

29 July 2015

**Mwana Africa PLC**  
**(“Mwana” or the “Company” or the “Group”)**

Mwana Africa PLC is pleased to announce its audited financial results for the year to 31 March 2015

**Financial highlights**

- Group revenue increased 6.9% to US\$152.3m (2014: US\$142.5m)
- Group net cash from operating activities increased 81.3% to US\$11.6m (2014: US\$6.4m)
- Exploration spend increased by 20.8% to US\$6.4m (2014: US\$5.3m)
- Group EBITDA amounted to US\$18.8m (2014: US\$25.0m)
- In view of current trading volumes and lower commodity prices we expect that profits for H1 FY2016 will be lower than the previous half year, being H2 FY2015

**Operational highlights**

- Freda Rebecca gold sales of 57,799 ounces (2014: 58,704 ounces) for the year
- Freda Rebecca cash costs (C1) US\$1,067/oz (2014: US\$959/oz), all-in sustaining costs (C3) US\$1,259/oz (2014: US\$1,186/oz) as lower grades led to greater mill tonnages
- Freda Rebecca gold recoveries declined to 79% (2014: 82%)
- BNC nickel in concentrate sales of 7,352t (2014: 7,129t) for the year
- BNC cash costs (C1) US\$12,644/t (2014: US\$11,567/t), all-in sustaining costs (C3) US\$14,428/t (2014: US\$12,462/t) as equipment refurbishment added to costs and restricted mine tonnages
- BNC nickel recoveries marginally declined to 84% (2014: 86%)

**Post period events**

- The combined equity interest of Mr Yat Hoi Ning and China International Mining Group Corporation decreased from 29.0% to 15.6% on 30 April 2015.
- Simultaneously, the equity interest of Zhejiang Hailiang Co. Ltd and entities and persons associated with Zhejiang Hailiang Co. Ltd increased from 1.6% to 9.3% on 30 April 2015.
- Non-executive Interim Chairman, Mr Stuart Morris, and Non-executive Director, Mr Johan Botha, retired from the Board on 5 June 2015. Mr Morris was succeeded by Mr Yat Hoi Ning as Chairman.
- An extraordinary general meeting held on 9 June 2015 led to several changes on the Board. Non-executive Directors Messrs Herbert Mashanyare and Ngoni Kudenga were voted off the Board, while Dr Scott Morrison, Ms Anne-Marie Chidzero and Messrs Mark Wellesley-Wood and Olivier Barbeau were voted onto the Board as Non-executive Directors. Dr. Scott Morrison was later confirmed as Senior Independent Non-executive Director.
- Chief Executive Officer Mr Kalaa Mpinga departed from the Company on 10 June 2015.

- The Company announced the appointment of Grant Thornton UK LLP as its Nominated Adviser and Cantor Fitzgerald as its Financial Adviser and Corporate Broker with effect from 24 July 2015.

**Mr Yat Hoi Ning, the Executive Chairman of Mwana, commented today:** “The past year has proved to be particularly challenging for the Mwana Group as a whole as the prices of our two principal products, gold and nickel, weakened and have continued to fall since the financial year end. This was exacerbated by lower than planned production figures for the two metals. A new board was elected after the end of the reporting period, and I am confident that under this new management, improvements will be seen.

“Our major project initiated during the year under review was the beginning of the work and the financing needed to re-start Bindura Nickel’s smelter which is planned for April 2016. A fully subscribed US\$20m bond was completed in the fourth quarter of the financial year with the proceeds of the bond going towards the restart of the smelter. US\$16.4m of the bond funding was banked before year end and of the outstanding balance of US\$3.6m at year end, US\$1.5m was received by BNC in early July 2015. In a signed letter of commitment, the investor has indicated that the balance will be transferred by the end of September 2015. Resumption of smelting will provide ample capacity to process our own concentrates into nickel leach alloy. The smelter’s excess capacity will be available for toll smelting of other regional producers’ concentrates. At Bindura’s Trojan mine virtually all of the work has been completed on refurbishing and replacing the equipment that had been allowed to deteriorate while the mine was on care-and-maintenance. Mining will now be positioned to extract ore from the “massives” ore bodies where grades are higher than in those bodies that provided the bulk of the mine’s ore until recently.

