



**African Mining &
Exploration plc**

INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2011

AFRICAN MINING & EXPLORATION PLC

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FOR THE SIX MONTHS ENDED 30 JUNE 2011

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AFRICAN MINING & EXPLORATION PLC

COMPANY INFORMATION
FOR THE SIX MONTHS ENDED 30 JUNE 2011

DIRECTORS:	S D Oke M C Jones D D Chikohora R A Williams	Non-Executive Chairman Chief Executive Officer 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 Chartered Accountants & Registered Auditors 55 Baker Street London W1U 7EU	
BANKERS:	NatWest Bank Plc. St James' & Piccadilly Branch PO Box 2DG 208 Piccadilly London W1A 2DG	
NOMINATED ADVISORS & BROKERS:	Singer Capital Markets Limited 1 Hanover Street London W1S 1YZ	
SOLICITORS:	Memery Crystal LLP 44 Southampton Buildings London WC2A 1AP	
WEBSITE:	www.ameplc.co.uk	

AFRICAN MINING & EXPLORATION PLC

OPERATIONAL HIGHLIGHTS **FOR THE SIX MONTHS ENDED 30 JUNE 2011**

Since we last reported in our 2010 Annual Report in May, the Company has continued to make progress through the acquisition of 3 reconnaissance permits and by strengthening the technical team with the appointment of a Head of Exploration.

Around the end of the June interim period, AME announced the acquisition of 3 gold reconnaissance permits in the Siguiro basin in North East Guinea. These permits provide AME with the exclusive rights to search for gold and confirm prospectivity for a period of 6 months from June before deciding if the tenements are prospective enough to apply for full exploration permits. The location of these permits means that they can effectively be managed and progressed from our office in Bamako.

With the appointment of Ebo Bakker as Head of Exploration in July, the Board believes AME is now well equipped to meet its strategic goals. Ebo commenced work in August 2011 and his significant experience in the region has had an immediate positive impact on the exploration team and planning process. A further six target areas have been identified on the Karan property in Southern Mali, and work will commence on these in addition to the two targets that showed enhanced prospectivity from the first drilling campaign.

The Company has already provided details of the initial exploration drilling on the Karan prospect and highlighted the potential to commence a limited RAB drilling programme prior to the beginning of the rainy season at the Diatissan prospect, should an appropriate RAB contractor be available. The ongoing demand for drilling rigs in West Africa has meant that securing acceptable contracts with drilling companies remains a significant challenge, so the Board took the decision to acquire a RAB / auger drilling rig in order to have control over the exploration process in a cost effective manner. Along with the drilling rig, which should be in country and ready for the start of the exploration season towards the end of October, AME has acquired support equipment and utilised experienced advisors to ensure that AME is not reliant on contractors to meet all its early exploration requirements.

West Africa has experienced abnormally high rainfall this year. This has hampered some of the fieldwork, as has the lack of availability of a RAB drilling rig. We are pleased however that the planned work programme on compiling data to a centralised database has continued and the structural analysis, mapping and sampling of our Malian tenements are well underway. The study of geomorphology will be included with structural mapping to better gain an understanding of potential gold sources in assessing the viability of all new permits to ensure we retain only those that provide genuine opportunity.

Our team has also commenced a reconnaissance of other permits areas in the region where we could secure rights through acquisition or joint ventures should the company believe they harbour good opportunity.

AFRICAN MINING & EXPLORATION PLC

OPERATIONAL HIGHLIGHTS (continued)
FOR THE SIX MONTHS ENDED 30 JUNE 2011

From a financial perspective the Company's cash flow position benefitted significantly, during the 6 month reporting period, from approximately £1.6m funds received from the exercise of some of the 2010 Warrants. The Company's current cash position as at September 21 2011 was £3.9 million and the Company's overall expenditure plans are expected to be consistent with the budgets outlined at the time of our Admission to AIM.

A detailed exploration programme has been formulated for the forthcoming exploration season. It is planned to commence RAB drilling at Karan on three of the original targets that were covered in the last drilling campaign. Fence lines will be drilled to identify any higher grade mineralisation adjacent to the mineralised zones that were identified previously. Detailed mapping of the artisanal pits on the 6 new targets areas, with a view to generating additional RAB drilling locations, will be undertaken. At Diatissan the previously excavated trenches will be cleaned and re-sampled so that RAB drilling targets can be generated and any resource potential identified. In Guinea the reconnaissance work will be completed so that a decision whether to apply for full exploration permits can be made.

Board of Directors

African Mining & Exploration Plc.

