



**African Mining and Exploration plc.
("AME" or "the Company")**

Exploration Update, Kossanto, Karan and Diatissan Permits

African Mining & Exploration plc (AME), the AIM listed mining company focusing on exploration in West Africa, is pleased to update the market on the Company's exploration activities.

- **Further study of existing data and additional field work on recently acquired Kossanto permits confirms prospectivity and provides AME with the best opportunity for the discovery of a resource**
- **5,000m Reverse Circulation (RC) drilling programme planned for Q4 to test known mineralisation**
- **Additional anomalous target at Karan generated by auger and short Rotary Air Blast (RAB) holes**
- **Ongoing discussions continue to secure rights through acquisition or joint venture on additional properties in the region**

Kossanto Permits

Following the acquisition of Caracal Gold Mali SARL in July 2012, AME is pleased to report on the positive progress made to date on the Kossanto permits in the West Mali greenstone belt.

The detailed study of the results of previous work and new fieldwork by AME's geologists has identified three targets that will be the main focus for exploration in the short term. The work has given a clear picture of the gold resource potential on two prospects within the Kossanto permit area and strong exploration potential on a third target. The latest programme of work conducted by AME of detailed soil geochemistry sampling, (RAB) drilling and ground magnetics surveys over the priority targets supports existing data that was derived from previous work programmes including Induced Polarisation (IP) measurements, trenching and RC drilling. The two resource prospects, Gourbassi East and Gourbassi West show clear mineralised trends that extend for more than 1 km and provide the greatest opportunity for the development of a resource in the short term.

Gourbassi East is a prospect characterised by a SE striking mineralised zone along a clear lithological contact. Soil sampling, trenching and RC drilling have identified a 900 metre strike length to the mineralised zone, which is open along strike in both directions. Previous results include 25m @ 1.11 g/t in one of the trenches and 22 metres @ 1.59 g/t (including 15m @ 2.18 g/t) in one of the RC drill holes. Mineralisation is related to the contact between Rhyolite and Rhyodacite units and a clear chargeable and resistive structure as indicated by IP surveys is present.

Despite heavy rains and difficult road conditions, the Company's own rig and support vehicles were able to access the target area and the first holes of a 4 fence RAB drilling plan were completed at Gourbassi East at the end of August. RAB drilling will be used to test the potential extensions along strike identified during previous RC drilling.

The Gourbassi West prospect lies approximately 3.7km WNW of Gourbassi East and appears to be analogous with its clear SSE striking zone of mineralisation associated with felsic volcanic rocks running for almost 1km. It was originally identified by anomalous Au values in soil geochemistry that was consistent with Gourbassi East. An IP Survey identified a highly anomalous chargeable structure, which correlates to the SSE to NNW trending mineralisation and was confirmed by positive trench results including 28 metres @ 0.96 g/t and 33 metres @ 1.08 g/t. RC drilling intersected significant mineralisation and areas of strong alteration and sulphidisation with peak intercepts of 17 metres @ 2.05 g/t, including 9m @ 3.06 g/t and 6 metres @ 1.8 g/t, including 3m @ 3.01 g/t. The structure is open along strike in both directions and represents AME's best opportunity for discovering a gold resource in the short term.

The third target is Massakama, which is in the Western portion of the Kossanto permit area. The mineralisation at Massakama is hosted by a strongly silicified green volcanic rock characterised by skarn-type alteration and is associated with quartz veins orientated SSE and along the sheared contacts between intrusive bodies and host rock. Previous trenching and RC drilling have both intersected anomalous gold grades. Trenching results across the alteration included intersections of 36m @ 0.55 g/t and 22m @ 0.74 g/t; RC drilling results included a high grade intersection of 16m @ 9.5 g/t just 13m below surface and 8m @ 18.5 g/t. The high grade mineralisation is not well understood at this stage, thus a programme of detailed geological mapping and RC chip re-logging will be completed along with a first pass close-spaced ground magnetic survey. The ground magnetic survey has shown a strong correlation between mineralisation and magnetic lows elsewhere on the permit providing an excellent tool for further understanding any additional targets within the permit area.

