



**African Mining &
Exploration plc**

INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2013

AFRICAN MINING & EXPLORATION PLC

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AFRICAN MINING & EXPLORATION PLC

COMPANY INFORMATION

Directors:	D S Archer Professor M Johnson M C Jones C Cannon-Brookes	Executive Director Non-Executive Chairman Non-Executive Director Non-Executive Director
Secretary:	S F Ronaldson 55 Gower Street London WC1E 6HQ	
Registered office:	Third Floor 55 Gower Street London WC1E 6HQ	
Registered number:	07307107 (England and Wales)	
Auditors:	BDO LLP 55 Baker Street London W1U 7EU	
Bankers:	NatWest Bank Plc St James' & Piccadilly Branch PO Box 2DG 208 Piccadilly London W1A 2DG	
Nominated advisor & broker	N+1 Singer One Bartholomew Lane London EC2N 2AX	
Solicitors:	Ronaldsons LLP 55 Gower Street London WC2E 6HQ	
Registrars:	Share Registrars 9 Lion and Lamb Yard Farnham Surrey GU9 7LL	
Website:	www.ameplc.co.uk	

AFRICAN MINING & EXPLORATION PLC
OPERATIONAL HIGHLIGHTS
FOR THE SIX MONTHS ENDED 30 JUNE 2013

Overview

We are pleased to report that since we released our 2012 Annual Report in May, we have made significant progress in transforming the Company from a single country, West African focussed gold explorer towards holding a portfolio of resource projects in different geographies. The transition is led by a globally experienced Board and management team with extensive experience in the resources industry, including David Archer who was appointed to the Board in May 2013, made a substantial cash investment in the Company in July and became CEO in August.

The significant developments in the Company's portfolio transformation are:

- in August 2013 the Company announced the conditional agreement to divest its subsidiary, AME West Africa Ltd ("AME West Africa"), to Alecto Minerals Plc ("Alecto") (including the Kossanto Gold Project ("Kossanto")). The agreement allows AME to retain an indirect exposure to Kossanto via a substantial (24.9%) shareholding in Alecto and a convertible loan note potentially convertible into approximately 5.9% of Alecto's expanded issued share capital; and
- in September 2013 the Company entered into an agreement to acquire of 80% of the share capital of Matilda Minerals Limitada ("Matilda"), the owner of a mineral sands exploration project in a world class mineral sands province in Mozambique.

To underline the Company's change in strategic direction it plans to change its name on 1 October 2013 to Savannah Resources Plc and received approval from shareholders to do so on 24 September 2013.

In June 2013 the Company announced a maiden JORC Inferred Resource of 107,000 oz gold at the Kossanto Project. This project is to be sold to Alecto (subject to Alecto receiving shareholder approval at a general meeting on 2 October 2013), an AIM listed African focussed resource exploration and development company, which is well placed to be able to further advance this project. This will enable AME to focus on expanding its resources portfolio with new investment opportunities.

Strategy

The change in strategy made by the Board in 2013, which sees the Company establishing itself as a multi-commodity resources company, is driven by the following key considerations:

- Through adversity comes opportunity and the straitened times in the junior exploration market has resulted in a marked reduction in competition for projects, providing a wider range of projects available for acquisition and investment;
- The capital expenditure moratoriums introduced by many of the majors is expected to provide opportunities to acquire quality projects at relatively advanced levels of development which may become available at low cost and so the Company is positioning itself to be able to take advantage of such opportunities;
- Holding a portfolio of resources investments, featuring both passive strategic holdings and projects directly managed by the Company; and

- Active investment strategy in place to further develop the business and build shareholder value through strategic acquisitions, value-adding techniques including drilling and resource definition, and timely divestments.

Acquisition of Matilda Minerals Limitada (80%)

In September 2013 the Company entered into an agreement to acquire an 80% shareholding in Matilda Minerals Limitada ('Matilda'), a privately owned Mozambican heavy mineral sands explorer. Matilda holds the highly prospective 180km² Jangamo tenement ("Jangamo" or "Jangamo Project") which is located in a world class mineral sands province in Southern Mozambique. 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.