Date: 23 September 2011

AFRICAN MINING & EXPLORATION PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2011

	Notes	Six months to 30 June 2011 £ Unaudited	Six months to 30 June 2010 £ Unaudited	Year ended 31 December 2010 £ Audited
Revenue		-	-	-
Administrative expenses		(638,846)	(276,267)	(761,865)
Operating loss		(638,846)	(276,267)	(761,865)
Finance income		9,446	-	2,090
Loss for the period before tax		(629,400)	(276,267)	(759,775)
Taxation		-	-	-
Loss for the period attributable to equity owners of the parent		(629,400)	(276,267)	(759,775)
Other comprehensive income				
Exchange differences on translating foreign operations		(18,821)	5,467	(10,501)
Other comprehensive income / (expense) for the period		(18,821)	5,467	(10,501)
Total comprehensive expense for the period attributable to the equity owners of the parent		(648,221)	(270,800)	(770,276)
Loss per share attributable to equity owners of the parent expressed in pence per share				
Basic and Diluted	2	(0.78)	(2.19)	(2.88)

AFRICAN MINING & EXPLORATION PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011

		30 June 2011	30 June 2010	31 December 2010
	Notes	£ Unaudited	£ Unaudited	£ Audited
Assets				
Non-current assets				
Intangible assets	4	931,520	205,799	281,883
Property, plant and equipment		33,310	3,109	40,885
Total non-current assets		964,830	208,908	322,768
Current assets				
Receivables		111,933	-	78,849
Cash and cash equivalents		4,375,321	79,719	4,004,606
Total current assets		4,487,254	79,719	4,083,455
Total assets		5,452,084	288,627	4,406,223
Equity and liabilities				
Shareholders' equity				
Share capital	5	842,133	199,115	708,115
Share premium		5,117,847	-	3,429,561
Foreign currency reserve		(10,101)	24,687	8,720
Warrant reserve		579,500	-	708,115
Share-based payment reserve		205,586	-	67,771
Merger reserve		572,314	526,024	572,314
Retained earnings		(1,952,571)	(631,548)	(1,323,171)
Total Equity attributable to equity holders of the parent		5,354,708	118,278	4,171,425
Liabilities				
Current liabilities				
Trade and other payables		97,376	170,349	234,798
Total liabilities		97,376	170,349	234,798
Total equity and liabilities		5,452,084	288,627	4,406,223

The interim financial statements on pages 4 to 11 were approved and authorised for issue by the Board of Directors on 23 September 2011 and were signed on its behalf by:

Mark C Jones
Chief Executive Officer
Company number: 07307107

AFRICAN MINING & EXPLORATION PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2011

	Share capital	Share premium	Foreign currency reserve	Warrant reserve	Share based payment reserve	Retained earnings	Merger reserve	Total equity
	£	£	£	£	£	£	£	£
At 1 January 2010	123,615	-	19,221	-	-	(355,281)	312,116	99,671
Changes in equity								
Issue of share capital	75,500	-	-	-	-	-	213,908	289,408
Total comprehensive expense for the period	-	-	5,467	-	-	(276,267)	-	(270,800)
At 30 June 2010	199,115	-	24,688	-	-	(631,548)	526,024	118,279
At 1 January 2010	123,615	-	19,221	-	-	(355,281)	312,116	99,671
Changes in equity								
Issue of share capital	584,500	4,000,000	-	500,000	-	-	260,198	5,344,698
Fundraising costs	-	(570,439)	-	-	-	-	-	(570,439)
Bonus issue of warrants	-	-	-	208,115	-	(208,115)	-	-
Total comprehensive expense for the period	-	-	(10,501)	-	-	(759,775)	-	(770,276)
Share based payments	-	-	-	-	67,771	-	-	67,771
At 31 December 2010	708,115	3,429,561	8,720	708,115	67,771	(1,323,171)	572,314	4,171,425
At 31 December 2010	708,115	3,429,561	8,720	708,115	67,771	(1,323,171)	572,314	4,171,425
Changes in equity								
Issue of share capital	128,615	1,479,073	-	-	-	-	-	1,607,688
Total comprehensive expense for the period	-	-	(18,821)	-	-	(629,400)	-	(648,221)
Share based payments	5,403	80,597	-	-	137,815	-	-	223,815
Exercise of warrants	-	128,615	-	(128,615)	-	-	-	-
At 30 June 2011	842,133	5,117,847	(10,101)	579,500	205,586	(1,952,571)	572,314	5,354,708

AFRICAN MINING & EXPLORATION PLC
CONSOLIDATED CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2011

	Notes	<u>Jun-11</u>	<u>Jun-10</u>	<u>Dec-10</u>
Cash flows used in operating activities				
Loss for the period		(629,400)	(276,268)	(759,775)
Depreciation charges		8,685	584	3,363
Share-based payments charge		223,815	179,040	237,508
Finance income		(9,446)	-	(2,090)
Cash flow from operating activities before changes in working capital		(406,345)	(96,644)	(520,994)
(Increase)/ Decrease in trade and other receivables		(33,084)	29	(78,820)
Increase / (Decrease) in trade and other payables		(137,422)	31,626	114,844
Net cash used in operating activities		(576,851)	(64,989)	(484,970)
Cash flow used in investing activities				
Purchase of intangible assets		(649,637)	-	(68,010)
Purchase of property, plant & equipment		-	-	(40,480)
Interest received		9,446	-	2,090
Net cash from investing activities		(640,191)	-	(106,400)
Cash flow from financing activities				
Amount advanced by directors		-	8,170	-
Amount repaid to directors		-	-	(10,599)
Issue of IPO shares net of costs		-	-	4,429,561
Issue of other shares		-	112,763	168,053
Exercise of Warrants	5	1,607,688	-	-
Net cash from financing activities		1,607,688	120,933	4,587,015
Increase / (Decrease) in cash and cash equivalents		390,646	55,944	3,995,645
Cash and cash equivalents at the beginning of the period		4,004,606	4,294	4,294
Effect of exchange rate changes on cash and cash equivalents		(19,931)	19,481	4,667
Cash and cash equivalents at end of period		4,375,321	79,719	4,004,606