First pass orientation ground magnetic surveys of over 30 line km have been completed using AME's in house equipment and expertise. Clear correlations with the mineralisation identified in RC holes and trenching and magnetic anomalies have been made and are very encouraging for the identification of additional anomalous trends in future exploration programmes within the Kossanto permit area.

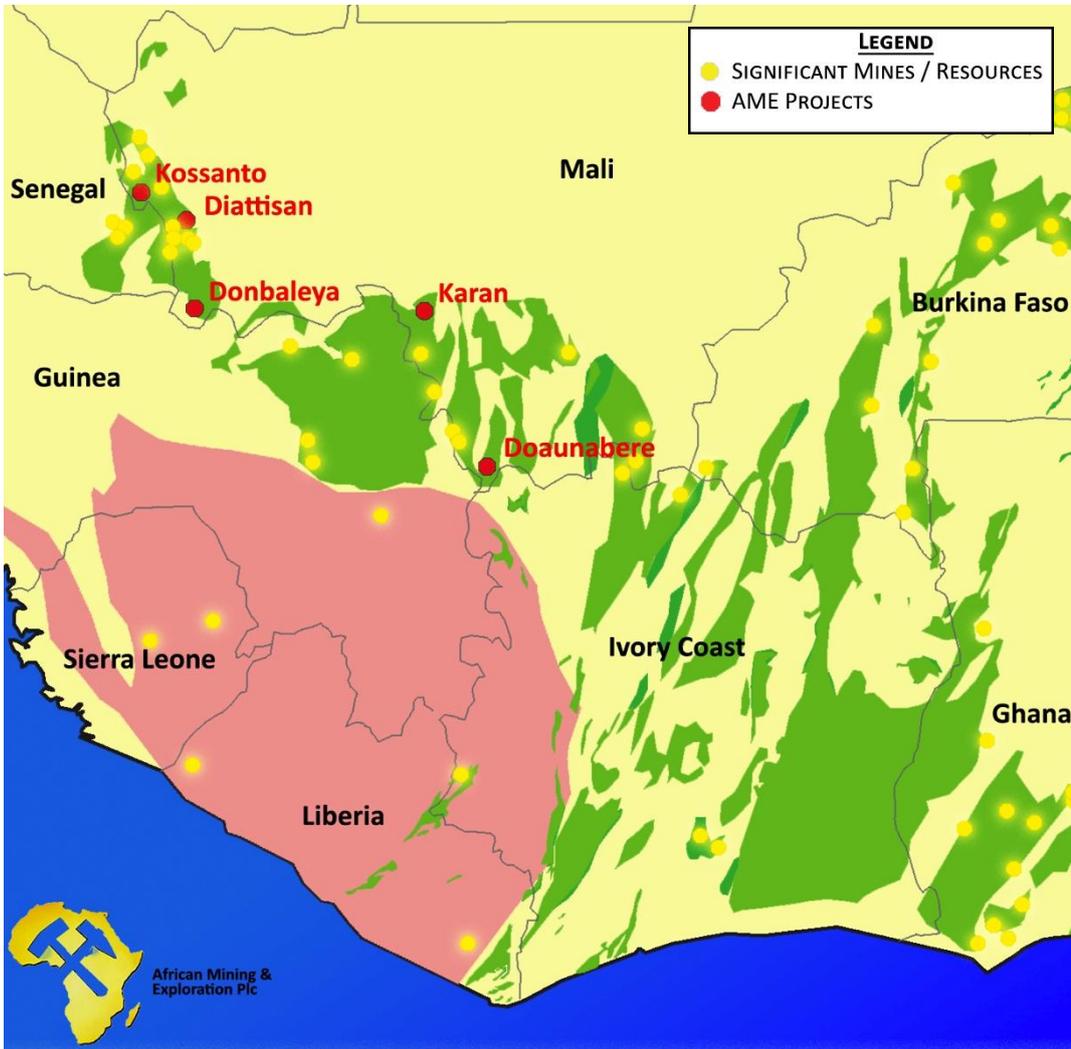
The Company has received the first results from two close spaced soil sampling grids over separate areas within the Kossanto block. The first is in the Kobokoto permit, where a soil grid has been placed to the South of the previously drilled zone and over highly anomalous regional soil sample results – higher than those in the drilled area and up to 7,441 ppb. Using a grid of 400 x 100 m, AME's field crew collected 263 samples, of which 196 soil sample results have been received with 18 of the values highly anomalous and above 100 ppb. The peak values of 748 and 746 ppb are very encouraging and provide excellent targets for follow up work. Secondly, the Farikounda permit which forms the eastern part of the Kossanto block has been chosen for soil sampling as it has not been subjected to previous exploration and as such it represents virgin ground. An initial soil sample grid of 400 x 100 m has been implemented over an area of interest as defined by anomalous regional geochemistry results correlating with geophysical structures. Results have been received for 95 of the 431 samples, with a peak value of 531 ppb. A more detailed analysis will be completed when all results have been received.

