-for-sale assets (investments in Circum and Casa shares), bank overdraft, payables, borrowings, loan notes, and other financial liabilities. 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.

Financial assets and liabilities

2017	Available-for-sale financial assets $ 000	Loans and receivables $ 000	Cash $ 000	Financial liabilities at amortised cost $ 000	Total $ 000
Trade and other receivables	-	15	-	-	15
Available-for-sale assets	6,459	-	-	-	6,459
Cash and cash equivalents	-	-	316	-	316
	6,459	15	316	-	6,790
Payroll liabilities	-	-	-	569	569
Bank overdraft	-	-	-	174	174
Trade payables	-	-	-	362	362
Accrued expenses	-	-	-	1,011	1,011
Borrowings	-	-	-	216	216
	-	-	-	2,332	2,332

2016	Available-for-sale financial assets $ 000	Loans and receivables $ 000	Cash $ 000	Financial liabilities at amortised cost $ 000	Total $ 000
Trade and other receivables	-	213	-	-	213
Available-for-sale assets	4,250	-	-	-	4,250
Cash and cash equivalents	-	-	399	-	399
	4,250	213	399	-	4,862
Bank overdraft	-	-	-	155	155
Trade payables	-	-	-	937	937
Accrued expenses	-	-	-	1,443	1,443
Borrowings	-	-	-	566	566
Loan notes	-	-	-	1,874	1,874
Other financial liabilities	-	-	-	2,307	2,307
	-	-	-	7,282	7,282

Valuation techniques and assumptions applied for the purposes of measuring fair value

Due to the short term nature, 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 other readily available information. As the Circum and Casa shares are in privately held exploration companies, the fair values were estimated using observable placing prices where available. The fair value of the Casa Mining Limited shares were derived from the swop values of shares acquired in Ortac Resources Limited announced on 6 November 2017.

Financial Risk Management
The Group has exposure to the following risks arising from financial instruments:
– credit risk;
– liquidity risk; and
– market risk.

Risk management framework
The Company's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group's audit committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group's audit committee undertake ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

Credit risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and investments in debt securities.

Financial instruments that potentially subject the Group to a significant concentration of credit risk consist primarily of trade debtors and cash and cash equivalents. The Group limits its exposure to credit loss by placing its cash with major financial institutions. As at 31 December 2017, the Group held $0,316 million in cash and cash equivalents (2016: $0,399 million) and had a $0,182 million bank overdraft (2016: $0,155 million).

Liquidity risk
Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

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

The Group aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash outflows on financial liabilities other than trade payables. The Group also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables.

In addition, the Group maintains the following lines of credit.

- $0,300 million overdraft facility that is unsecured. Interest would be payable at the rate of 9.5% (2016: 9.5%).

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

	Liabilities		Assets	
	2017 $ 000	2016 $ 000	2017 $ 000	2016 $ 000
Sterling (£)	42	189	303	350
Euro (€)	-	163	1	1
South African Rand (ZAR)	-	32	-	-
Mozambique metical (MZM)	-	234	-	3
	42	618	304	354

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.

	2017	2016
At year end the US$ exchange rates used were as follows:		
Sterling (£)	1.3308	1.2303
Euro (€)	-	1.0550
South African Rand (ZAR)	12.666	13.720
Mozambique metical (MZM)	-	71.23

Sensitivity analysis

Financial instruments affected by foreign currency risk include available-for-sale financial investments (see note 15) cash and cash equivalents, other receivables, trade and other payables and convertible loan notes. 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

	2017 $ 000	2016 $ 000
Exchange rates:		
+10% $ Sterling (GBP)	35	23
-10% $ Sterling (GBP)	(35)	(23)
+10% $ Euro (€)	-	17
-10% $ Euro (€)	-	(17)
+10% Mozambique metical (MZM)	-	23
-10% Mozambique metical (MZM)	-	(23)

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

Market risk
Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group's investments in available-for-sale financial assets comprise small shareholdings in unlisted companies. The shares are not readily tradable and any monetisation of the shares is dependent on finding a willing buyer.

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 or will be made available to finance operations but controls over expenditure are carefully managed.

