

11 May 2021

COPPER AND GOLD LICENCES GRANTED IN WESTERN AUSTRALIA

Highlights

- Five exploration licences granted in the highly prospective South West Terrane of WA.
- These tenements cover three project areas which are considered prospective for large porphyry-style Cu-Au deposits and/or intrusion related orogenic Au deposits.
- These projects consolidate the Company's diversification from energy projects in Botswana and complement its investment in ASX-listed Caravel Minerals, which owns a large porphyry Cu-Mo deposit in Western Australia.
- Field evaluation of the project areas will commence during the current quarter, initially comprising roadside soil sampling and geological mapping.
- The Company continues to evaluate other opportunities for copper in Australia.

African Energy Resources Limited (ASX: AFR, "African Energy" or "the Company") is pleased to advise that five exploration licences in the highly prospective South West Terrane of Western Australia have been granted. The applications cover three areas, the Kondinin, Tarin Rock and Sunnyside-Mayanup projects, each of which is considered prospective for large porphyry Cu-Au deposits and/or intrusion related orogenic gold deposits (Figure 1).

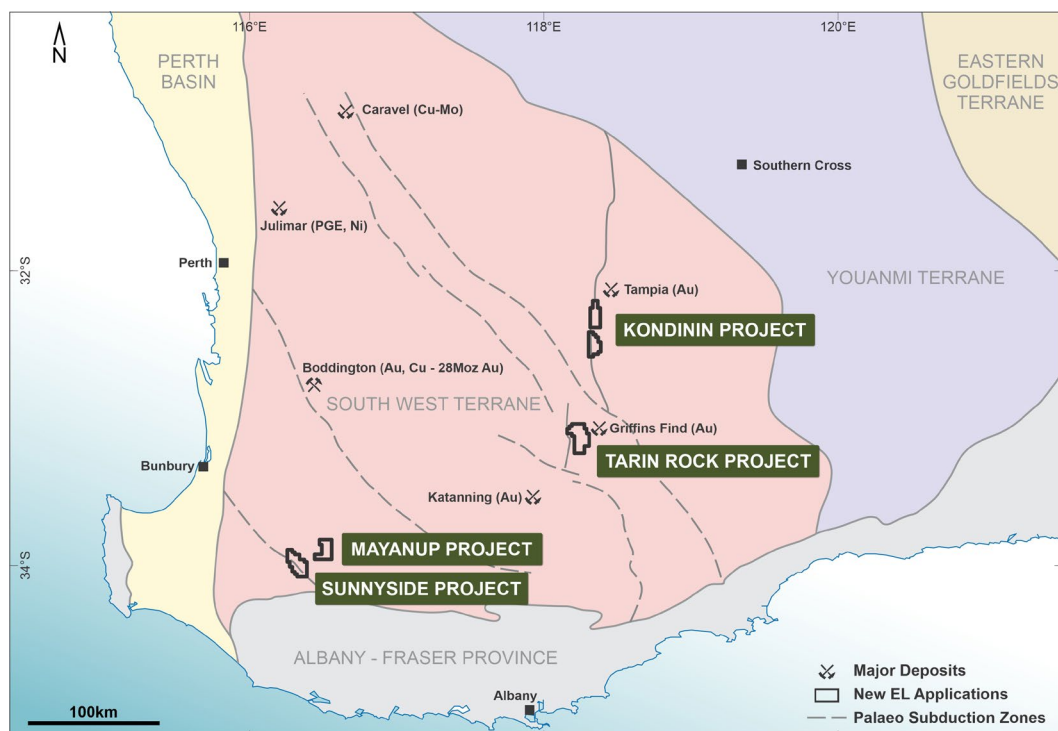


Figure 1 Location map showing the five new exploration licence application areas with respect to key geological elements discussed in the text.

New Exploration Licences Granted

These new licences are the result of an internal project generation program designed to diversify the Company's portfolio away from a reliance solely on coal-to-power development projects in Botswana.

The Sunnyside-Mayanup and Tarin Rock projects are located close to major crustal scale lineaments believed to represent palaeo-subduction zones that may be spatially related to large-scale porphyry deposits such as Boddington and Caravel (Calingiri). The Kondinin Project straddles a major N-S fault zone which links a palaeo-subduction zone with the terrane boundary between the South west Terrane and the Youanmi Terrane, and which is considered prospective for intrusion related orogenic gold mineralisation (refer Figure 1 and refer to Company ASX release dated 22 October 2020).

Sunnyside-Mayanup Project

Two exploration licences have been granted: Sunnyside (E70/5614, 57 graticular blocks), and Mayanup (E70/5613, 40 graticular blocks). These licences occur on flexures in regional structures which are interpreted to represent old subduction zones that may be prospective for porphyry Cu-Au mineralisation.

Sunnyside E70/5614 straddles a structure which represents a sub-terrane boundary. On the northern side of this structure, regional geological mapping indicates the presence of hornblende-bearing quartz monzonites which are locally porphyritic in nature. These types of rocks are considered prospective for porphyry Cu-Au mineralisation. This is supported by strong geochemical anomalism for copper in the CSIRO-CRC-LEME Laterite Geochemical database in this area, with anomalous samples (>100ppm Cu) containing up to 409ppm Cu over an area of ~14km x 3.5km (previously reported on 22 October 2020).

