



Developing Multiple Power Projects for Southern Africa

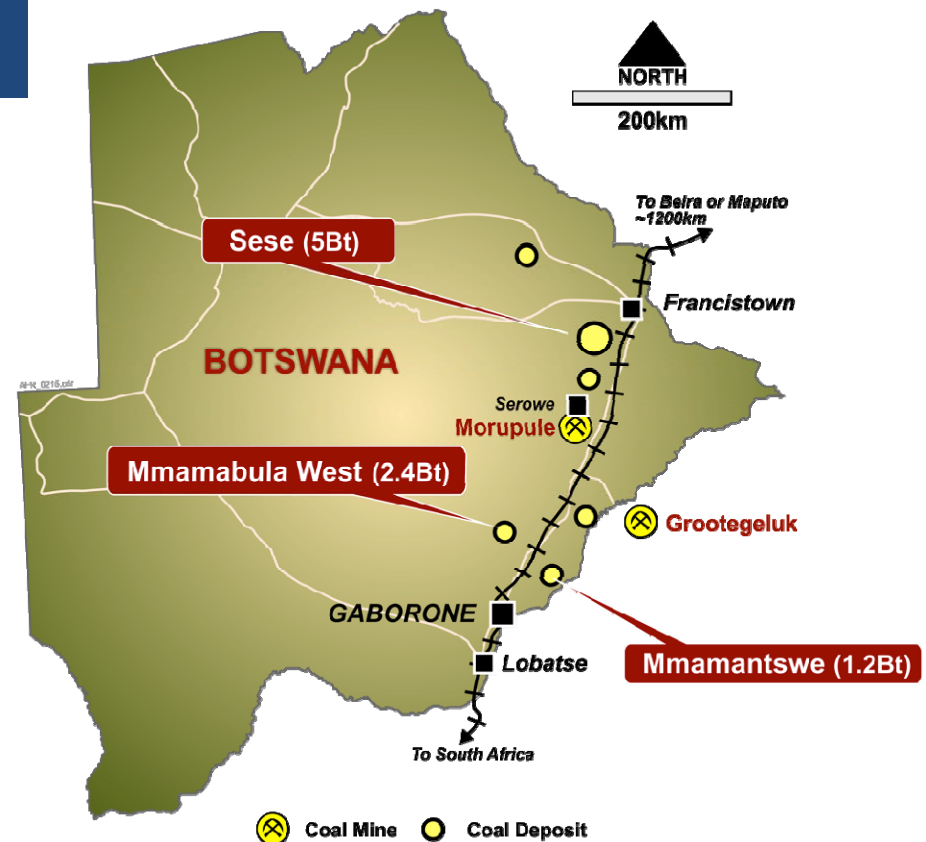
Africa DownUnder Presentation

3rd September 2015



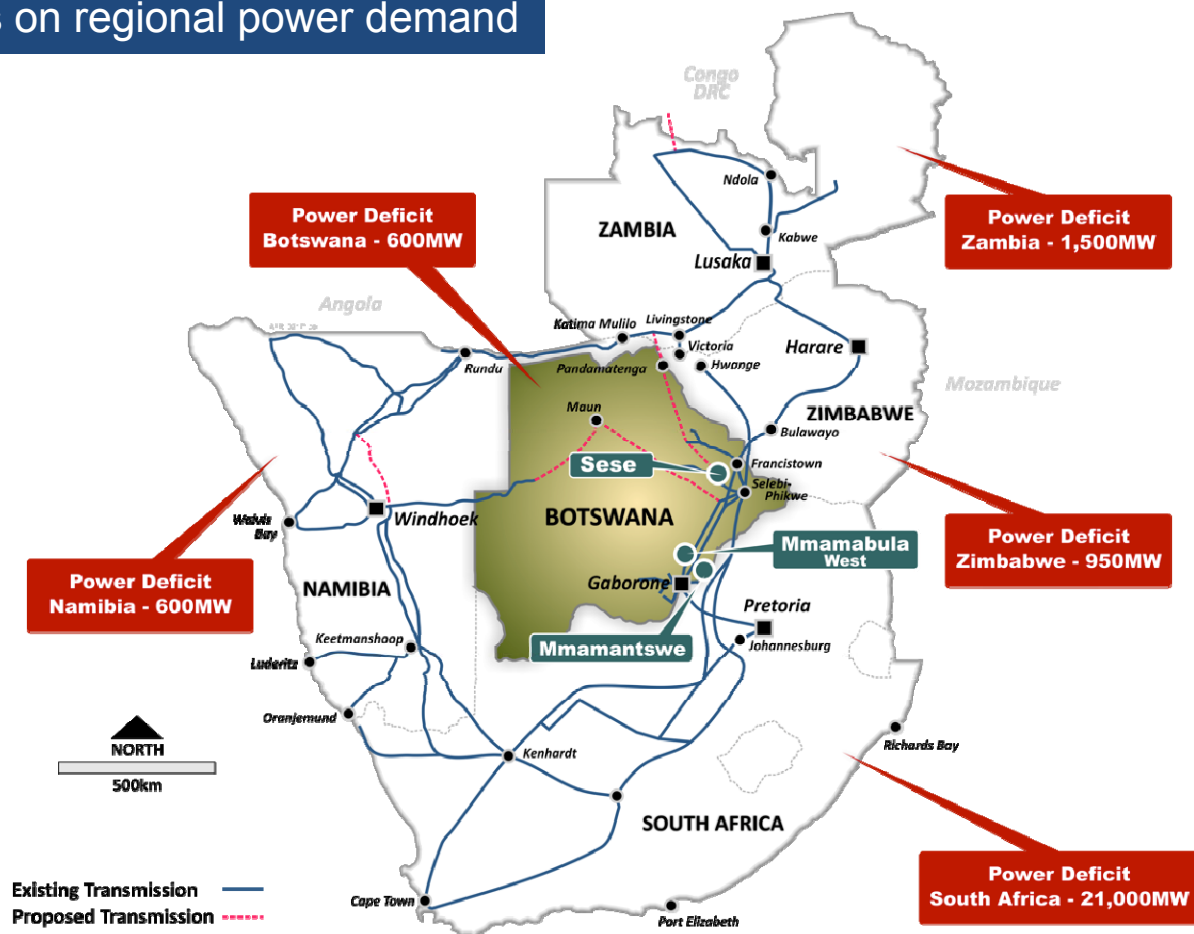
AFR is participating in the development of three large-scale power projects

- All projects are located in Botswana which has the lowest sovereign risk rating in sub-Saharan Africa
 - **Sese JV** (AFR 49%): First Quantum Minerals evaluating the development of a fully integrated mine and power station
 - **Mmamantswe** (AFR 100%): binding term sheet agreed to sell project for US \$20M subject to a tender bid being shortlisted in SA
 - **Mmamabula West** (AFR 100%): developing integrated mine-mouth power station(s) +/- export coal mines



Positioning the business to focus on regional power demand

- **Surrounded by robust demand for power:** every country in SADC is chronically short of reliable, affordable base-load power
- **Regional hub:** AFR's projects are centrally located within the SAPP transmission grid
- **Easy access to core infrastructure:** AFR's projects in close proximity to grid connection
- **Stable business environment:** Botswana provides the most secure/stable fiscal and political setting in southern Africa



Sese JV

- Advanced project
- Measured resource*
- Approved EIA for 300MW
- Water allocation approved
- Surface rights approved
- First Quantum Minerals earning up to 75% interest
- AFR's 25% interest loan carried to commercial operation of power station

Mmamantswe

- Advanced project
- Measured resource*
- Approved EIA for 2,000MW
- Water source registered
- Project consortium to submit bid into South Africa's coal-fired IPP Bid Window 1
- AFR to sell project for \$20M if project bid is shortlisted and taken to financial close

Mmamabula West

- Indicated/inferred resource*
- Good quality thermal coal suitable for power generation and/or export
- EIA under amendment to include 300MW + 300MW
- Project being readied for submission in RSA coal-fired IPP Bid Window 2
- AFR is the lead developer
- Export potential to RSA/Asia

