



## Sable Mining Afr.Ltd

# Sale of non-core assets for US\$1.98 million

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### **Sable Mining Africa Ltd ('Sable Mining' or 'the Company') Sale of non-core assets for US\$1.98 million**

Sable Mining, the AIM listed exploration and development company, is pleased to announce that it has today completed transaction agreements (the 'DMC Transaction') which will monetise its interests in the Rietkuil coal project ('Rietkuil') in South Africa. Separately the Company announces a recent sale of non-core interests in Liberia.

#### **Highlights**

- Total cash of US\$1.98 million generated through the disposal of non-core assets
- Sale of the long term Rietkuil coal asset for immediate cash consideration of US\$1.28 million
- Restructured debt arrangements relating to Rietkuil creates future revenue stream potential of up to US\$18.6m
- Sale of interest in joint venture company for immediate cash consideration of US\$700,000
- Disposals are in line with the Company's focus on advancing its Nimba Iron Ore Project and generating value from its wider asset portfolio

Under the DMC Transaction, Sable Mining has sold its 63.5% shareholding interest in the Rietkuil project's owner, Delta Mining Consolidated Limited ('DMC'), to Anglo African Capital Limited, a South African company which plans to take Rietkuil through to production, for an immediate cash consideration of US\$1.28 million.

In addition, as part of the DMC Transaction Sable Mining has negotiated a debt restructure agreement, pursuant to which its existing DMC debt balances (of approximately US\$18.6 million plus interest which continues to accrue at LIBOR + 2%) will be repaid on a priority quasi-royalty basis from the project's operations. The

quasi-royalty debt repayments will be made on a quarterly basis at a rate of US\$1.20 (or ZAR equivalent) per tonne of coal products sold from Rietkuil.

Sable Mining has also recently completed the sale of its 60% interest in Salmec Resources Ltd ('Salmec'), a Liberian company which originally held exploration rights for gold and iron ore, from which the iron ore rights have been separated and retained by Sable, for an immediate cash consideration of US\$700,000.

The sale of these non-core assets is in line with the Company's strategy, which is to focus on and rapidly advance its world-class Nimba Iron Ore Project in Guinea whilst assessing opportunities to generate value from its wider asset portfolio.

Sable Mining CEO Andrew Groves said, "Nimba is a world class DSO mining asset, which requires modest capital expenditure to bring it into production in the near term, and with this in mind, it justifiably remains Sable Mining's absolute priority. These transactions are the result of a strategic review of our wider portfolio, as we look to generate value from these other non-core investments. Through the disposal of our interests in DMC and Salmec, the Company will receive an immediate cash injection, whilst the renegotiated debt repayment terms relating to Rietkuil will provide additional upside on a quasi-royalty basis, without further expenditure being required from the Company to progress the development of the project. We wish the Anglo African Capital team the best of luck and look forward to following their progress as they seek to take Rietkuil into production and capitalise on the evolving energy and power dynamic in southern Africa."

**\*\* ENDS \*\***

For further information please visit [www.sablemining.com](http://www.sablemining.com) or contact:

Andrew Groves	Sable Mining Africa Ltd	Tel: 020 7408 9200
David Foreman	Cantor Fitzgerald Europe	Tel: 020 7894 7000
Stewart Dickson	Cantor Fitzgerald Europe	Tel: 020 7894 7000
Richard Greenfield	GMP Securities	Tel: 020 7647 2836
Hugo de Salis	St Brides Partners Ltd	Tel: 020 7236 1177
Charlotte Heap	St Brides Partners Ltd	Tel: 020 7236 1177

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