



9 September 2013

African Mining and Exploration plc ('AME' or 'the Company')
AME Secures Entry into World Class Heavy Mineral Sands Province

African Mining and Exploration plc (AIM: AME), the AIM listed exploration company, is pleased to announce that it has entered into an agreement to acquire an 80% interest in Matilda Minerals Limitada ('Matilda'), a privately owned Mozambican heavy mineral sands explorer. Matilda holds the highly prospective 180km² Jangamo tenement ('Jangamo' or 'the Project') which is located in a world class mineral sands province in Southern Mozambique, and scout sampling by AME has returned results of up to 18.1% total heavy minerals ('THM'), with ilmenite, rutile and zircon recorded in the mineral concentrate.

Highlights:

- Acquisition in line with the strategy of building a multi-commodity resources group
- Jangamo is adjacent to Rio Tinto's major Mutamba¹ mineral sands deposit, which along with another licence area in Mozambique have an exploration target of 7-12 billion tonnes at 3-4.5% THM
- Defined exploration programme in place to realise value in near term – drilling programme scheduled to commence in November 2013, funded from existing resources
- Excellent infrastructure with grid power and main highway established in Project area
- Acquisition principally for shares and deferred share consideration based on key exploration milestones
- Investment complements current portfolio of gold assets in Mali

AME's CEO, David Archer, said "With a highly prospective project located in a world-class major mineral sands province, Matilda and the Jangamo tenement represent a compelling investment opportunity. Initial regional scout sampling returning results of up to 18.1% THM, with ilmenite, rutile and zircon recorded in the mineral concentrate. With Rio Tinto's major mineral sands deposit adjacent to Jangamo, which, together with Rio's other Mozambique deposit has an exploration target of 7-12 billion tonnes at 3-4.5% THM, the Board believes that the Project has the potential to generate significant value for the

Company and its shareholders. In line with this, we are committed to ramping up exploration at the Project, and plan to commence our drilling programme in October 2013.”

“The acquisition complements our current portfolio of gold assets in southern Mali, including the Kossanto Gold Project, which AME is strategically divesting to AIM listed Alecto Minerals. This will allow us to both retain exposure to the prospective assets and eliminates the associated funding requirements and contingent obligations. Together these interests underpin our commitment to building a multi-commodity exploration and development company.”

Further Information

Jangamo Exploration Licence

Matilda’s sole asset is the Jangamo exploration licence, number 3617L, located in Southern Mozambique. Jangamo, which is located in a world class mineral sands province, is highly prospective for mineral sands including zircon, ilmenite and rutile. The Project covers an area of 180km² along an extensive dune system near the village of Jangamo, about 350km to the east-northeast of the capital, Maputo.

Jangamo lies immediately to the west of Rio Tinto’s (‘Rio’) Mutamba deposit, one of two major deposits Rio has defined in Mozambique, which collectively have an exploration target of 7-12 billion tonnes at 3-4.5% THM (published in 2008). Importantly, exploration work conducted at the Project to date indicates that the geology and geomorphology of Jangamo is similar to that of Rio’s adjacent Mutamba deposit.

The Project is covered by a series of north-east trending Quaternary dunal and fluvial deposits, many of which have confirmed heavy mineral mineralisation. Furthermore, a field trip conducted by AME in May 2013 and scout sampling in the region has confirmed the presence of significant heavy minerals with samples returning up to 18.1% THM with ilmenite, zircon and rutile recorded in the mineral concentrate (see Appendix 1).