* Refer to resource table in Appendix 1

The Sese JV– Key Terms

First Quantum Minerals Limited will invest up to \$20M in the Sese JV

- Initial AUD \$8M invested to take a 51% interest and management of the JV
- Sole funding the next AUD \$12M to increase interest to 75%
- This funding is being used to investigate the development of a fully integrated coal mine and mine-mouth power station
- FQM are responsible for sourcing all additional funding beyond the initial \$20M investment
- AFR's 25% share of additional funding will be loaned by FQM, and carried to commercial production



Sese JV - project development tasks underway

TECHNICAL Transmission study on existing Tx options between Botswana and Zambia

 Confirmation of critical power plant (boiler) technology, unit size and layout

 Drilling and test-work to finalise fuel specification

PERMITTING Execute Land Lease Agreement (surface rights approval in place)

 Complete Water Supply Agreement (2.8 GL p.a. water allocation approved)

 Complete Coal Supply Agreement and submit ML application

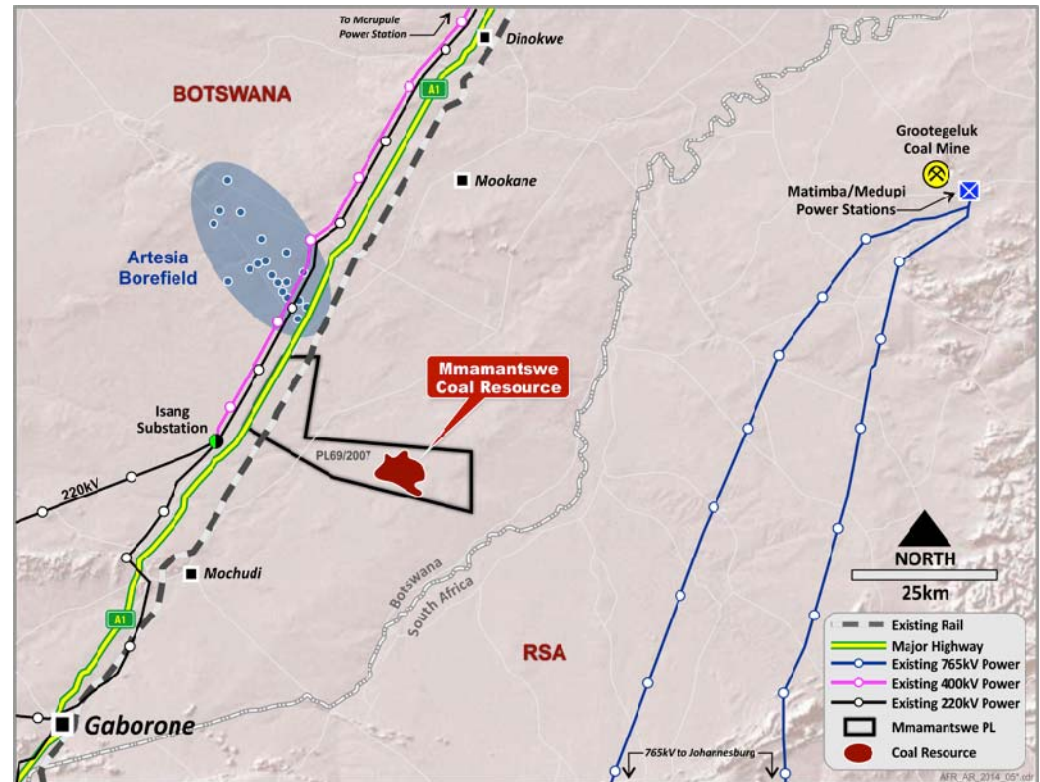
COMMERCIAL Prepare and submit Development Approval Order