31. Subsidiaries

Premier had investments in the following subsidiary undertakings as at 31 December 2017, which principally affected the losses and net assets of the Group:

Name	Country of incorporation and operation	Proportion of voting interest %		Activity
		2017	2016	
ZimDiv Holdings Limited	Mauritius	100	100	Holding Company
RRCC Ltd	BVI	100	100	Holding Company
Regent Resources Capital Corporation SAU	Togo	100	100	Exploration
G and B African Resources Benin SARL	Benin	100	100	Exploration
Zulu Lithium Mauritius Holdings Limited	Mauritius	100	100	Holding Company
RHA Tungsten Mauritius Limited	Mauritius	100	100	Holding Company
Kavira Minerals Holdings Limited	Mauritius	100	100	Holding Company
Tinde Fluorspar Holdings Limited	Mauritius	100	100	Holding Company
Lubimbi Minerals Holdings Limited	Mauritius	100	100	Holding Company
Gwaaii River Minerals Holdings Limited	Mauritius	100	100	Holding Company

Zulu Lithium (Private) Limited	Zimbabwe	100	100	Exploration
RHA Tungsten (Private) Limited	Zimbabwe	49*	49*	Production
Katete Mining (Private) Limited	Zimbabwe	100	100	Exploration
Tinde Fluorspar (Private) Limited	Zimbabwe	100	100	Exploration
LM Minerals (Private) Limited	Zimbabwe	100	100	Exploration
BM Mining & Exploration (Private) Limited	Zimbabwe	100	100	Exploration
TCT Industrias Florestais Limitada	Mozambique	-	52	Forestry and Exploration

* Accounted as a controlled subsidiary, refer note 4 significant accounting judgements, estimates and assumptions – Basis of consolidation.

32. Related party transactions

Ultimate controlling party

There is no single ultimate controlling party.

Transactions with key management personnel

Loans from directors

On 15 September 2015, George Roach provided a $0,300 million loan direct to Premier for the use at RHA Tungsten (Pty) Limited ("RHA"). The loan is unsecured and accrues interest at a rate of 3% per annum. As at 28 March 2017, the loan and accrued interest totalled $0,309 million. On 28 March 2017 the Company announced that it had amended the terms of the existing loan agreement ("Loan") with George Roach through the grant of conversion rights. The Board granted conversion rights in respect of the Loan, which can now be converted into new ordinary shares at a price of 0.5p per new ordinary share. On 15 December 2017 the company announced that George Roach had elected to convert $0,100 million of the $0,300 million ("Loan") he provided to the Company.

Subsequent to the reporting date, on 5 June 2018 the Company announced that it had entered into a loan with a company owned by a Trust of which George Roach is a beneficiary, for a gross value of $0,300 million.

Supplies and Services

During 2017, administration fees of $0,196 (2016: $0,037 million) were paid by Premier to a trading business in which George Roach, Director, is the beneficial owner. Administration fees comprised allocated rental costs and administrative support services. At the financial year-end nothing remains outstanding of this amount (2016: $nil).

During 2017, capital goods, consumables and small equipment for RHA totalling $0,074 million (2016: $0,038 million) was purchased on behalf of RHA by business's in which George Roach, Director, is a beneficial owner. At the financial year end $nil remains in creditors.

TCT IF Disposal

On 20 September 2017, the TCT IF disposal to Amire Glory Limited ("Amire") was announced. George Roach is currently a director and shareholder of Amire, the proposed disposal was considered a related party transaction and was approved by the independent directors (note 25).

Investments

Premier's owns a 5% investment in Casa Mining Limited, of which Michael Foster is the founder and non-executive director.

Premier holds 5,010,333 shares in Circum Minerals Limited, of which Ian stalker is non-executive director.

Borrowings

Premier entered into a settlement agreement with Agriminco, of which George Roach is a director and Russel Swarts is a Non-Executive Director (note 16).

Remuneration of key management personnel

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

	2017 $ 000	2016 $ 000
Consulting fees	303	265
Staff costs	120	80
Directors' fees (note 27)	58	35
	481	380

33. Events after the reporting date

33.1 RHA Tungsten

On 5 January 2018 the Company advised that whilst plant throughput during the latter part of December 2017 exceeded the target in aggregate ore feed, the ore processed was largely from on-strike development at a diluted ore grade insufficient to achieve planned profitable production.
RHA mine management had advised that development to expose stopes has lagged and mining of undiluted ore from stopes would now only be possible from the latter part of Q1 2018 and accordingly, RHA required additional financial support until this time. Premier had previously stated that it would not provide any further finance other than in the form of a bridging facility for concentrate ready for shipment. On 9 January 2018, a decision was taken to place RHA Tungsten mine under care and maintenance.