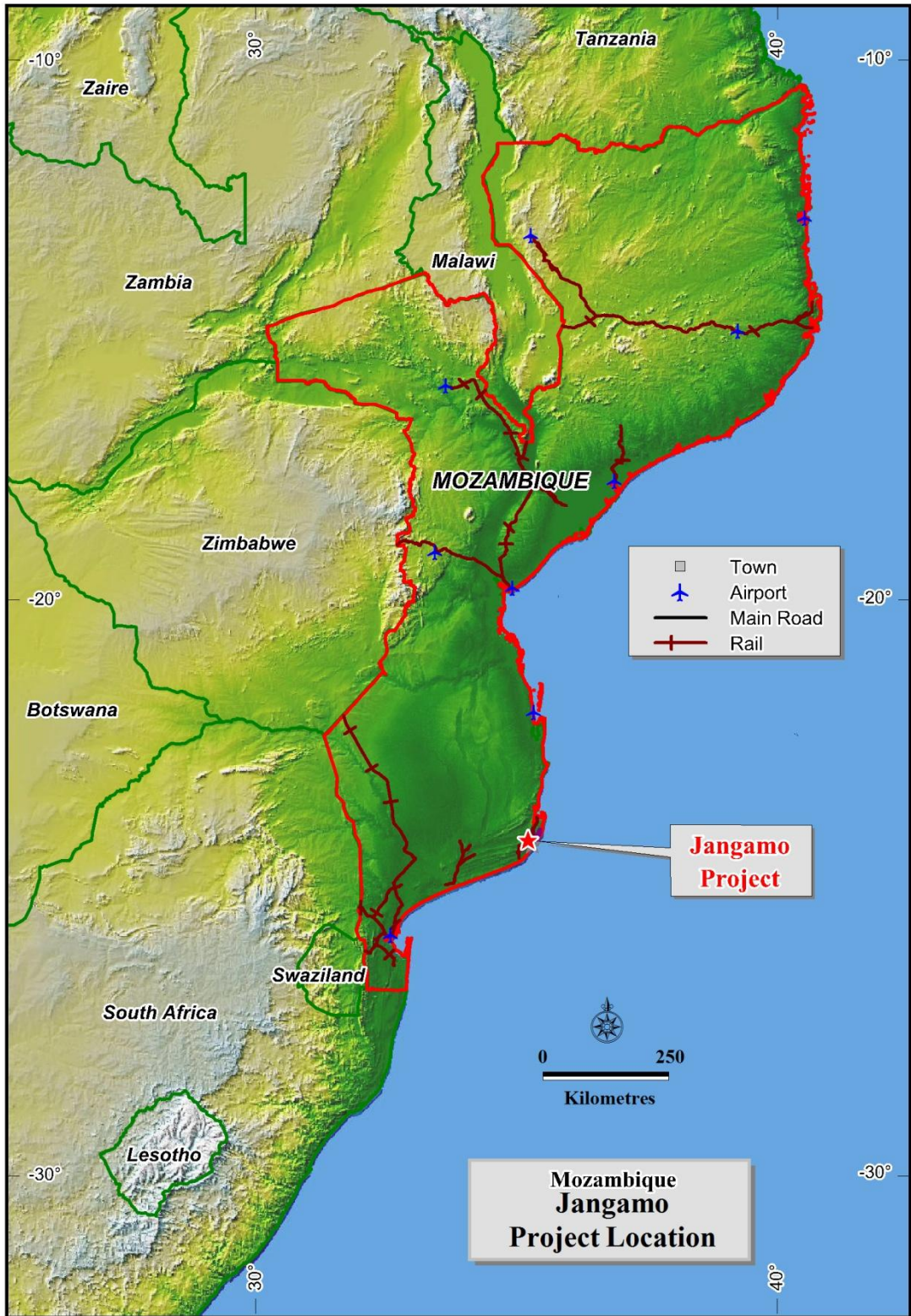
Jangamo lies immediately to the west of Rio Tinto's ('Rio') Mutamba deposit, one of two major deposits Rio has defined in Mozambique, which collectively have an exploration target of 7-12 billion tonnes at 3-4.5% THM (published in 2008). Importantly, exploration work conducted at the Jangamo to date indicates that its geology and geomorphology is similar to that of Rio's adjacent Mutamba deposit. Mozambique is currently the world's fourth largest producer of titanium feedstocks and the fifth largest producer of zircon.

The Jangamo 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.

In consideration for the 80% shareholding in Matilda, the Company will pay an initial sum of up to AUD125,000 (approximately £72,000) as a reimbursement of verified expenses on the project and AUD400,000 (approximately £231,000) equivalent in the Company's shares. Deferred consideration of AUD\$500,000 (approximately £289,000), payable in the form of shares, arises upon the achievement of each of three significant exploration milestones (3% THM JORC Inferred Resource of (a) 150Mt, (b) 350Mt and (c) 500Mt). 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. Completion is conditional on the finalisation of certain legal formalities in the UK and Mozambique and is anticipated to occur around the end of September 2013.

