



Sable Mining Afr.Ltd

PFS & Maiden JORC Reserve, Nimba Iron Ore Project

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Sable Mining Africa Limited ('Sable Mining' or 'the Company')
PFS & Maiden JORC Reserve Supports Premium DSO Production at Low
Capital Intensity at Nimba Iron Ore Project, South-East Guinée

Sable Mining, the AIM listed resource company, is pleased to announce the completion of a positive Preliminary Feasibility Study ('PFS') conducted on the Company's Nimba Iron Ore Project in South-East Guinée ('Nimba' or 'the Project'). In conjunction with the development of the PFS, an initial maiden JORC Reserve of 53.96Mt at a grade of 61.6% iron ('Fe') has been calculated from the August 2013 JORC Resource of 135.5Mt @ 59.4% Fe. This resource has now been updated in November 2013 to 178.4Mt and the reserving process is expected to increase proportionately.

Key findings of the PFS:

○ Production rate	3Mtpa
○ Life of Mine (based on current Resource)	+25 years
○ Capital cost to production	\$299.3 million
○ Operating costs:	
○ FOB Port Buchanan (Panamax direct loading - Europe)	\$44/t
○ FOB Port Buchanan (Transshipment plus Capesize - Asia)	\$49/t
○ Product quality	61.6% Fe
○ Lump : Fines : LG fines ratio	50% : 35% : 15%
○ Strip ratio (waste:ore)	0.1:1
○ Timeline for Bankable Feasibility Study	H2 2014
○ Targeted commencement of production	Q1 2016
○ Production ramp-up	
○ Year 1	1.5Mtpa
○ Year 2	3.0Mtpa

Sable Mining CEO Andrew Groves said, "This is a highly positive PFS which provides a tangible insight into the value of Nimba. The Project has demonstrated itself to be a commercially attractive high DSO grade iron ore development project, and to this end, our objective remains to accelerate its advancement into production within the next 24 months. The PFS underscores the main value drivers that we have been focussing on; high grade ore and low capital cost. It is important to note the comparatively low capex of \$299.3 million to bring Nimba into production, which includes a \$39.7 million contingency, a key differentiator which sets this project apart from many other iron ore development projects.

"The maiden JORC Reserve underpinning the PFS represents only a fraction of the Company's current JORC Resource of 178.4Mt, which in turn only covers an area of Plateaux 2 and 3. With this in mind, the parameters of the PFS have significant potential to be enhanced, as additional tonnage is proved up and converted to a Reserve category, in addition to further exploration potential from the as yet undrilled Plateau 1.

"Our sights are firmly set on achieving the additional operational and corporate milestones to bring Nimba into production. We are expecting a further Resource upgrade in the near future, the development and publishing of a Definitive/Bankable Feasibility Study in H2 2014 and securing the additional key elements of our intended logistics chain in the coming months."

Introduction to the PFS

Xstract Mining Consultants Pty Ltd ("Xstract") conducted a Detailed Scoping Study/ Pre-feasibility Study ("PFS") on Nimba and completed the report in February 2014. The study shows a realistic project concept and robust economics, based on the August 2013 JORC Resource (subsequently upgraded) and preliminary engineering. The overall economic indicators showed this potential with limited estimated uncertainty risk and significant opportunity to further improve the project outcomes. Based on the proposed engineering design, the costs of infrastructure and equipment was estimated at an overall weighted average +/- 35% accuracy, although a number of these cost elements are to a higher level of accuracy and are based on vendor quotes.

Maiden JORC Compliant Ore Reserve

In conjunction with the development of the PFS, an initial maiden JORC Reserve of 53.96Mt at a grade of 61.6% Fe has been declared as follows:

Table 1.1: Nimba Iron Ore Project classified reserve statement (JORC 2004)

Probable Reserve	Tonnes	Fe (%)	SiO2 (%)		P (%)	LOI (%)
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				Al₂O₃		
				(%)		
Lump	27,154,938	63.1	2.1	2.3	0.08	5.7
Fines	19,372,927	62.0	3.0	2.0	0.08	4.5
Low Grade Fines	7,432,314	55.2	4.9	6.2	0.08	8.1
Total	53,960,179	61.6	2.8	2.7	0.1	5.6

The maiden Reserve was derived from only the Indicated component of the Resource declared in August 2013 as summarised in Table 1.2. The maiden Reserve did not benefit from the subsequent Resource upgrade declared in November 2013 as set out in Table 1.3.

