



4 December 2017

Alufer Mining Limited ('Alufer' or 'the Company')

Construction Update

Alufer Mining Limited today provides an update on progress of the Construction phase at the Bel Air bauxite mine in Guinea.

The Bel Air mine is located 15km from the coast near the Cap Verga peninsula, 120km north of Guinea's capital, Conakry and has a JORC compliant resource of over 146mt of high grade trihydrate bauxite with low reactive silica. The Company is pleased to report that it is now over half way through its Construction schedule and the project remains on both time and budget. First ore on ship is targeted for Q3 2018 which will then ramp up to initial steady state production of 5.5Mtpa.

The Bel Air mine has a simple logistics set up: surface miners will mine direct shipping ore, which is trucked to the export facility, stockpiled and handled by conveyor belt for loading onto barges and transhipped to Capesize vessels anchored 32km from the coast. This set up ensures efficient freight costs to customers based in China and Atlantic markets.

Alufer is building and will operate its own dedicated export facility and work here is progressing well. The build of the major foundations of the causeway has been completed and is 1.4km in length, including the breakwater. Work will now focus on placing the large rock armour along the sides, finalising the block berth sequence for the barge loading location and completing the top layer of aggregate on which the conveyor belt will be placed.

The haul roads connecting the mining pits are well advanced and camp construction is also progressing with the workforce continuously moving into this permanent accommodation.

Alufer is adopting the IFC environmental and social performance standards along with the Equator Principles as best practice for the Bel Air project. Comprehensive social and environmental impact assessment studies continue, and will do so for the life of mine, and a number of community projects have been initiated with others planned to start in the coming months. Alufer is fully compliant with Guinea's labour laws and currently 86% of the workforce is Guinean with almost half from local villages. The Company is committed to continuing to provide training and development opportunities for the local workforce where possible as the project moves forward.

Bernie Pryor, CEO commented, "It is exciting to see the rapid development of Bel Air from a greenfield exploration site to an operational bauxite mine. I am pleased to report that we are on track with our plans for first production in Q3 2018 with all critical path items on schedule. I am also very pleased with our environmental and community projects and employment record as we are striving to create a sustainable, best practice business. I look forward to providing further updates in due course."

For latest photos of the project, please see below.

Bernie Pryor, Chief Executive Officer
Annabel Redford, Communications
Tel: +44 20 7494 8204
E: annabel.redford@alufermining.com

Notes:

Alufer Mining Limited:

Alufer is an independent mineral exploration and development company with significant bauxite interests in the Republic of Guinea. The company is focused on the development of the Bel Air mine where production is expected to commence in Q3 2018. Alufer places a great deal of importance on sustainability and is committed to ensuring that it operates in line with the highest social and environmental standards. For more information please visit: www.alufermining.com.

QUARRY:



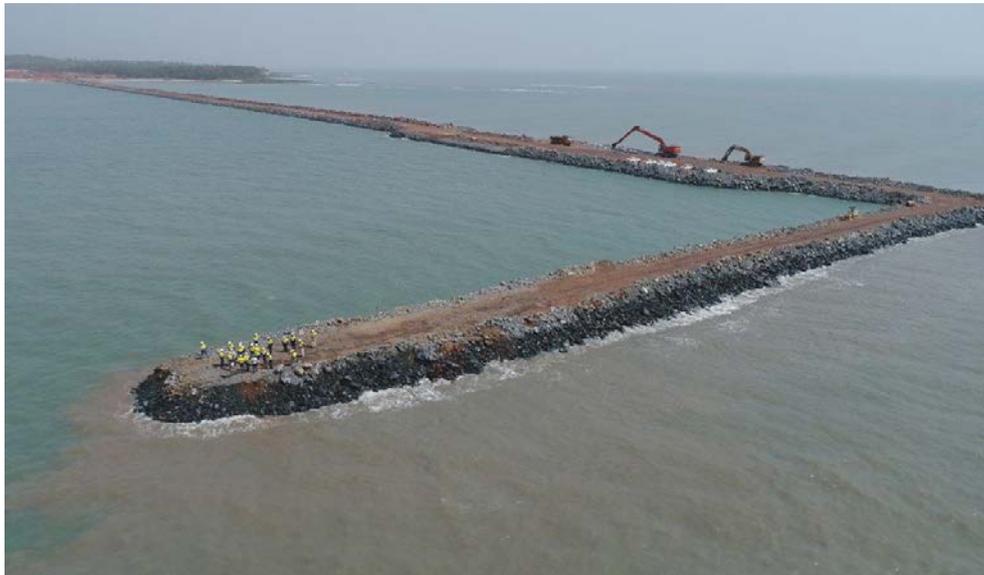
EXPORT FACILITY:



EXPORT FACILITY



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