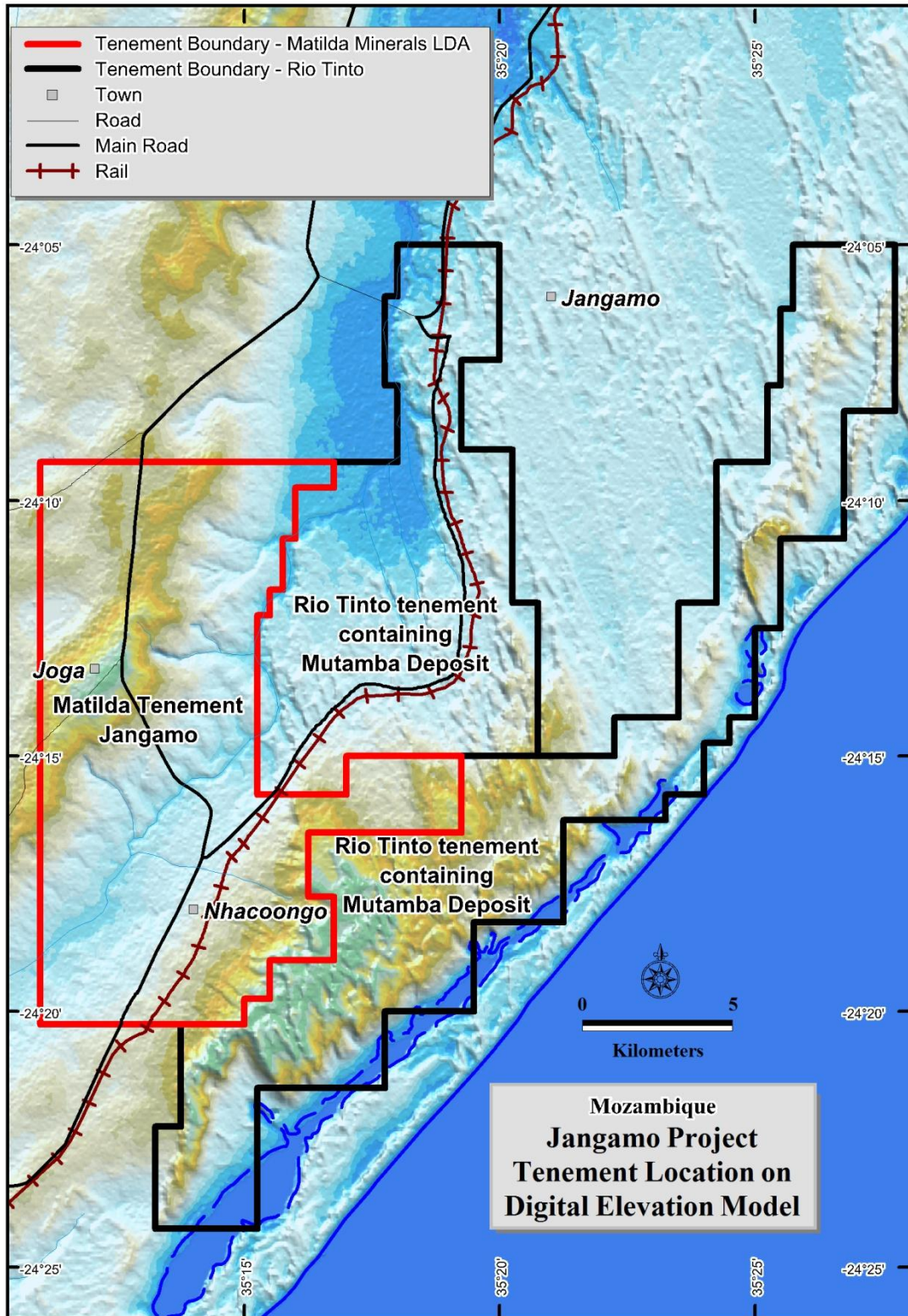
The Company is committed to ramping up exploration and envisages that it will spend up to AUD\$450,000 (approximately £260,000), subject to the availability of funds, on the permit in the next 12 months and plans to commence a drilling programme in November 2013.

AFRICAN MINING & EXPLORATION PLC
OPERATIONAL HIGHLIGHTS
FOR THE SIX MONTHS ENDED 30 JUNE 2013



Map 1 – Matilda Minerals’ Location in Mozambique

OPERATIONAL HIGHLIGHTS
FOR THE SIX MONTHS ENDED 30 JUNE 2013



Map 2 - Matilda Minerals' Jangamo Project Zoom In

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AFRICAN MINING & EXPLORATION PLC
OPERATIONAL HIGHLIGHTS
FOR THE SIX MONTHS ENDED 30 JUNE 2013

Divestment of AME West Africa Limited to Alecto

In August 2013 the Company entered into a conditional agreement with Alecto to sell its subsidiary AME West Africa Limited, which, through Caracal Gold Mali SARL ("Caracal"), holds six exploration permits in Mali including the Kossanto Gold Project. Alecto is an AIM listed resources company with a multi-commodity portfolio across highly prospective but under-explored regions of Africa (Mauritania and Ethiopia). The divestment allows AME to retain exposure to the Kossanto project (via a significant shareholding in Alecto) and eliminate the contingent obligations to make deferred consideration payments to Electrum (from whom the Company acquired the Kossanto project from) as well as associated project funding requirements. It also provides exposure to Alecto's exciting Ethiopian and Mauritanian exploration projects. Alecto is in a strong position to be able to further develop the Kossanto project, enabling AME to focus on expanding its resources portfolio with new investment opportunities.