Table 1.2: Nimba Mineral Resource (August 2013)

Category	Fe Cut-off (%)	Tonnes (Mt)	Bulk density (t/m ³)	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	LOI (%)
Indicated	40	90.7	2.65	59.6	4.2	3.9	0.08	6.2
Inferred	40	44.8	2.65	58.9	4.5	4.4	0.08	6.6
Total	40	135.5	2.65	59.4	4.3	4.0	0.08	6.3

Table 1.3: Nimba Mineral Resource (November 2013)

Category	Fe Cut-off (%)	Tonnes (Mt)	Bulk density (t/m ³)	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	LOI (%)
Indicated	40	134.4	2.65	59.4	4.5	3.9	0.08	6.1
Inferred	40	44.0	2.64	57.7	4.7	5.2	0.08	7.2
Total	40	178.4	2.65	59.0	4.6	4.2	0.08	6.4

A further upgrade to the JORC Resource, which will include results from an area of Plateau 3 is expected for publication in Q2 2014.

Development Concept

The development concept for Nimba envisages a staged development and production build up approach with a production ramp-up of DSO targeting the upper consolidated material to produce a high quality lump and fines product based on:

- Two mobile plants to produce 3Mtpa of lump and fines DSO product;
- An open pit, truck and shovel mining from multiple open pits for selective mining and blending;
- Road haul from the mining operation located on P2 & P3 on the south-east of Mount Nimba, to a transfer yard near Yekepa in Liberia approximately 65km from the mine, where the DSO ore will be stockpiled and loaded onto rail wagons;

- Rail from Yekepa along 18k refurbished rail section to connect to the existing shared rail line at Tokedah to Port Buchanan;
- Port stockpiling and ship loading at Buchanan;
- The project study provides for supporting infrastructure at the mine, camp, transport route and port.

To view the general mine layout for the initial 3Mtpa DSO production build-up at Nimba please use the following link:

http://www.rns-pdf.londonstockexchange.com/rns/2913B_-2014-3-2.pdf

Product Specification

The product specifications of Nimba lump and fines are shown below in Table 1.6. Both lump and fines products are competitive against the listed competitor product specifications with the silica content very low. Alumina is mid-range between Australian and Indian ores.

Table 1.4: Product specification for the Nimba DSO production operation including comparison with competitor product specifications and the three major fines index

Product	%Fe	%SiO ₂	%Al ₂ O ₃	S+A ⁺	%P	%LOI
Sable Nimba Lump	63.0-63.5	2.0-2.5	2.0-2.5	4.5-5.5	0.06-0.08	5.0-6.0
MAC lump [#]	62.4	3.1	1.3	4.4	0.07	5.9
NHGL [#]	63.6	4.0	1.4	5.4	0.07	3.2
Sesa Goa~	62.7	2.5	2.5	5.0	0.03	
Sesa Goa~	61.3	3.0	3.3	6.3	0.05	
Sable Nimba Fines	61.0-62.0	2.5-3.0	2.5-2.8	5.0-5.5	0.06-0.07	5.0-5.5
MAC fines [#]	61.0	4.0	2.2	6.2	0.08	6.0
NHGF [#]	62.7	4.3	2.3	6.6	0.08	3.3
Sesa Goa~	63.3	3.0	2.5	5.5	0.06	
Sesa Goa~	61.3	4.5	3.0	7.5	0.06	
Carajas~	64.7	2.8	1.1	3.9	0.03	2.2
Index						
Platts 62%~	62	4.5	2.0	6.5	0.08	
TSI 62%~	62	4.0	3.5	7.5	0.07	
MB 62%~	62	3.5	2.0	5.5	0.05	4.7

Table is based on estimated lump and fines from metallurgical test work, selective mining and resource modelling as of July 2013.

[#] data from BHPB 2012 product specification

⁺ silica plus alumina

~ company website

Environmental

An initial environmental study and sampling has shown no material impact on the environment. Forested and lowland areas are located primarily in

the valleys which are not the targeted mining areas. Mining pits and infrastructure are designed to avoid any forested areas, rivers, springs, drainage lines or their flood zones. The detailed environmental study is underway, and the mining permit has been approved subject to completion and acceptance of the environmental study and management plan.

Bankable Feasibility Study ('BFS')

The Company is in the final stages of appointing a leading mining consultancy based in Johannesburg, to lead the development of the BFS. The BFS is targeted for publication in H2 2014.

The summarised information in this announcement together with any related assessments and interpretations has been reviewed by Xstract Mining Consultants' Kevin Lowe (Principal Geologist) for resources, by Trevor McIlwaine (Manager Mining) for reserves, and Patrick Rice (Manager & Principal Geologist) for content of the announcement, who confirm it is in accordance with the facts which are detailed in the relevant study reports, and it is in accordance with the guidelines and reporting terminology given in the JORC Code (2004). Lowe, McIlwaine and Rice are all Qualified Persons in terms of AIM rules.

**** ENDS ****

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