Mayanup E70/5613 straddles two linear structures and contains copper anomalism up to 352ppm Cu over an area of ~12km x 5km (Figure 2).

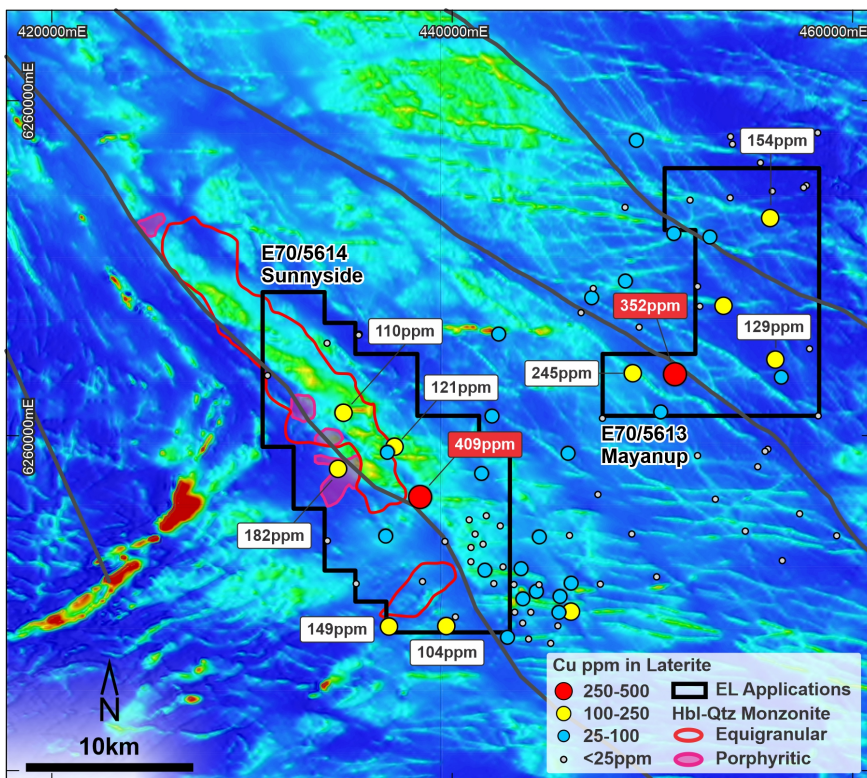


Figure 2 Sunnyside and Mayanup licences on an image of regional aeromagnetic data, also showing the location of CRC-LEME laterite samples and copper assays for these samples.

Tarin Rock Project

The Tarin Rock project comprises a single exploration licence (E70/5615), covering 70 graticular blocks. This project occurs in an area of geological complexity where regional aeromagnetic data indicates the presence of a series of complex, nested felsic intrusive rocks to the immediate north-east of a jog in a major NNE trending structure (Figure 3). The Griffins Find intrusion related orogenic gold deposit occurs a further 5km to the NE of the tenement application. Tarin Rock is considered prospective for intrusion related orogenic gold deposits.

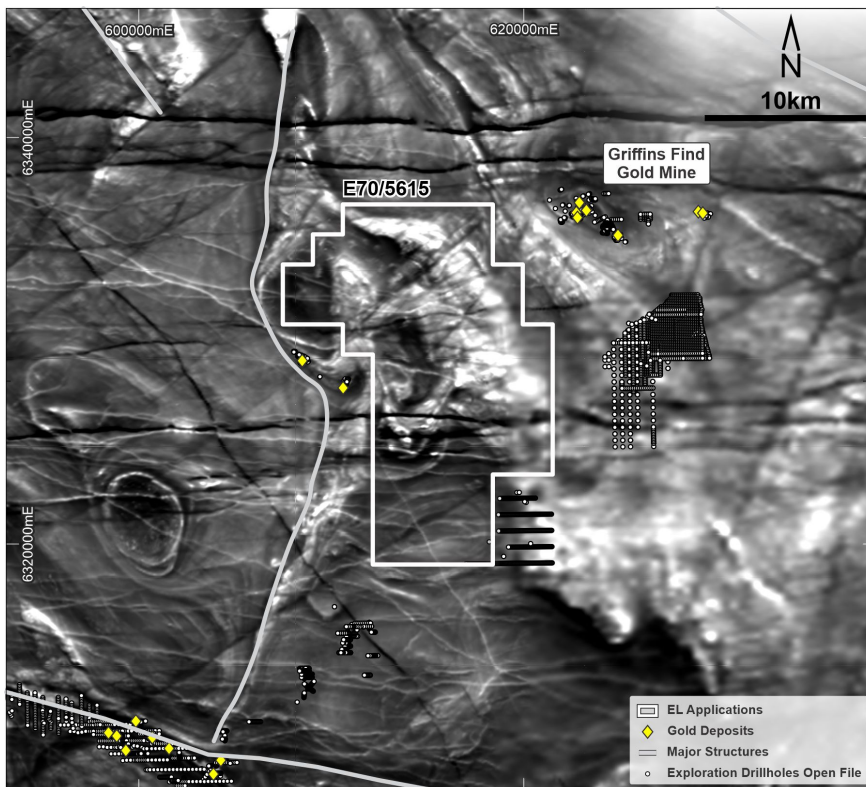


Figure 3 Tarin Rock exploration licence outline on regional aeromagnetic data showing a complex series of nested felsic intrusions near a major jog along a NNE trending fault.