The consideration payable to the Company for AME West Africa will be £1,250,000 equivalent of Alecto shares priced at 1.15p and it will also retain an existing net smelter royalty of 1% on the first 300,000 ounces gold produced from the AME West Africa permits. In addition, the Company has agreed to make a £500,000 strategic cash investment in Alecto through a £150,000 placing of new shares at a price of 1.15p and a £350,000 placing of 12 month Alecto convertible loan notes which are convertible at either party's option at a price of 1.15p per share and potentially represent approximately 5.9% of Alecto's expanded issued share capital..

It is intended that Mark Jones, who was the founder and CEO of the Company from 2010 until August 2013, will join the Board of Alecto as CEO in order to continue the development of the Kossanto Gold Project. Mark will also leave the Board of the Company on 30 September 2013.

Completion of the agreement is subject to the satisfaction of certain conditions including Alecto holding a general meeting of its shareholders to approve an increase in its share capital, the disapplication of pre-emption rights and the allotment of shares for non-cash consideration. This general meeting is scheduled for 2 October 2013 and completion of the transaction is expected very shortly thereafter. The assets of AME West Africa, including Caracal have been transferred into assets held for sale in the Consolidated Statement of Financial Position.

In May 2013 Alecto announced it had agreed Heads of Terms for a planned joint venture in Ethiopia which would be funded by Centamin Plc ("Centamin"), at the Wayu Boda Gold Project covering 945km² licence area in the Adola greenstone belt in southern Ethiopia, targeted at accelerating the project's development (rock chip samples have returned grades of up to 47.4 g/t au; 24km south of National Mining Corporations 'Dawa' 17Moz of gold discovery).

Exploration Update

Although Mali suffered a well-publicised coup d'état in March 2013 operations continued with minimal impact and recent elections have been completed with the appointment of former Prime Minister of Mali (1994 to 2000), Ibrahim Boubacar Keïta, as President of Mali from September 2013.

AFRICAN MINING & EXPLORATION PLC

**OPERATIONAL HIGHLIGHTS
FOR THE SIX MONTHS ENDED 30 JUNE 2013**

The Company's exploration has focussed primarily on the Kossanto Gold Project and has been rewarded with the confirmation of a maiden JORC resource. Specifically, following on from the December 2012 RC drilling programme at Kossanto, which identified a series of mineralised intercepts, the Company contracted Wardell Armstrong International to produce a resource estimate. The conclusion of their review was that, based on the exploration work done to date, there is an Inferred Resource of 2.35 million tonnes at a grade of 1.42 g/t, for 107,000 oz Au at a cut of grade of 0.5 g/t Au. The resource is near surface and is calculated using mineralised intercepts from the most intensively drilled central part of the 500m section of the drilling at Gourbassi East. Additional drilling will be required to include the remaining part of the block into a potentially enlarged mineral resource.

£500,000 Equity Investment

In July 2013 the Company entered into a share subscription agreement with David Archer who was issued with 16,666,668 new ordinary shares in the Company, at a price of £0.0225, for a consideration of £375,000 cash. Additionally, and following shareholder approval on 24 September 2013, he will shortly make a further subscription of £125,000 cash for 5,555,556 new ordinary shares in the Company, at a price of £0.0225. As part of the subscription agreement David Archer receives half a warrant for every share subscribed to (11,111,112 warrants). The warrants have an exercise price of £0.03 and an exercise period of five years.

Outlook

Following the change of strategic direction in 2013, which has resulted in the Company establishing itself as a multi-commodity resources company, the Board is confident that the resulting active investment strategy will further develop the business and build shareholder value through strategic acquisitions, value-adding techniques and timely divestments.

Upon completion of the divestment of AME West Africa, the Company's strategic holding in Alecto will take effect. As a result we expect to benefit from both the next stage of exploration at the Kossanto Gold Project, where additional drilling could lead to a potentially enlarged mineral resource, and also from the proposed joint venture between Alecto and Centamin in Ethiopia (to be funded by Centamin), for which Heads of Terms have been agreed.

The drilling program planned for November 2013, at the recently acquired Jangamo exploration project in a world class mineral sands province, is an exciting step in the Company's development and is further testament to the Board's desire to create shareholder value by establishing a leading multi-commodity resources company.

In line with the prudent management concepts, the Company regularly reviews its cash flow projections and will regularly assess the timing of potential future fundraising activity.

