



Sable Mining Afr.Ltd

Agreement to Utilise Established Rail Corridor

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Sable Mining Africa Limited

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Sable Mining Africa Limited ('Sable Mining' or 'the Company') Agreement to Utilise Established Rail Corridor to Port of Buchanan

Sable Mining Africa Ltd, the AIM listed iron ore exploration and development company, is pleased to announce that West Africa Exploration S.A. ('WAE'), its 80% subsidiary, has signed an Infrastructure Development Agreement ('IDA') with the Government of Liberia relating to the development, ownership rights, financing, use and operation of rail and port infrastructure in the Republic of Liberia necessary to facilitate the export of iron ore from the Company's flagship asset, the Nimba Iron Ore Project in south-east Guinea ('Nimba' or the 'Project'), through Liberia utilising the established rail line from Yekepa to the Port of Buchanan. A press release prepared by the Government of the Republic of Liberia is published below.

Overview:

- Landmark agreement signed between the Government of Liberia and WAE, for a 25 year IDA relating to the export of Guinean-based natural resources through Liberia to the Port of Buchanan from Nimba.
- Provides a framework for (amongst other matters):
 - the granting and obtaining of additional rights necessary to implement the Liberian aspects of the Project; and
 - the rehabilitation and expansion of the existing rail corridor from Yekepa (30km from the Project), to the Port of Buchanan.
- In the context of the Project's development, signing of the IDA complements and builds upon the grant of Mining Licence and Export Decree by the Government of Guinea in September and October 2013, respectively (which authorise WAE to mine iron ore from Nimba and export through Liberia to the Port of Buchanan).

Sable Mining Chief Executive Andrew Groves said, "The signing of this IDA is truly a momentous occasion for Sable Mining and the countries of Guinea and Liberia and is the result of many months of hard work by the Company, its partners, and numerous Government ministers, staff and representatives in both Liberia and Guinea. I wish to thank all those parties involved, and especially Her Excellency the President of the Republic of Liberia, Ellen Johnson Sirleaf, and His Excellency the President of Guinea, Alpha Condé, who have both had the vision to recognise and champion the importance of regional co-operation to facilitate resource and economic development for the benefits it will bring to both of their countries.

"The significance of the IDA will be felt across the West African region, as it paves the way for the development of Nimba which, when in production, will generate significant revenue, employment opportunities and tax income. The spirit of co-operation between these two countries has not only meant a defined development path can be put in place for this strategic asset but also provides a clear signal to other international enterprises that the Mano River Union region is an attractive investment destination.

"On a project specific basis, the use of Liberian based infrastructure for export means that, compared to its peer group, Nimba's capex requirement is greatly reduced. Nimba has demonstrated itself to be a unique iron ore asset with excellent commercial potential even during periods of depressed spot prices. It is high grade, high tonnage DSO and has simple mining and processing methods. Nimba therefore displays many of the key attributes which position it as an attractive asset to move through to production in the near term. These key differentials, coupled with an established export solution and the support and co-operation of both the Government of Liberia and the Government of Guinea, clearly distinguishes Nimba as a high priority target for investment and development."

Press Release - Government of Liberia

GOVERNMENT OF LIBERIA SIGNS AGREEMENT WITH SABLE MINING AFRICA LIMITED FOR THE TRANSHIPMENT OF MINERALS FROM GUINEA THROUGH THE PORT BUCHANAN

On Friday, January 23rd, 2015, the Government of Liberia (GoL) represented by the Chairman of the National Investment Commission and other Government representatives of the Inter-Ministerial Concession Committee (IMCC), which includes the Minister of Lands, Mines & Energy, the Minister of Transport, the Minister of Finance & Development Planning, the Minister of Justice and the office of the legal advisor to the President, and West Africa Exploration SA (WAE) / Sable Mining Africa Limited (Sable Mining) signed a twenty-five (25) year Infrastructure Development Agreement (IDA) for the export of Guinean-based natural resources through Liberia, from WAE's Mount Nimba project.

The Government, represented by the Chairman of the IMCC, Hon. George G. Wisner, believes that the signing of an IDA represents an historic moment in a process which dates as far back as July 14, 1973 when Liberia and Guinea first signed a protocol paving the way for a transshipment of minerals between the two countries. The total anticipated investment in WAE's Mount Nimba project is valued at about 1.3 Billion United States Dollars (USD) over a twenty five year period. WAE/Sable Mining will invest USD300M in the first 5 years of its initial program and thereafter 1Bn in the remaining years of its operation.

WAE is expected to begin implementation in 2015 as soon as practicable after the IDA is consummated by the National Legislature. Thereafter, as necessary, WAE will rehabilitate and expand the existing rail corridor from the Yekepa to the Port of Buchanan in keeping with the use of third party access rights between the Government and Arcelor Mittal Liberia. WAE will also, in due course, construct a new section of railway line from Guinea to Tokadeh to Yekepa to join the existing railway in Yekepa.

Following the ratification and publication of the agreement into law, WAE will pay a signature fee of USD250,000. On an annual basis, commencing on the first anniversary of the "Date of First Commercial Operations", WAE shall make an annual contribution to the Government to a social fund for the affected counties (the annual amount of this contribution being not less than USD2.5M. WAE will also pay to the GoL a variable annual concession fee for the transshipment of iron-ore products through Liberia - once exports commence - ranging from USD1.5M to USD5M per annum (based on tonnages exported ranging from 0M/ton to 10M/ton per annum) and will pay all other taxes and duties as set out in a fiscal agreement between the GoL and WAE.

In keeping with the Agenda for Transformation (Aft) and the Economic Recovery Plan (ERP), the Government has ensured that the IDA socially obligates WAE, to - among other things - give first priority to qualified Liberians in terms of employment, help improve access to education and health care, give preference to Liberian suppliers in terms of procurement, and obey the Environmental Laws of Liberia.

The GoL also wishes to acknowledge that the agreement seeks to affirm the Mano River Union (MRU) declaration which aims to expand economic development through enhanced regional cooperation and cross border trade.

****ENDS****

For further information please see the Government of Liberia's Official Online Portal (<http://www.micatliberia.com/index.php/blog/latest-news/2368-liberia-sable-mining-sign-1-3b-ore-deal.html>) or www.sablemining.com or contact:

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