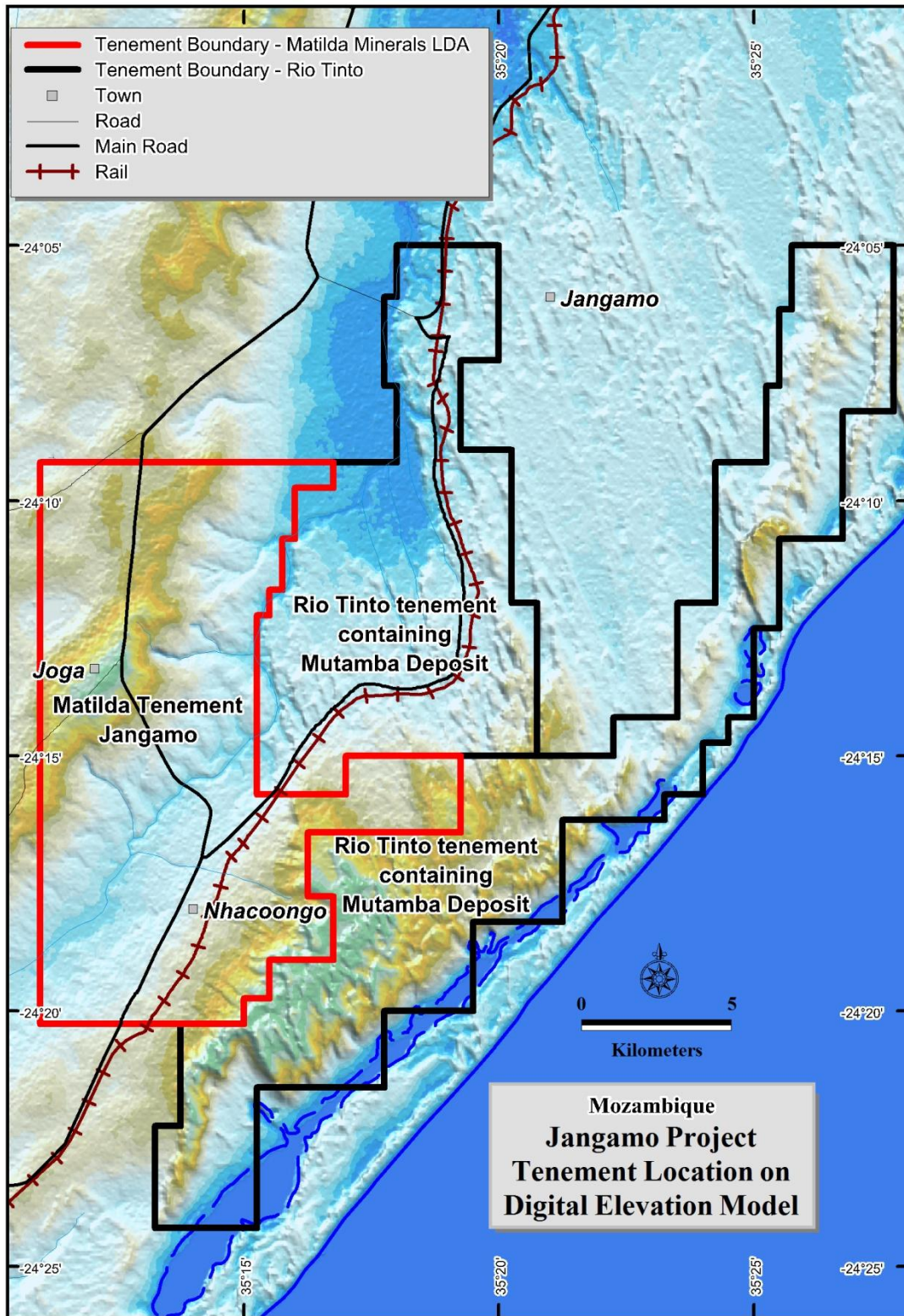
The Project area has excellent infrastructure with both grid power and the main EN1 highway cutting through the middle of the Project. The nearby town of Inhambane is serviced daily by LAMAir flights out of Maputo and there is excellent logistics in place to support operations, including a small port. The licence is valid until 10 December 2017.

Maps of the Location of Jangamo

Map 1 – Matilda Minerals’ Location in Mozambique



Map 2 - Matilda Minerals' Jangamo Project Zoom In



Acquisition Transaction - Matilda Minerals Limitada

The primary commercial terms of the Share Exchange Agreement for AME to acquire 80% of the issued capital of Matilda are set out below:

1. Initial Consideration
 - a. A cash payment equivalent to verified expenses on the Project to date to a maximum of AUD\$125,000 (GBP72k);
 - b. The issue of AUD\$400,000 (GBP231k) equivalent of shares in AME at a price of GBP0.021888 per share upon the transfer of 80% of Matilda shares to AME;
2. Deferred Consideration
 - a. A milestone payment with the issue of AUD\$500,000 (GBP289k) equivalent of shares in AME upon the establishment of a JORC Inferred Resource of 150Mt @ 3% THM;
 - b. A milestone payment with the issue of AUD\$500,000 (GBP289k) equivalent of shares in AME upon the establishment of a JORC Indicated Resource of 350Mt @ 3% THM;
 - c. A milestone payment with the issue of AUD\$500,000 (GBP289k) equivalent of shares in AME upon the establishment of a JORC Indicated Resource of 500Mt @ 3% THM;
 - d. Where AME shares are issued in satisfaction of any Deferred Consideration, the number of AME shares to be issued shall be determined by reference to the volume weighted average price of AME's shares for 30 dealing days prior to the date upon which the relevant Deferred Consideration is payable.
3. Other Information
 - a. The remaining 20% shareholding will be free carried until the point of decision to carry out a Definitive Feasibility Study. When this point is reached the 20% shareholder can either: (i) contribute in proportion to his shareholding at that time; (ii) become diluted in accordance with a pre-determined methodology; or (iii) sell his shareholding pro rata to the Project value;
 - b. AME is expected to spend AUD\$450,000 (GBP260k) on exploration in the first 12 months of owning Matilda; and
 - c. Completion is conditional on the finalisation of certain legal formalities in the UK and Mozambique and is anticipated to occur within [three] weeks of execution of the agreement.

Substantial transaction

The acquisition of the 80% interest in Matilda constitutes a substantial transaction under AIM Rule 12. As at 28 August 2013, the pro forma carrying value of Matilda was USD838 (GBP541 unaudited). The low carrying value is reflective of the nominal amount of equity

used to set up Matilda which has been funded by shareholder loans since incorporation. No further disclosures are required under Schedule Four of the AIM Rules.