 Confirm design and cost estimate for fully integrated project

Mmamantswe – Sale Opportunity

South Africa is seeking 600MW of cross-border, coal-fired baseload IPP

- Binding term sheet recently executed to sell Mmamantswe to an experienced SA developer who intends to submit a bid:
 - Qualifying criteria and the RFP documentation for Bid Window 1 to be released later this year
 - Developer has formed a bid consortium and will sole fund bid preparation/submission
 - AFR will be paid USD \$10M if the bid is shortlisted, at which point project ownership will be transferred to the developer
 - AFR paid a further \$10M at financial close

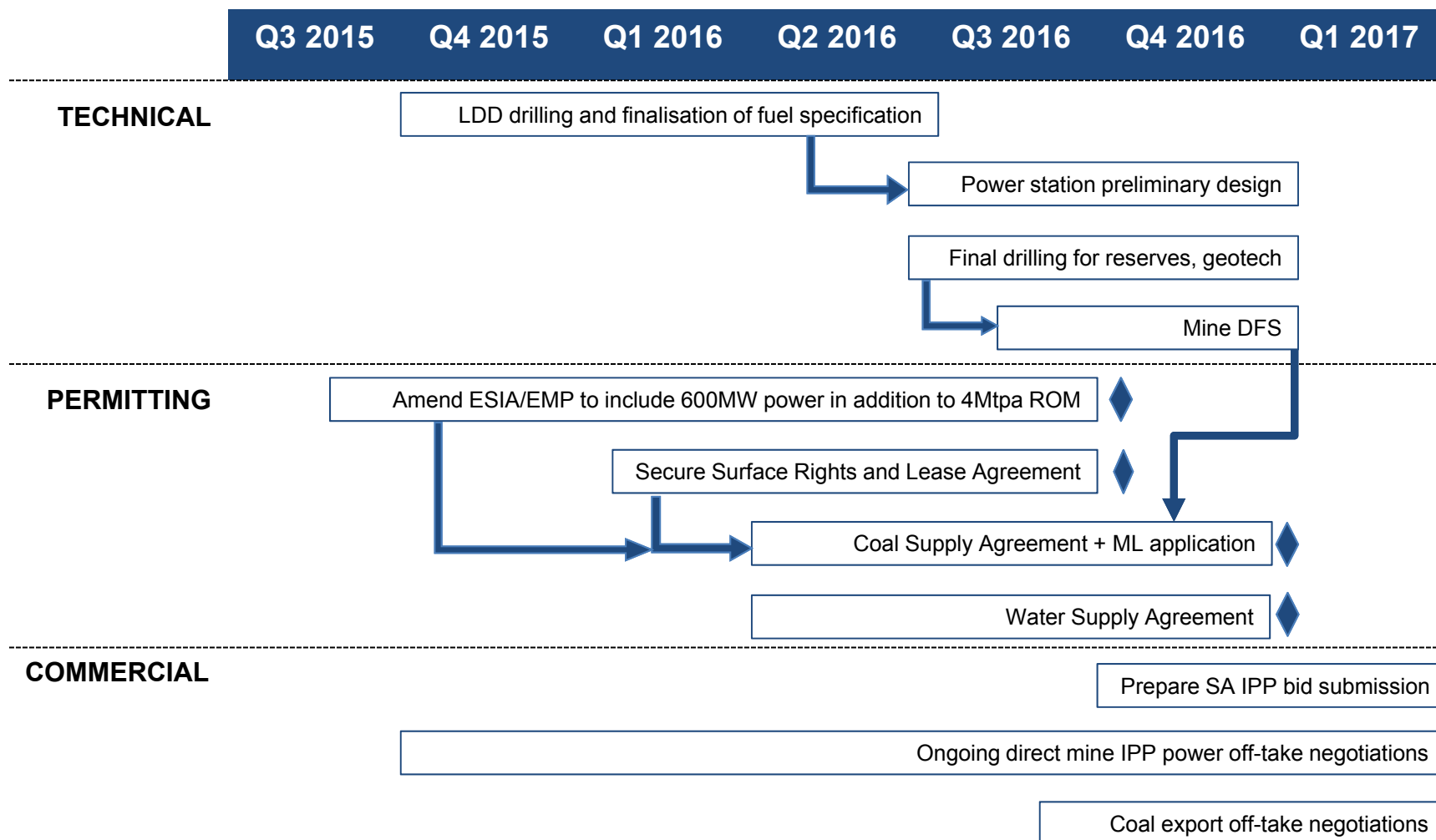


Mmamabula's quality provides an opportunity for both power generation and coal export