The work programme planned for the next 6 months for Gourbassi East and West is designed to better understand and trace the mineralised structure, commencing with 50 line km's of ground magnetic followed up by multiple RAB fences to test width, length and continuity of the mineralisation in the structure.

In addition, a RC drilling programme of approximately 5000m is planned for Gourbassi East and West that will focus on discovering the continuity and depth of the already proven mineralisation, along with extending these zones along strike.

Following the cessation of seasonal rains AME plans to upgrade the access road in October. Negotiations are underway with RC drilling sub-contractors and the proposed RC drilling programme is expected to commence in November.

Figure 1 – Map of AME's Exploration Permits and Significant Mines / Resources



Karan Permit

The sampling of in-situ saprolite using auger and short RAB drill holes was successfully completed over the Farague target, within the 250 km² Karan exploration permit, in April 2012. Positive assay results from the 81 holes confirmed a bedrock source to the anomalous soil and termite geochemistry and indicate a clear trend of increasing gold values, over 50 ppb, towards the Karan Shear Zone. Further geochemical sampling is planned to test this trend.

Soil sampling over the northern part of the Karan Shear Zone is currently being implemented to locate the source of the most anomalous Bulk Leach Extractable Gold (BLEG) stream sediment sample in this area and also over a new and very active area of artisanal workings.

RAB drill fences have been planned and prepared to test the mineralisation, including 17m @ 1.03g/t, previously intercepted during RC drilling. Following detailed structural and geophysical analysis and re-interpretation, RAB fences will be positioned to drill across both proven mineralisation and E-W cross cutting structures, which may play an important role in the local concentration of mineralisation.

Diatissan Permit

The 872 m of RAB drilling at Diatissan during June located low grade mineralisation of up to 0.4 g/t and intersected large amounts of quartz veining associated with the gold anomalies. Although no economic grades were discovered, the work proved the presence of low grade gold mineralisation with an associated hydrothermal system.

General

As the Kossanto permit areas show the most prospectivity, short term work programmes will concentrate in this area. The Karan and Diatissan permits are well ahead of the minimum work requirements to maintain their good standing during this period.

A presentation that provides more detail about the previous work, the opportunity and the short term work programme is available on the company website.

Ongoing discussions

AME continues to hold discussions with third parties to secure rights through acquisition or joint venture on additional properties in the region.

Mark Jones, AME's CEO commented that:

“The acquisition of the Kossanto permits was a major positive step forward for the Company. The prospectivity of the permits is highlighted by the generation of substantial targets in areas showing defined mineralisation. The Company intends to realise the potential in these permits without delay. The advanced nature of positive exploration information available for the Kossanto permits have made them the company’s immediate area of exploration focus, but the Company continues to review opportunities outside of Mali to diversify country risk”

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Notes:

Link to view illustrations referred to in this announcement:

The technical information contained in this announcement has been reviewed and approved by Mr Douglas D Chikohora. Mr Chikohora (MSc, MIMMM., CEng) has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity to which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves and as a qualified person under the AIM Note for Mining, Oil and Gas Companies. Mr Chikohora is a Director of African Mining & Exploration Plc.