Mozambique Mineral Sands

Based on extensive heavy mineral sand deposits located along most of the 2,700km long coastline, Mozambique has the potential to grow as one of the world's foremost producers of titanium and zirconium minerals. The country is currently the world's fourth largest producer of titanium feedstocks and the fifth largest producer of zircon. Furthermore, in Mozambique, FTSE 250 listed Kenmare Resources Plc has developed the producing Moma Mine, which has a Proved and Probable Ore Reserve of 869Mt @ 3.7% THM and a Measured Indicated and Inferred Mineral Resource of 7.4Bt @ 2.9% THM. Other large deposits, which further confirm the Mozambique's prospectivity, include the Chibuto heavy sands deposit, which averages 4% THM, has a reserve of 72 million tonnes of ilmenite, 2.6 million tonnes of zircon and 400,000 tonnes of rutile and Rio Tinto's Mutamba and Mutamago deposits, which combined have an exploration target of 7-12 billion tonnes at 3-4.5% THM.

About Mozambique

Mozambique has seen significant investment in recent years into both the minerals and energy sectors. Coal has led the way, with large investments in world-class deposits in Tete in progress. Following coal, additional commodities including mineral sands, gold, rare earth minerals and semi-precious stones are being developed. Given that geological mapping is far from complete, and exploration is still in its early stages, the Directors believe it is very likely that more commercial discoveries will be made.

In addition to the abundance of the minerals, Mozambique has relatively inexpensive energy (derived from hydroelectricity, natural gas and, in the near future, thermal coal), excellent natural ports and a motivated and available workforce. The Mozambican Government has a proven commitment to create the conditions necessary to bring mines in the country into production, recognising this as a high national priority.

Appendix 1 - Sampling

During the site visit in May 2013 by AME personnel a series of 10 near surface samples (Table 1) were taken from within the tenement holdings to confirm the presence of heavy minerals within the tenement area. The samples were taken either from small holes dug to at least 50cm depth or face samples from sand pits if they were available.

In addition to the surface sampling conducted by AME, on site access was provided to the samples from the 2011 auger sampling programme completed by Matilda. The samples were of very poor quality and only the first holes (Pronto 1-8) were available for testing. Furthermore, due to budget limitations, the samples from the 2011 auger sampling

programme were not assayed. AME composited the samples and collected a representative 2kg sample for analysis and testing. Confidence in these samples is uncertain due to inadequate QA/QC procedures, but local representatives confirmed that the samples were from the Matilda tenement area.

Company	Sample ID	Latitude		Longitude		THM%	Slimes%
		degrees	minutes	degrees	minutes		
AME	MN001	24	16.21	35	18.913	1.5%	10.2%
AME	MN002	24	16.285	35	19.515	1.8%	4.2%
AME	MN003	24	16.691	35	20.323	2.3%	1.2%
AME	MN004	24	16.691	35	20.323	18.1%	5.8%
AME	MN005	24	13.39	35	12.498	0.8%	10.7%
AME	MN006	24	12.747	35	11.296	0.8%	3.6%
AME	MN007	24	11.498	35	15.842	2.5%	3.3%
AME	MN008	24	9.982	35	12.416	0.5%	3.7%
AME	MN009	24	8.985	35	11.471	0.7%	2.0%
AME	MN010	24	8.408	35	12.122	0.5%	4.2%
Matilda	Pronto001	24	10.45	34	59.30	1.6%	9.8%
Matilda	Pronto002	24	10.23	35	0.047	1.9%	12.8%
Matilda	Pronto003	24	10.43	35	0.123	2.2%	14.0%
Matilda	Pronto004	24	12.449	35	11.165	4.7%	5.3%
Matilda	Pronto005	24	10.43	35	14.40	2.4%	17.2%
Matilda	Pronto006	24	13.00	34	49.235	2.5%	10.0%
Matilda	Pronto007	24	56.092	35	59.11	2.6%	9.6%
Matilda	Pronto008	24	13.24	35	12.297	0.2%	52.6%

Table 1. AME Surface Sampling

Notes: 1. THM = Total Heavy Minerals

2. HM determined by TBE heavy liquid separation at a nominal SG 2.96

3. Slimes is the fraction less than 45 microns in size

Competent Person

Dale Ferguson: The technical information related to Exploration Results contained in this Announcement has been reviewed and approved by Mr D. Ferguson. Mr Ferguson has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity to which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Ferguson is a consultant to African Mining & Exploration Plc and Member of the Australasian Institute of Mining and Metallurgy. Mr Ferguson consents to the inclusion in this Announcement of such information in the form and context in which it appears.

Notes

¹[http://www.riotinto.com/documents/ReportsPublications/Titanium mineral sands exploration target in Mozambique.pdf](http://www.riotinto.com/documents/ReportsPublications/Titanium_mineral_sands_exploration_target_in_Mozambique.pdf)

****ENDS****

For further information please visit www.ameplc.co.uk or contact:

David Archer	African Mining & Exploration plc	Tel: +44 (0)77 4777 7911
James Maxwell / Jenny Wyllie	N+1 Singer	Tel: +44 (0)20 7496 3000
Felicity Edwards/ Charlotte Heap	St Brides Media & Finance Ltd	Tel: +44 (0)20 7236 1177