



Sable Mining Afr.Ltd

Oversubscribed Offering to Raise GBP17.1 million

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Sable Mining Africa Limited
30 October 2013

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**30
2013**

October

**Sable Mining Africa Limited
AIM : SBLM**

NEWS RELEASE

RESULT OF OFFERING

UPSIZED AND OVERSUBSCRIBED OFFERING TO RAISE £17.1 MILLION

Sable Mining Africa Limited ("**Sable Mining**" or the "**Company**") announces that in connection with its offering announced on 29 October 2013, it has entered into a placing agreement (the "**Placing Agreement**") with GMP Securities Europe LLP (the "**Bookrunner**") and direct subscription agreements with certain investors ("**Direct Subscription Agreements**") to raise in aggregate £17.1 million (approximately US\$27.5 million) before expenses from the issue of 180,000,000 ordinary shares of no par value (the "**Placing Shares**") at a price of £0.095 per Share (the "**Offering Price**") (the "**Offering**").

The net proceeds of the Offering will be applied to the continued development of the Company's Nimba Iron Ore Project in south-east Guinea ("**Nimba**"), including the completion of a Bankable Feasibility Study, and for general corporate purposes.

Nimba has a current JORC Resource of 135.5 million tonnes at 59.4% iron, making it the second largest undeveloped on- or near-rail Direct Shipping Ore ("**DSO**") project to be held outside the major mining companies in West Africa. Sable Mining, through its 80% owned subsidiary West African Exploration SA, has made considerable recent progress towards production, as evidenced by the recent grant

by the Republic of Guinea of both a mining licence and an export authorisation for Nimba. As investors are aware, Nimba benefits from significant DSO mineralisation at surface and simple metallurgical properties, which have indicated that simple crush and screen processing could be applied, with no beneficiation, suggesting low cost production and low capital costs.

The closing of the Offering remains subject to certain conditions including, but not limited to the admission of the Placing Shares to trading on AIM and the Placing Agreement not having been terminated.

Application will be made today to the London Stock Exchange for the Placing Shares to be admitted to trading with effect from 5 November 2013 ("**Admission**"). The Placing Shares will represent approximately 16.2% of the Company's enlarged issued share capital after Admission, which enlarged issued share capital will then comprise 1,108,473,474 ordinary shares of no par value.

By virtue of its substantial shareholding in the Company Ashendon Investments Inc ("**Ashendon**") is considered to be a related party of the Company within the meaning of the AIM Rules. Pursuant to a Direct Subscription Agreement Ashendon has agreed to purchase 26,315,000 Placing Shares in the Offering, at the Offering Price, which participation constitutes a related party transactions pursuant to AIM Rule 13 (the "**Related Party Transaction**"). The directors of the Company consider, having consulted with Cantor Fitzgerald Europe, the Company's nominated adviser, that the terms of the Related Party Transaction are fair and reasonable insofar as its shareholders are concerned.

Sable Mining CEO Andrew Groves said, "I am delighted by the support received from existing shareholders and new investors for the Offering, which was upsized and oversubscribed. Sable is now well funded for the delivery of a Bankable Feasibility Study for the Nimba Iron Ore Project and to push forward with the development of the asset towards production.

"Nimba continues to differentiate itself from its West African peers. With a significant high grade DSO resource of 135.5 million tonnes already demonstrated, combined with the mining licence, export authorisation and existing rail infrastructure nearby, we are confident that Nimba can be developed into a world-class, low-cost mine."

Forward Looking Statements:

Certain information in this Announcement relating to Sable Mining is forward-looking and related to anticipated events and strategies. When used in this context, words such as "will", "anticipate", "believe", "plan", "intend", "target" and "expect" or similar words suggest future outcomes. By their nature, such statements are subject to significant risks and uncertainties that may cause actual results or events to differ materially from current expectations, including: risks normally incidental to exploration and development of mineral properties; uncertainties in the interpretation of results from drilling and test work; the possibility that future exploration, development or mining results will not be consistent with expectations; regulatory, judicial, quasi-judicial and government decisions; the possibility that the Placing Agreement will be terminated and the Company will not complete the Offering; economic conditions; availability and cost of financing; estimates of capital and operating costs and start-up costs; implementation of plans regarding construction activities; and future unforeseen liabilities and other factors including, but not limited to, those listed under "Risk Factors" in the Sable Mining Admission Document, a copy of which is available at www.sablemining.com/documents/admission-document.pdf. Readers are cautioned not to place undue reliance on forward-looking statements as actual results could

differ materially from the plans, expectations, estimates or intentions expressed in the forward-looking statements. Forward-looking information speaks only as of the date on which it is made and, except as may be required by applicable law, Sable Mining disclaims any obligation to update or modify such forward-looking information, either as a result of new information, future events or for any other reason.

The material set forth herein is for informational purposes only and does not constitute an offer of securities for sale in the United States or any other jurisdiction in which such an offer or solicitation is unlawful. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or the laws of any state, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state laws. No public offering of securities will be made in the United States.

The securities offered pursuant to the Offering are only being offered to persons in the United Kingdom who are "qualified investors" within the meaning of Section 86(7) of the U.K. Financial Services and Markets Act 2000 ("**FSMA**") and who fall within the categories of persons referred to in Article 19 (Investment professionals) or Article 49 (high net worth companies, unincorporated associations, etc.) of the FSMA (Financial Promotion) Order 2005.

For further information please visit www.sablemining.com or contact:

Andrew Groves	Sable Mining Africa Ltd	Tel: 020 7408 9200
Richard Greenfield	GMP Securities Europe LLP	Tel: 020 7647 2836
David Foreman	Cantor Fitzgerald Europe	Tel: 020 7894 7000
Stewart Dickson	Cantor Fitzgerald Europe	Tel: 020 7894 7000
Andy Cuthill	Peat & Co.	Tel: 020 3540 1722
John Beaumont	Peat & Co.	Tel: 020 3540 1723
Susie Geliher	St Brides Media & Finance Ltd	Tel: 020 7236 1177
Charlotte Heap	St Brides Media & Finance Ltd	Tel: 020 7236 1177

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