“At the Freda Rebecca gold mine, gold production was in line with the prior year but slightly below managements’ expectation and this was due, in part, to equipment failures that gave rise to recovery problems in the processing plant, and also because accessing the mine’s higher-grade ore bodies took longer than expected. These problems have now been rectified and I confidently expect that our underground and surface operations will attain their full potential during the 2016 financial year.

“In South Africa progress at our Klipspringer property has been steady. Our project to recover fine diamonds from old slimes residues has continued. Slimes resources are limited and evaluation of the viability of re-processing other residues and of re-starting underground mining is being underway.

“At an extraordinary general meeting on 9 June 2015, following the financial year end, shareholders voted for board changes which were promptly implemented. We welcomed four new Non-Executive Directors to the Board, including Zimbabwean Economist Anne-Marie Chidzero. In addition, I was appointed and confirmed by the Board as Executive Chairman to manage the affairs of the Company until the new CEO is appointed. We have now initiated an executive search for the Company’s new CEO.

“Last week, we announced the appointment of Grant Thornton as the Company’s Nominated Adviser and Cantor Fitzgerald Europe as our Financial Adviser. I would like to thank former Nomad and Broker Peel Hunt for their services to the Company over the past couple of years and for their support in ensuring a smooth transition during the handover. Grant Thornton and Cantor Fitzgerald are well-known and highly respected firms, with global reach. I believe that they are well-placed to support the Company’s strategy for future growth and we are excited to have them on board with us in this next phase and onward.

“Over the course of FY2016 I expect Mwana’s operations and its financial situation to progress, though this is subject to metal prices. Nevertheless, by the current year-end in March 2016, the group’s balance sheet should be stronger than at the start of the year.”

## **About Mwana Africa PLC**

Mwana Africa PLC is a pan-African, multi-commodity mining and development company. Mwana’s principal operations and exploration activities involve gold, nickel, copper and diamonds in Zimbabwe, the Democratic Republic of the Congo (DRC), South Africa and Angola.

In Zimbabwe, Mwana Africa’s interests are the **Trojan and Shangani nickel mines**, and the **Freda Rebecca gold mine**. Mwana’s nickel and gold projects include **Hunter’s Road and Maligreen**.

The **Freda Rebecca gold mine** in Zimbabwe restarted operations in 2009 and in the 12 months ending March 2015, produced 58,714oz of gold.

The **Trojan nickel mine** is owned by Mwana’s Zimbabwe subsidiary, Bindura Nickel Corporation (BNC). After a four-year period of care-and-maintenance, BNC carried out a US\$23m restructuring and recapitalisation programme in 2012 which allowed it to restart the Trojan mine. The first sale of concentrate to Glencore took place in April 2013. In the 12 months ending March 2015, Trojan produced 7,306t of nickel.

In the DRC, Mwana Africa has exploration programmes in Zani Kodo (gold), Katanga (copper) and a 20% stake in **Société Minière de Bakwanga (MIBA)** (diamonds).

**Copper in the Katanga Province** - Mwana has a Joint Venture Agreement with Zhejiang Hailiang Company Limited to jointly explore some of these licensed areas. The Katanga concessions are otherwise known as SEMHKAT (Société d’exploration Minière du Haut Katanga).

The **Zani Kodo project** has JORC compliant measured, indicated and inferred gold mineral resources of 2.97Moz.

**Klipspringer diamond mine** is Mwana’s South African interest. Mwana holds a 70.26% interest in Klipspringer, where the mining operations are currently on care-and-maintenance but where the company is involved in a tailings retreatment project. The viability of returning to underground mining is being investigated.

## **Competent persons**

The information presented here that relates to Mineral Resources of the Kodo, Badolite, Zani Central and Lelumodi deposits is based on information compiled by Dr Colin Porter, who is a full time employee of Mwana Africa, has a PhD in geology, is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM), and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012)’.

The information presented here that relates to Mineral Resources of the Kibolwe deposit is based on information compiled by Gayle Hanssen, who is a Director and Geological Consultant with Digital Mining Services (pvt) Ltd., has a BSc (Hons) in geology, is a Registered Professional Natural Scientist (Pr. Sci. Nat) with the South African Council for Professional Natural Scientific Professions (SACNASP), and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012)’.

The Competent Persons consent to the inclusion in this report of the matters based on the information in the form and context in which it appears.

**For further information (including a copy of these accounts) visit:**  
[www.mwanaafrica.com](http://www.mwanaafrica.com) or contact:

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