

24 December 2024

Premier African Minerals Limited

Offtake and Prepayment Agreement

Premier African Minerals Limited (**"Premier"** or the **"Company"**) is pleased to announce that Premier and Canmax Technologies Co., Ltd. (**"Canmax"**) (together the **"Parties"**) have reached agreement on certain amendments to the restated Offtake and Prepayment Agreement which the parties had previously agreed in August 2023 (**"Amended Agreement"**) in respect of the Zulu Lithium and Tantalum Project (**"Zulu"**) and which resets the strategic relationship between Premier and Canmax.

George Roach, CEO commented "The support the Company has received from our shareholders will allow completion of the spodumene float commissioning and the installation of an alternative set of floatation cells which we expect will meet our objective to produce and deliver spodumene at grade and meet recovery targets.

Our focus will be centred on making Zulu deliver".

Addendum to Offtake and Prepayment Agreement

The Amended Agreement reaffirms the working arrangements between Premier and Canmax.

The Amended Agreement remains the same as the Restated Offtake and Prepayment Agreement which the parties had previously agreed in August 2023 (**"Prepayment Agreement"**), save that that the Parties have agreed to adjust the settlement options for Canmax in respect of prepayment amounts (plus interest) which remaining outstanding on 1 April 2025 (**"Offtake Agreement Settlement"**) and provide security under the Prepayment Agreement (**"Security"**).

Offtake Agreement Settlement

Premier and Canmax have agreed that in respect of any prepayment amount plus interest which remains outstanding on 1 April 2025, and in the event that Premier has not delivered the required product or provided cash settlement to settle the prepayment amount plus interest, then Canmax will be entitled to receive, as settlement of the outstanding prepayment amount plus interest, a direct interest in Zulu Lithium based on a project valuation of US 100 million which more accurately reflects the capital investment in Zulu to date. Alternatively, Canmax can elect to accept settlement in new Premier ordinary shares to be issued at the twenty-day volume-weighted average of the Premier ordinary share price prior to the settlement date.

Security

In reflection of the delay to production and supply of product under the Prepayment Agreement, Premier has agreed to provide Canmax with an extension of their existing security by providing a fixed charge over the shares of Zulu Lithium (but with no security over Premier's other assets or projects).

Conversion of interest

The initial agreements with Canmax envisaged a right to participate in Premier fund raisings to enable Canmax to maintain its interest in Premier. The Parties have therefore further agreed that Canmax, at its absolute discretion, will have the right to receive partial repayment of interest owed by the issuance of new ordinary shares in the Company, such that Canmax would hold 13.38% of the shares in issue of the Company on a fully diluted basis immediately following the funding. In addition, while sums remain outstanding and due to Canmax under the terms of the Prepayment Agreement, the Company has agreed that it will not, without the prior written consent of Canmax (such consent to not be unreasonably withheld or delayed) undertake further funding without first offering to Canmax the ability to participate on identical terms through the conversion of any amounts owed under the Prepayment Agreement so to maintain Canmax holding of 13.38% in the Company on a fully diluted basis.

Related Party

Canmax is currently interested in more than 10 per cent. of the issued ordinary share capital of the Company, and the Amended Prepayment Agreement, security and conversion rights (together the **"Transaction"**) is a related party transaction for the purposes of Rule 13 of the AIM Rules. The Transaction has been considered by the Independent Directors (being the Board other than a board representative from Canmax). The Independent Directors of the Company consider, having consulted with the Company's nominated adviser, Beaumont Cornish, that the terms of the Transaction are fair and reasonable insofar as Shareholders are concerned. The Independent Directors have in particular taken into account that:

- i. As previously notified in the announcement dated 4 December 2024 (**"Announcement"**), the Company has significant creditors which require immediate settlement;
- ii. Following approval of the resolution at the General Meeting on 23 December 2024 with the support of Canmax, Premier is expected to have sufficient available share authorities to enable it to raise the required capital as detailed in the Announcement;
- iii. There are no other sources of immediately available alternative funding on more advantageous terms for shareholders or in the timescale required;
- iv. As previously reported, if the Company had been unable to secure the shareholder authority to obtain additional finance for the Group's working capital requirements through an issue of equity, there would have been a material uncertainty as to the ability of the Group to continue as a going concern; and
- v. Canmax is the Company's principal creditor and funding partner in Zulu and its ongoing support of Premier and Zulu is critical to the future success of Premier.

The Independent Directors have further taken into account in relation to the amended conversion rights, that Premier's Articles of Association incorporate customary provisions and protections similar to those of the Takeover Code, including the prohibition on any party acquiring an interest in shares carrying 30 per cent. or more of Premier unless the Board consents to the acquisition, or an offer is made in accordance with Rule 9 of the Takeover Code (as if it so applied). The conversion price will be determined by the 20-day volume weighted average Premier ordinary share price at the relevant time should Canmax elect to convert any amount owing under the Prepayment Agreement into new ordinary shares in Premier (which shareholders should note may result in significant dilution to them).

The Board also noted that Canmax, which has been granted the participation right to maintain its interest in the Company at 13.38% through the capitalisation of interest or the principal owed under the Prepayment Agreement and the right to participate on identical terms, is listed on the Shenzhen Stock Exchange under the ticker 300390 with a market capitalisation of ¥ 20.7Billion (US 2.6 billion) and has a track record of providing substantial shareholder support.

Market Abuse Regulation

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

A copy of this announcement is available at the Company's website, www.premierafricanminerals.com

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Beaumont Cornish Limited, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as nominated adviser to the Company in relation to the matters referred herein. Beaumont Cornish Limited is acting exclusively for the Company and for no one else in relation to the matters described in this announcement and is not advising any other person and accordingly will not be responsible to anyone other than the Company for providing the protections afforded to clients of Beaumont Cornish Limited, or for providing advice in relation to the contents of this announcement or any matter referred to in it.

Forward Looking Statements:

Certain statements in this announcement are or may be deemed to be forward looking statements. Forward looking statements are identified by their use of terms and phrases such as "believe" "could" "should" "envisage" "estimate" "intend" "may" "plan" "will" or the negative of those variations or comparable expressions including references to assumptions. These forward-looking statements are not based on historical facts but rather on the Directors' current expectations and assumptions regarding the Company's future growth results of operations performance future capital and other expenditures (including the amount, nature and sources of funding thereof) competitive advantages business prospects and opportunities. Such forward looking statements reflect the Directors' current beliefs and assumptions and are based on information currently available to the Directors. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements including risks associated with vulnerability to general economic and business conditions competition environmental and other regulatory changes actions by governmental authorities the availability of capital markets reliance on key personnel uninsured and underinsured losses and other factors many of which are beyond the control of the Company. Although any forward-looking statements contained in this announcement are based upon what the Directors believe to be reasonable assumptions. The Company cannot assure investors that actual results will be consistent with such forward looking statements.

Notes to Editors:

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

The Company has a diverse portfolio of projects, which include tungsten, rare earth elements, lithium and tantalum in Zimbabwe and lithium and gold in Mozambique, encompassing brownfield projects with near-term production potential to grass-roots exploration. The Company has accepted a share offer by Vortex Limited ("Vortex") for the exchange of Premier's entire 4.8% interest in Circum Minerals Limited ("Circum"), the owners of the Danakil Potash Project in Ethiopia, for a 13.1% interest in the enlarged share capital of Vortex. Vortex has an interest of 36.7% in Circum.

In addition, the Company holds a 19% interest in MN Holdings Limited, the operator of the Otjozundu Manganese Mining Project in Namibia.

Ends

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