AFRICAN MINING & EXPLORATION PLC
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2011

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 2011, which are unaudited, were approved by the Board on 23 September 2011. The financial information contained in this interim report does not constitute statutory accounts as defined by s435 of the Companies Act 2006.

These accounts have been prepared in accordance with the accounting policies set out in the Report and Financial Statements of African Mining & Exploration Plc for the year ended 31 December 2010. The statutory accounts for the year ended 31 December 2010 have been filed with the registrar of Companies. The auditors' report on those accounts was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498 (2) or 498 (3) of the Companies Act 2006. These accounts have not been audited by the Company's auditors.

The Group financial statements are presented in Pound Sterling.

Based upon cash flow projections the Directors are of the view that the Group has sufficient cash to fund overheads for the next 12 months.

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.

Reconciliations are set out below:	Six months to 30 June 2011 £ Unaudited	Six months to 30 June 2010 £ Unaudited	Year ended 31 December 2010 £ Audited
Loss Per Share:			
Loss attributable to ordinary Shareholders	(629,400)	(276,268)	(759,775)
Weighted average number of shares	80,450,410	12,601,279	26,390,952
Basic Loss per Share basic and diluted (pence)	0.78	2.19	2.88

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2011

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. Full terms can be found in the admission document.

During the period to 30 June 2011 a total of 12,861,507 (2010: Nil) ordinary shares were issued for 12.5pence each in exchange for each '2010 Warrants' exercised, for a total cash consideration of £1,607,688

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.

During the period the Company issued 700,000 share options (2010: Nil), of which 500,000 share options were issued under Plan B for an exercise price of £0.1612 per share and 200,000 share options were issued under Plan A for an exercise price of £0.10375 per share.

4. INTANGIBLE ASSETS (Group)

	Exploration and evaluation assets costs	Other	Total
	£	£	£
Cost			
At 1 January 2011	280,904	979	281,883
Additions	637,399	12,238	649,637
Exchange differences	1,425	48	1,473
At 30 June 2011	919,728	13,265	932,993
Amortisation			
At 1 January 2011	-	-	-
Charge for period	-	1,473	1,473
At 30 June 2011	-	1,473	1,473
Net Book Value			
At 30 June 2011	919,728	11,792	931,520
At 31 December 2010	280,904	979	281,883

AFRICAN MINING & EXPLORATION PLC
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2011

5. SHARE CAPITAL

Allotted, issued and fully paid

	Six months to 30 June 2011		Six months to 30 June 2010		Year ended 31 December 2010	
	£0.01 Ordinary shares numbers	£	£0.01 Ordinary shares numbers	£	£0.01 Ordinary shares numbers	£
At beginning of period	70,811,500	708,115	12,361,500	123,615	12,361,500	123,615
Issued during the period	-	-	-	-	-	-
IPO Issue	-	-	-	-	50,000,000	500,000
Other issue	540,299	5,403	7,550,000	75,500	8,450,000	84,500
Exercise of warrants	12,861,507	128,615	-	-	-	-
At end of period	84,213,306	842,133	19,911,500	199,115	70,811,500	708,115

During the period 540,299 (2010: 7,550,000) shares were issued for a total consideration of £86,000 (2010: £112,763) and 12,861,507 (2010: Nil) shares at par value were issued in exchange for each '2010 Warrants' exercised for a total consideration of £1,607,688 (2010: Nil).

6. CONTINGENT LIABILITIES

On commercial discovery or commencement of mining operations, a fee of \$1,000,000 and \$1,312,000 will be payable to the Mali Government, for the Diatissan and Karan permit areas respectively. In addition, minimum expenditure on research over the three years following the discovery of 1,065,000,000 CFA and 516,000,000 CFA will be payable for Diatissan and Karan respectively.

The below amounts relate to the contingent liabilities detailed above:

	30 June 2011	30 June 2010	31 December 2010
	£	£	£
Deferred consideration payable for strategic investment in future mining and exploration projects	3,498,450	3,431,212	3,688,091

The Directors are of the opinion that provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

AFRICAN MINING & EXPLORATION PLC
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2011

7. EVENTS AFTER THE REPORTING DATE

There are no significant events after the reporting date.

AFRICAN MINING & EXPLORATION PLC
INDEPENDENT REVIEW REPORT TO AFRICAN MINING & EXPLORATION
FOR THE SIX MONTHS ENDED 30 JUNE 2011

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 2011 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
FOR THE SIX MONTHS ENDED 30 JUNE 2011

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 2011 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).