

Press Release

Company: **Anglo-African Minerals plc**

Symbol: FSE: AMQ,
ISIN: IE00B66ML191
WKN A0N9YH

Release Date: 8 July 2010

Anglo-African Minerals Plc acquires 67.5% interest in 1 billion tonne Bauxite resource in Guinea

The Directors of Anglo-African Minerals plc (FSE: AMQ) the special situations mining investment company are pleased to announce that AMQ has agreed to acquire a 67.5% interest in Tougué Bauxite and Alumina Corp S A ("TOUBAL") a company incorporated in the Republic of Guinea.

Toubal owns a bauxite exploration licence covering 1,500 km² close to the town of Tougué, which is some 85km east of Labe in central Guinea. Previous Alusuisse exploration and recent work indicates potential reserves of up to one billion tonnes of high quality bauxite. Al₂O₃ content ranges from 41-47% with silica content being between 1% and 4%.

The permit area is close to the planned rail routes to the coast recently announced by Vale ⁽¹⁾ and Bellzone Mining plc /China International Fund⁽²⁾. A bankable feasibility study will include the cost of a rail spur (probably no more than 75km) to connect into one of these lines. Our plan is to bring the current resource estimate up to JORC-compliant standards and then to fast-track the BFS in order to conclude a mining convention with the Guinean Government by the end of 2011.

As with all commodities logistics and transportation of raw material to international markets is a prerequisite to the realisation of value. His Excellency, the Honourable Mahmoud Thiam, Minister of Mines and Geology of the Republic of Guinea stated "This latest transaction demonstrates how the development of infrastructure makes it easier for Guinea to attract foreign investment to develop projects such as Tougué that would otherwise remain on the drawing board. Such projects will help bring about a transformational change to the country's economy faster than anticipated."

Mr Jon Harris, Chief Operating Officer of AAM and Director responsible for West African development said "this acquisition represents a step change to our investment and support in Guinea and West Africa in general. In being able to make cost effective use of planned infrastructure, which substantially reduces the investment risk between resource and customer, the Toubal project can be brought forward several years and liberate value not only to AAM shareholders but to all stakeholders, notably the government and people of Guinea."

Completion of the transaction is anticipated by 30 November 2010.

(1) <http://www.ft.com/cms/s/0/c10fc0ee-5481-11df-8bef-00144feab49a.html>

(2) <http://www.ft.com/cms/s/0/0094198a-6711-11df-bf08-00144feab49a.html>

Contact:

Mr Michael Smith – Chairman of Anglo-African Minerals plc

Tel: +44 20 73185383

St Andrews Securities

Harri Huuskonen - Anglo-African Minerals Broker

T +44 207 718 0060

M +44 773 928 6880