- 2.47 billion tonnes in two main coal seams, each ~5m thick, 100-130m deep
- Geometry and coal quality provides multiple options for **power generation and/or export** of coal
- Prefeasibility study (March 2014) evaluated a 220Mt portion of A-Seam for a conventional underground mine and wash plant, capable of producing export quality coal and/or power station fuel
- AFR preparing project to be ready for Bid Window 2 in South Africa's IPP procurement programme
- AFR also evaluating potential for direct IPP supply to large-scale industrial users and mining houses



Mmamabula West : Indicative Development Plan



Summary - Project Pipeline



Sese JV

FQM evaluating the development of an integrated mine and power station

FQM earning-in, AFR loan carried to production from power station

Mmamantswe

Binding terms agreed for a Share Sale to a South African developer

Potential \$20M short-term return, conditional upon SA IPP bid shortlisting

Mmamabula

Multiple power project potential with future coal export potential

AFR sole funding pre-development activities prior to introducing partner(s)

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ASX Code

AFR

Shares on issue

620 million

Market Cap (@ \$0.05)

AUD \$31M

Cash (31 July 2015)

AUD \$8.1M

Debt

Nil

Major Shareholders

The Sentient Group

23%

First Quantum Minerals

11%

Management

10%

Top 20

62%



Appendix 1: Global AFR coal resource table



Global Coal Resources for AFR Limited Coal Projects in Botswana								
Sese Coal & Power Project: Resource Summary (Raw coal on an air-dried basis), FQM 51%, AFR 49%								
Resource Zone	In-Situ Tonnes*	CV (MJ/kg)	CV (kcal/kg)	Ash %	IM%	VM%	FC%	S %
MEASURED (Block-C)	333 Mt	17.6	4,200	30.2	7.9	20.6	41.4	2.1
MEASURED (Block-B)	318 Mt	16.0	3,820	34.8	7.4	20.4	37.4	1.7
INDICATED	1,714 Mt	15.3	3,650	38.9	6.6	18.7	35.8	2.0
INFERRED	152 Mt	15.0	3,600	39.1	6.4	19.5	34.9	2.2
TOTAL	2,517 Mt							
Sese West Project: Resource Summary (Raw coal on an air-dried basis) FQM 51%, AFR 49%								
Resource Zone	In-Situ Tonnes*	CV (MJ/kg)	CV (kcal/kg)	Ash %	IM%	VM%	FC%	S %
INFERRED	2,501Mt	14.6	3,500	40.2	6.1	19.8	31.9	2.0
TOTAL	2,501Mt							
Mmamabula West Project: Resource Summary (Raw coal on an air-dried basis) AFR 100%								
Resource Zone	In-Situ Tonnes*	CV (MJ/kg)	CV (kcal/kg)	Ash %	IM%	VM%	FC%	S %
MEASURED	N/A							
INDICATED	892 Mt	20.2	4,825	25.5	6.0	26.0	41.0	1.5
INFERRED	1,541 Mt	20.0	4,775	25.5	5.7	25.9	41.2	1.7
TOTAL	2,433 Mt							
Mmamantswe Project: Resource Summary (Raw coal on an air-dried basis) AFR 100%								
Resource Zone	In-Situ Tonnes*	CV (MJ/kg)	CV (kcal/kg)	Ash %	IM%	VM%	FC%	S %
MEASURED	978 Mt	9.5	2,270	56.5	3.9	15.8	21.8	2.0
INDICATED	265 Mt	7.9	1,890	62.3	3.3	14.2	18.1	2.1
INFERRED	N/A							
TOTAL	1,243 Mt							
GRAND TOTAL	8,694 Mt							

* In-Situ tonnes have been derived by removing volumes for modelled intrusions, burnt coal and weathered coal and then applying geological loss factors to the remaining Gross In-Situ Tonnes