Continuing operations at RHA are now dependent on additional sources of capital being provided. New policy statements in Zimbabwe enable 100% foreign ownership of mining projects (outside the diamond and platinum sectors). Premier is currently in discussions with the National Indigenisation and Economic Development Fund ("NIEEF"), which has an interest of 51% in RHA, to agree alternative financing options. As previously stated, Premier has sole-funded RHA to date and the plant and equipment at RHA are exclusively owned by Premier. The mineral claims are ceded as security under the plant rental agreement by RHA to Premier. RHA completed one final shipment before mid-January prior to the suspension of production until such time as a commercial and viable agreement is reached with NIEEF to ensure a long-term future for RHA. Premier will continue to incur minimal ongoing care and maintenance costs in relation to RHA whilst the position is resolved.

On 16 January 2018 the Company announced that the Board had commenced discussions with the National Indigenisation and Economic Development Fund ("NIEEF") which has an interest of 51% in RHA in respect of agreeing a mechanism to restructure its ownership of RHA. These discussions continue.

NIEEF has reaffirmed the current policy change in Zimbabwe with regards to the indigenization requirements and has indicated NIEEF's willingness to agree a mechanism to restructure its ownership of RHA.

33.2 Zulu Lithium

The Board of Premier announced in January that it was planning a separate listing for the Zulu Project. On 27 June 2018, the Company announced that it had entered into a conditional heads of terms with Cadence Minerals Plc to secure a direct investment at subsidiary level into the Zulu Lithium and Tantalum Project in Zimbabwe. The investment of up to $5.1 million secures 30% of the shareholding in the project. Plans for a separate listing are therefore on hold.

33.3 Cancellation of Darwin Warrants and Placing

On 16 March 2018, the Company announced a placing to raise £0.400 million before expenses at an issue price of 0.16 pence per new ordinary share, the net proceeds of were to be used to cancel all the existing warrants held by Darwin Capital Limited ("Darwin") and for general working capital purposes.

Cancellation of Darwin Warrants
On 16 March 2018 the Company agreed with Darwin that the entire holding of 205,354,165 warrants held by Darwin will be cancelled for a cash payment by Premier of £0,145 million. The Board believed that the continuing existence of the warrants, which have downwards adjustable exercise prices, and which required Darwin's advance permissions for certain share issuance, created an overhang and that the cancellation is in shareholder's best interests. The payment for the warrant cancellation reflected the Board's assessment of the fair value of the Darwin warrants based on a Black Scholes valuation.

Placing
On 16 March 2018 Premier issued by way of a placing ("Placing"), conditional on admission 250,000,000 new ordinary shares of 0.1 pence each ("Placing Shares") at a subscription price of 0.16 pence per Placing Share. The Placing was undertaken within the Company's existing share authorities.

33.4 Sale of interest in Casa Mining

On 1 May 2018, the Company announced that it had accepted the general offer made by Arc Minerals Limited ("Arc Minerals") to all CASA Mining Limited ("Casa") shareholders and thereby converted its entire interest in Casa into new Arc Minerals shares.

On 6 November 2017, Arc Minerals (formerly known as Ortac Resources Limited) announced that it would make an offer to acquire all of the outstanding shares in Casa ("Sale Shares") for a consideration of 14.85 shares in Arc Minerals for each Sale Share (the "Casa Offer"). Further details of the Casa Offer can be found in the Arc Minerals' announcements dated 6 and 10 November 2017.

Premier owned 412,500 Casa shares representing approximately 4.5% of Casa's issued share capital and therefore received as consideration 6,128,822 new Arc Minerals shares ("Consideration Shares"), representing approximately 1.9 per cent of the enlarged issued share capital of Arc Minerals.

33.5 Director's Loan

On 5 June 2018, the Company announced that it had entered into a loan with a company owned by a Trust of which George Roach is a beneficiary, for a gross value of $0,300 million.

Terms of the Loan
The Company entered into the loan on 4 June 2018. The Loan is non-interest bearing and has a maturity date, 30 November 2018, and will provide additional general working capital while the Company looks to bring finality to the negotiations currently underway in respect of both Zulu Lithium Private Limited and RHA Tungsten Private Limited. The Company will repay the entire Loan, including all fees within five days following the maturity of the Loan. The Loan carries an implementation fee of $0,015 million (5%) and a redemption fee of $0,015 million (5%), collectively the fees ("Fees"). The terms and conditions of the Loan contain a negative pledge provision in respect of the Company

relating to certain types of indebtedness and standard events of default. The Loan is not convertible, nor does it include share-based repayment or warrants.

The Company agreed not to draw down against any equity or equity linked financing facilities, until such time as the Loan has been repaid. The Loan is secured against the Company's shareholding of 6,128,822 shares in ARC Minerals Limited ("Arc Shares") and the Company agreed to underwrite any reasonable shortfall following the sale of the Arc shares, should this be necessary.