Kondinin Project

The Kondinin Project consists of two exploration licences, E70/5611 (Kondinin North, 9 graticular blocks) and E70/5612 (Kondinin South, 39 graticular blocks). The licences cover deformed felsic gneisses to the east of a major N-S structure in which several elongate dome or “eye” structures are present (Figure 4).

Kondinin North is approximately 10km to the SW of Ramelius Resources’ Tampia gold project. Limited aircore drilling over Kondinin South is reported in open file data.

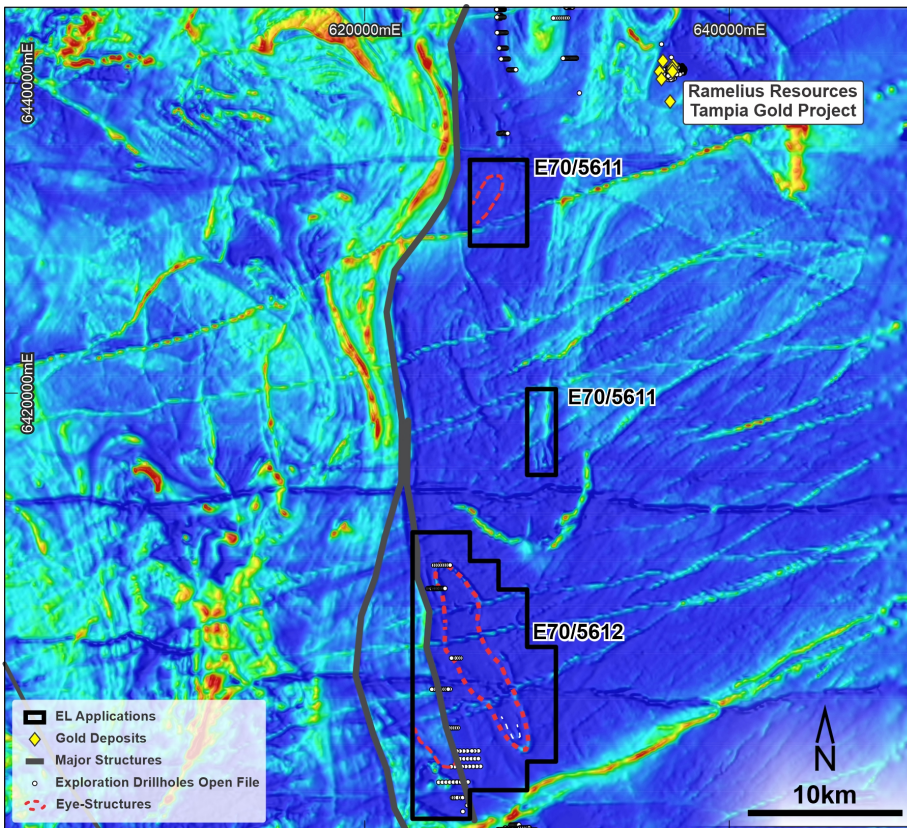


Figure 4 Kondinin exploration licence outlines on regional aeromagnetic data showing a series of domed ("eye") structures immediately east of a N trending major fault

Next Steps

Open file data indicates that minimal to limited modern exploration has been undertaken on the tenement application areas. Extensive cover of laterite, residual soils, and in some places recent colluvial to alluvial cover is present.

Now that the exploration licences have been granted the Company will undertake reconnaissance mapping and geochemical soil sampling along roadsides to confirm their prospectivity for copper and gold and to define targets for further follow-up.

For and on behalf of the board. Authorised for release by Frazer Tabeart, CEO

For further information, please contact the Company directly on +61 8 6465 5500.

COMPETENT PERSONS STATEMENT

The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the 'JORC Code') sets out minimum standards, recommendations and guidelines for Public Reporting in Australasia of Exploration Results, Mineral Resources and Ore Reserves. The information contained in this announcement has been presented in accordance with the JORC Code (2012 edition) and references to "Measured, Indicated and Inferred Resources" are to those terms as defined in the JORC Code (2012 edition).

The information in this report relating to exploration activities and results is based on information compiled by Dr Frazer Tabeart (Executive Director of African Energy Resources Limited). Dr Tabeart is a member of the Australian Institute of Geoscientists. Dr Tabeart is a qualified geologist and has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is 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". Dr Tabeart consents to the inclusion in the ASX release of the matters based on their information in the form and context in which it appears.