.....
Board of Directors
African Mining & Exploration Plc
Date: 24 September 2013

AFRICAN MINING & EXPLORATION PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2013

	Notes	Unaudited Six months to 30 June 2013 £	Unaudited Six months to 30 June 2012 £	Audited Year ended 31 December 2012 £
Continuing operations				
Revenue		-	-	-
Administrative expenses		(268,475)	(509,866)	(941,745)
Operating loss		(268,475)	(509,866)	(941,745)
Finance income		3,096	7,299	12,763
Loss for the period before tax		(265,379)	(502,567)	(928,982)
Taxation		-	-	-
Loss for the period from continuing operations		(265,379)	(502,567)	(928,982)
Discontinued operations				
Loss for the period from discontinued operations		(129,411)	-	(12,439)
Loss for the period attributable to equity owners of the parent		(394,790)	(502,567)	(941,421)
Other comprehensive income				
Exchange gains/(losses) on translating foreign operations		97,464	(66,673)	(30,298)
Other comprehensive income for the period		97,464	(66,673)	(30,298)
Total comprehensive income for the period attributable to the equity owners of the parent		(297,326)	(569,240)	(971,719)
Loss per share attributable to equity owners of the parent expressed in pence per share				
Basic and diluted				
From continuing operations	2	(0.32)	(0.60)	(1.10)
From discontinued operations	2	(0.15)	-	(0.02)
		(0.47)	(0.60)	(1.12)

AFRICAN MINING & EXPLORATION PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

	Notes	Unaudited 30 June 2013 £	Unaudited 30 June 2012 £	Audited 31 December 2013 £
Assets				
Non-current assets				
Intangible assets	4	1,665,990	1,415,737	2,086,667
Property, plant and equipment		-	188,320	177,174
Total non-current assets		1,665,990	1,604,057	2,263,841
Current assets				
Receivables		58,477	74,987	73,133
Cash and cash equivalents		943,848	2,652,163	1,767,381
Total current assets		1,002,325	2,727,150	1,840,514
Assets of disposal group classified as held for sale	5	964,544	-	-
		1,966,869	2,727,150	1,840,514
Total assets		3,632,859	4,331,207	4,104,355
Equity and liabilities				
Shareholders' equity				
Share capital	6	842,133	842,133	842,133
Share premium		4,997,699	4,997,699	4,997,699
Foreign currency reserve		81,052	(52,787)	(16,412)
Warrant reserve		579,500	579,500	579,500
Share-based payment reserve		339,097	507,376	577,260
Merger reserve		572,314	572,314	572,314
Retained earnings		(3,829,239)	(3,207,975)	(3,646,829)
Total equity		3,582,556	4,238,260	3,905,665
Liabilities				
Current liabilities				
Trade and other payables		50,303	92,947	198,690
Total liabilities		50,303	92,947	198,690
Total equity and liabilities		3,632,859	4,331,207	4,104,355

The interim financial statements on pages 8 to 18 were approved and authorised for issue by the Board of Directors on 24 September 2013 and were signed on its behalf by:

.....
D S Archer
Executive Director
Company number: 07307107

AFRICAN MINING & EXPLORATION PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2013

	Share capital £	Share premium £	Foreign currency reserve £	Warrant reserve £	Share based payment reserve £	Retained earnings £	Merger reserve £	Total equity £
At 1 January 2012	842,133	4,997,699	13,886	579,500	407,133	(2,705,408)	572,314	4,707,257
Changes in equity								
Loss for the period	-	-	-	-	-	(502,567)	-	(502,567)
Exchange differences	-	-	(66,673)	-	-	-	-	(66,673)
Share based payments	-	-	-	-	100,243	-	-	100,243
At 30 June 2012	842,133	4,997,699	(52,787)	579,500	507,376	(3,207,975)	572,314	4,238,260
Changes in equity								
Loss for the period	-	-	-	-	-	(438,854)	-	(438,854)
Exchange differences	-	-	36,375	-	-	-	-	36,375
Share based payments	-	-	-	-	69,884	-	-	69,884
At 31 December 2012	842,133	4,997,699	(16,412)	579,500	577,260	(3,646,829)	572,314	3,905,665
Changes in equity								
Loss for the period	-	-	-	-	-	(394,790)	-	(394,790)
Exchange differences	-	-	97,464	-	-	-	-	97,464
Share based payments	-	-	-	-	(25,783)	-	-	(25,783)
Share options lapsed	-	-	-	-	(212,380)	212,380	-	-
At 30 June 2013	842,133	4,997,699	81,052	579,500	339,097	(3,829,239)	572,314	3,582,556

