

Premier African Minerals Ltd

11:40 23 Oct 2018

Premier African Minerals looks to rebuild momentum in Zimbabwe

Premier African Minerals PLC (LON:PREM) will look for an underground re-start at the RHA tungsten mine following a recent study though not until a debt-for-equity swap is agreed.

The study offered two scenarios - one for an underground restart at 6,000 to 7,000 tonnes per month.

WATCH: Premier African Minerals's George Roach discusses Zulu DFS options

A combined underground and open pit mining to produce 40,000 tonnes per month was the other alternative, but Premier said it was not considering this option.

Re-starting the underground operation will cost US\$1.06m, said Bara, with a peak cash requirement of US\$1.66m in month four, after which the mine starts to generate cash.

The analysis was based on a net 65% of a tungsten price of US\$300 per mtu.

The current spot price is US\$275-290 per mtu.

Only fifteen months was modelled as the results of drilling underway will determine the future development plans said Premier.

George Roach, Premier's CEO, said: "This technical and economic assessment of RHA demonstrates a technically viable restart basis for the project."

Shallow drilling at RHA, meanwhile, has indicated multiple instances of wolframite at commercial grades plus visible copper mineralisation in the same ore bodies.

Indigenisation

Premier owns 49% of RHA and has proposed a debt-for-equity swap with Zimbabwe's indigenisation authority NIEFF to take its stake up to 90%.

The Ministry of Industry, Commerce and Enterprise Development in Zimbabwe has indicated that the process will be concluded before the end of October.

Roach said recently that it would not be possible to re-start production at RHA until the proper legal process is concluded.

Zulu Project

In September, Cadence Minerals decided not to fund the definitive feasibility study at the Zulu lithium project in Zimbabwe

Price: 0.07p

Market Cap: £5.59M

1 Year Share Price Graph



June 2018 December 2018 June 2019

Share Information

Code: PREM

Listing: AIM

52 week High Low
0.27p 0.06p

Sector: General Mining

Website: www.premierafricanminerals.com

Company Synopsis:

Premier African Minerals Limited was established to acquire and develop mineral properties across Africa, especially in West and Southern Africa. And, to deliver regional economic development through our investments to unlock multi-transaction earning potential for our shareholders and stakeholders.

Author:

Proactive Investors Ltd

+44 (0)207 989 0813

action@proactiveinvestors.com

Premier is now looking for another partner and said would even consider a new joint venture agreement to progress Zulu and RHA in one agreement.

"The Zulu Lithium Project has the potential to develop into a company making asset and we look forward to exploration results as they become available in the near future," Roach said.

Circum

Elsewhere, Premier African also holds a small stake in Circum Minerals, which owns the Danakil potash project in Ethiopia.

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

No investment advice

Proactive Investors is a publisher and is not registered with or authorised by the Financial Conduct Authority (FCA). You understand and agree that no content published constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value or suitability of any particular security, portfolio of securities, transaction, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including company related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.