AFRICAN MINING & EXPLORATION PLC

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2013**

	Notes	Unaudited Six months to June 2013 £	Unaudited Six months to June 2012 £	Audited Year ended December 2012 £
Cash flows used in operating activities				
Loss for the period		(394,790)	(502,567)	(941,421)
Depreciation charges		19,379	19,471	39,172
Share-based payments (credit)/charge		(25,783)	100,243	170,127
Finance income		(3,096)	(7,299)	(12,763)
Cash flow used in operating activities before changes in working capital		(404,290)	(390,152)	(744,885)
Decrease/(increase) in trade and other receivables		8,887	(25,553)	(23,273)
(Decrease)/Increase in trade and other payables		(13,095)	15,339	(9,037)
Net cash used in operating activities		(408,498)	(400,366)	(777,195)
Cash flow used in investing activities				
Purchase of intangible assets		(413,727)	(312,890)	(808,588)
Purchase of property, plant & equipment		(6,390)	(19,479)	(35,209)
Interest received		3,096	7,299	12,763
Net cash used in investing activities		(417,021)	(325,070)	(831,034)
Decrease in cash and cash equivalents		(825,519)	(725,436)	(1,608,229)
Cash and cash equivalents at the beginning of the period		1,767,381	3,378,474	3,378,474
Exchange differences		1,986	(875)	(2,864)
Cash and cash equivalents at end of period		943,848	2,652,163	1,767,381

AFRICAN MINING & EXPLORATION PLC

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2013

1. BASIS OF PREPARATION

The financial information set out in this report is based on the consolidated financial statements of African Mining & Exploration Plc and its subsidiary companies (together referred to as the 'Group'). The accounts of the Group for the six months ended 30 June 2013, which are unaudited, were approved by the Board on 24 September 2013. The financial information contained in this interim report does not constitute statutory accounts as defined by s434 of the Companies Act 2006.

These accounts have been prepared in accordance with the accounting policies set out in the Annual Report and Financial Statements of African Mining & Exploration Plc for the year ended 31 December 2012. The statutory accounts for the year ended 31 December 2012 have been filed with the registrar of Companies. The auditors' report on those accounts was unqualified, but included an emphasis of matter paragraph in relation to going concern and did not contain a statement under section 498 (2) or 498 (3) of the Companies Act 2006.

The Group financial statements are presented in Pound Sterling.

Based upon cash flow projections the Directors are of the view that the Group will have sufficient cash to fund anticipated overheads for the next 14 months but not to finance any capital work programmes. In order to fund potential and currently uncommitted exploration programmes the Company will need to secure further funding either by raising further equity, entering into a joint venture agreement or a combination of the two.

2. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the earnings attributable to the ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

In accordance with IAS 33 as the Group is reporting a loss for both this and the preceding period the share options are not considered dilutive because the exercise of share options and warrants would have the effect of reducing the loss per share.

AFRICAN MINING & EXPLORATION PLC

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)
FOR THE SIX MONTHS ENDED 30 JUNE 2013**

2. EARNINGS PER SHARE (continued)

Reconciliations are set out below:	Six months to 30 June 2013	Six months to 30 June 2012	Year ended 31 December 2012
Loss per share:			
Loss from continuing operations attributable to ordinary shareholders	(265,379)	(502,567)	(928,982)
Loss from discontinued operations attributable to ordinary shareholders	(129,411)	-	(12,439)
Loss attributable to ordinary shareholders (£)	(394,790)	(502,567)	(941,421)
Weighted average number of shares (number)			
	84,213,306	84,213,306	84,213,306
Loss per share from continuing operations	0.32	0.60	1.10
Loss per share from discontinued operations	0.15	-	0.02
Basic loss per share basic and diluted (pence)	0.47	0.60	1.12

3. SHARE OPTIONS AND WARRANTS

Upon admission to AIM in 2010, the Company issued 70,811,500 warrants, the '2010 Warrants'. Each warrant was issued as part of a share and warrant 'unit'. Each 2010 Warrant entitles the 2010 warrant holder to subscribe for one Ordinary Share at 12.5 pence at any time from the date of Admission until the second anniversary of Admission. On 26 October 2012 a meeting for 2010 warrant holders was held and the meeting passed a resolution to extend the final date of exercise of the 2010 Warrants by two years to 1 November 2014. Details of this meeting were published in RNS announcements to the London Stock Exchange on 5 October 2012 and 26 October 2012. No other changes were made at the meeting on 26 October 2012 and the original full terms of the 2010 Warrants can be found on the admission document, page 105.

In addition to the share and warrant units issued as part of the admission to AIM, African Mining and Exploration Plc also operates an approved share option plan for Directors and employees.

In February 2013 the Company entered into agreements with AME's (then) CEO and senior employees to receive an element of their earnings in the form of share options instead of cash for the period from February 2013 to January 2014. In substitution for cash remuneration forgone the Company granted 4,990,000 share options ('2013 Share Options') with an exercise price of 4.62p on 28 February 2013. The performance conditions attached to the 2013 Share Options are that one twelfth of the quantity granted vest at the end of each month of completed service between February 2013 and January 2014. The 2013 Share Options have an exercise period of five years. 2,100,000 of the 2013 Share Options were issued to Mark Jones, a Director of the Company who was the Company's CEO at time of grant.

AFRICAN MINING & EXPLORATION PLC

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)
FOR THE SIX MONTHS ENDED 30 JUNE 2013

4. INTANGIBLE ASSETS (GROUP)

	Exploration and evaluation assets costs	Other	Total
	£	£	£
Cost			
At 1 January 2013	2,080,604	11,640	2,092,244
Additions	273,026	-	273,026
Transfers from tangible assets	11,922	-	11,922
Transfers to disposal group classified as held for sale (note 5)	(796,573)	-	(796,573)
Exchange differences	92,403	-	92,403
At 30 June 2013	1,661,382	11,640	1,673,022
Amortisation			
At 1 January 2013	-	5,577	5,577
Charge for period	-	1,455	1,455
At 30 June 2013	-	7,032	7,032
Net Book Value			
At 30 June 2013	1,661,382	4,608	1,665,990
At 31 December 2012	2,080,604	6,063	2,086,667

AFRICAN MINING & EXPLORATION PLC

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)
FOR THE SIX MONTHS ENDED 30 JUNE 2013**

5. CASH FLOWS AND ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

The assets relating to AME West Africa Limited and its subsidiary, Caracal Gold Mali SARL, have been presented as held for sale following the approval of the Board to sell these companies. The completion date for the transaction is expected to be in early October 2013.

Group cash flows from discontinued operations

	30 June 2013	30 June 2012	31 December 2012
	£	£	£
Operating cash flows	(71,235)	-	(13,523)
Investing cash flows	(347,603)	-	(89,136)
Financing cash flows	-	-	-
Total cash flows	(418,838)	-	(102,659)

Assets of disposal group classified as held for sale

	30 June 2013	30 June 2012	31 December 2012
	£	£	£
Intangible assets - exploration and evaluation assets cost	796,573	-	-
Property, plant and equipment	161,787	-	-
Other current assets	6,184	-	-
	964,544	-	-

6. SHARE CAPITAL

Allotted, issued and fully paid

	Six months to 30 June 2013		Six months to 30 June 2012		Year ended 31 December 2012	
	£0.01 ordinary shares numbers	£	£0.01 ordinary shares numbers	£	£0.01 ordinary shares numbers	£
At beginning and end of period	84,213,306	842,133	84,213,306	842,133	84,213,306	842,133

AFRICAN MINING & EXPLORATION PLC

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued) FOR THE SIX MONTHS ENDED 30 JUNE 2013

7. COMMITMENTS

Details of discretionary future payments are set out below. The Directors are of the opinion that provisions are not required in respect of these matters, as payment of these amounts is at the Director's sole discretion.

Strategic investment in future mining and exploration projects

On commercial discovery or commencement of mining operations, a fee of up to \$2,479,000, \$1,312,000 and \$50,000 will be payable to the Mali Government, for the Kossanto (any obligation in respect of this will be relinquished by the Company upon Completion of the disposal of AME West Africa Ltd to Alecto Minerals Plc), Karan and Diatissan licence areas respectively. In order to meet the terms of the exploration licences the Group has certain ongoing expenditure commitments. These commitments have not been recognised as a liability in the financial statements as the licences can be surrendered to the Mali Government and these costs would not need to be incurred.

Discretionary consideration payable in relation to the acquisition of Caracal Gold Mali SARL ("Caracal")

The terms of the consideration payable to the sellers of Caracal following the acquisition agreement entered into in July 2013 are as follows: (a) In consideration for acquiring Caracal Gold Mali SARL, AME paid an initial £125,000 subsequent to which it is conducting exploration on the permits owned by Caracal for an 18 month period from July 2012; (b) At the end of the 18 month period, AME will have at its sole discretion the right to allot ordinary shares, make a payment in cash or a combination of both cash and ordinary shares to the value of £1.25 million to the seller or to grant the Seller a right of first refusal to reacquire Caracal from AME on a 'cash free debt free' basis; and (c) if AME elects to proceed with the payment of £1.25m as set out above and where a JORC compliant Proven and Probable reserve of greater than 500,000 oz is established, AME shall be liable to allot 3,515,000 ordinary shares to the Seller. Obligations (b) and (c) will be extinguished on the completion of the divestment of AME West Africa Ltd to Alecto Minerals which is expected to be completed in early October 2013. Further details are presented in the Operational Review.

AFRICAN MINING & EXPLORATION PLC

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)
FOR THE SIX MONTHS ENDED 30 JUNE 2013**

8. EVENTS AFTER THE REPORTING DATE

On 21 July the Company issued an announcement about an equity investment of £500,000 and strategic target expansion, further details are included in the Operational Review and a summary of the shares, options and warrants included in the announcement is as follows:

Equity Instrument	Equity Instruments Issued To	Quantity	Strike Price £	Exercise Period	Consideration £	Status
Ordinary Shares	David Archer	16,666,668	0.0225	N/A	375,000	Active
Ordinary Shares	David Archer	5,555,556	0.0225	N/A	125,000	Approved to be issued by shareholder meeting on 24/09/13
Warrants	David Archer	4,678,224	0.03	5 years	N/A	Active
Warrants	David Archer	6,432,888	0.03	5 years	N/A	Approved to be issued by shareholder meeting on 24/09/13
Share Option	Dale Ferguson	5,321,776	0.03	5 years	N/A	Active
Share Option	Mike Johnson	1,500,000	0.03	5 years	N/A	Approved to be issued by shareholder meeting on 24/09/13
Share Option	Charlie Cannon-Brookes	1,500,000	0.03	5 years	N/A	Approved to be issued by shareholder meeting on 24/09/13
Share Option	Other	1,500,000	0.03	5 years	N/A	Approved to be issued by shareholder meeting on 24/09/13

On 21 August 2013 the Company entered into a conditional agreement with Alecto Minerals Plc to sell its subsidiary AME West Africa to Alecto. Further details are included in the Operational Review, and Note 5 to the Accounts includes details of the specific accounting treatment in respect of this “asset held for sale”.

On 21 August 2013 the Company entered into an agreement with Mark Jones who will leave the Board on 30 September 2013. In order to minimise cash expenditure upon termination of his contract with AME, Mark agreed to waive the right to 25% of his contractual entitlements as provided under his contract with AME that was put in place at the time of AME’s IPO in 2010. His remaining contractual entitlements will be satisfied primarily through the issue of 2,666,667 new ordinary shares in AME and through the issue of 1,575,000 share options over ordinary shares in AME with an exercise price of 4.62p and an exercise period of five years from the date of grant with the balance payable in cash. An application to admit these new ordinary shares to AIM will be made around the end of September 2013.

On 8 September 2013 the Company entered into an agreement with to acquire an 80% shareholding in Matilda Minerals Limitada, a privately owned Mozambican company. Further details are included in the Operational Review.

AFRICAN MINING & EXPLORATION PLC

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)
FOR THE SIX MONTHS ENDED 30 JUNE 2013**

8. EVENTS AFTER THE REPORTING DATE continued

Subsequent to the completion of the aforementioned events (expected to be early October), the Company's active Pro-Forma Capital Structure is expected to be as follows:

Equity Instrument	Quantity	Strike Price £	Expiry Date
Ordinary Shares	119,745,304	N/A	N/A
2010 Warrants	57,949,993	0.125	01/11/2014
2013 Warrants	11,111,112	0.03	19/07/2018
Part A Share Options (IPO)	2,100,000	0.1	01/11/2015
Part A Warrant Options (IPO)	2,000,000	0.125	01/11/2015
2013 Share Options	3,726,667	0.0462	28/02/2018
2013 Share Options	9,821,776	0.03	19/07/2018
2013 Share Options	1,575,000	0.0462	30/09/2018

AFRICAN MINING & EXPLORATION PLC

INDEPENDENT REVIEW REPORT TO AFRICAN MINING & EXPLORATION PLC FOR THE SIX MONTHS ENDED 30 JUNE 2013

Introduction

We have been engaged by the company to review the set of financial statements in the half-yearly financial report for the six months ended 30 June 2013 which comprises the consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated cash flow statement and related notes.

We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of and has been approved by the directors. The directors are responsible for preparing the interim report in accordance with the rules of the London Stock Exchange for companies trading securities on AIM which require that the half-yearly report be presented and prepared in a form consistent with that which will be adopted in the company's annual accounts having regard to the accounting standards applicable to such annual accounts.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Our report has been prepared in accordance with the terms of our engagement to assist the company in meeting the requirements of the rules of the London Stock Exchange for companies trading securities on AIM and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

AFRICAN MINING & EXPLORATION PLC

**INDEPENDENT REVIEW REPORT TO AFRICAN MINING & EXPLORATION PLC (continued)
FOR THE SIX MONTHS ENDED 30 JUNE 2013**

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2013 is not prepared, in all material respects, in accordance with the rules of the London Stock Exchange for companies trading securities on AIM.

BDO LLP
Chartered Accountants and Registered Auditors
55 Baker Street
London
W1U 7EU
United Kingdom

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).