

20 August 2021

APPLICATIONS SUBMITTED FOR NINE EXPLORATION LICENCES COVERING TWO LARGE STRATIFORM COPPER PROSPECTS IN THE EAST KIMBERLEY, WA

Highlights

- African Energy has submitted applications for nine maximum size exploration licences in the East Kimberley District of Western Australia, covering two project areas considered highly prospective for stratiform copper mineralisation.
- The Cambridge Gulf Project consists of five exploration licence applications ranging from 50km to 100km to the north of Wyndham.
- The Menuair Dome Project consists of four exploration licence applications situated 80km to the south-west of Wyndham.
- Both projects contain numerous copper occurrences hosted in the Elgee Siltstone or at the base of the Middle Pentecost Sandstone, both part of the Palaeo-Proterozoic Kimberley Group, and both considered prospective for sediment-hosted, stratiform copper mineralisation.
- No modern exploration for copper in these project areas is noted in any open file data held on record in Western Australia.
- The Company has initiated a process to discuss land access and commercial agreements with the traditional owners of these lands.
- These project applications add to the Australian copper and gold portfolio that the Company has developed over the preceding 12 months, which includes early-stage copper and gold targets in Western Australia, and the significantly more advanced Briggs, Mannersley and Fig Tree Hill project in Queensland.

Introduction and Summary

African Energy Resources Limited (ASX: AFR, “African Energy” or “the Company”) advises that it has submitted applications for nine maximum size exploration licences to secure two project areas that are considered highly prospective for stratiform copper mineralisation in the East Kimberley district of Western Australia (Figure 1).

These project applications provide a first mover opportunity for African Energy in an area that has the right geology to be a major copper province. These early stage projects complement the advanced project as Briggs, Mannersley and Fig Tree Hill in Queensland, announced on 18 August 2021, plus the five exploration licences for copper and gold in the SW Terrane of Western Australia that were granted in May 2021.

The two East Kimberley projects occur within 50-100km of Wyndham with limited road access but good access to support services in Kununurra. Some of the areas are subject to travel and access restrictions unless approved by the traditional owners.

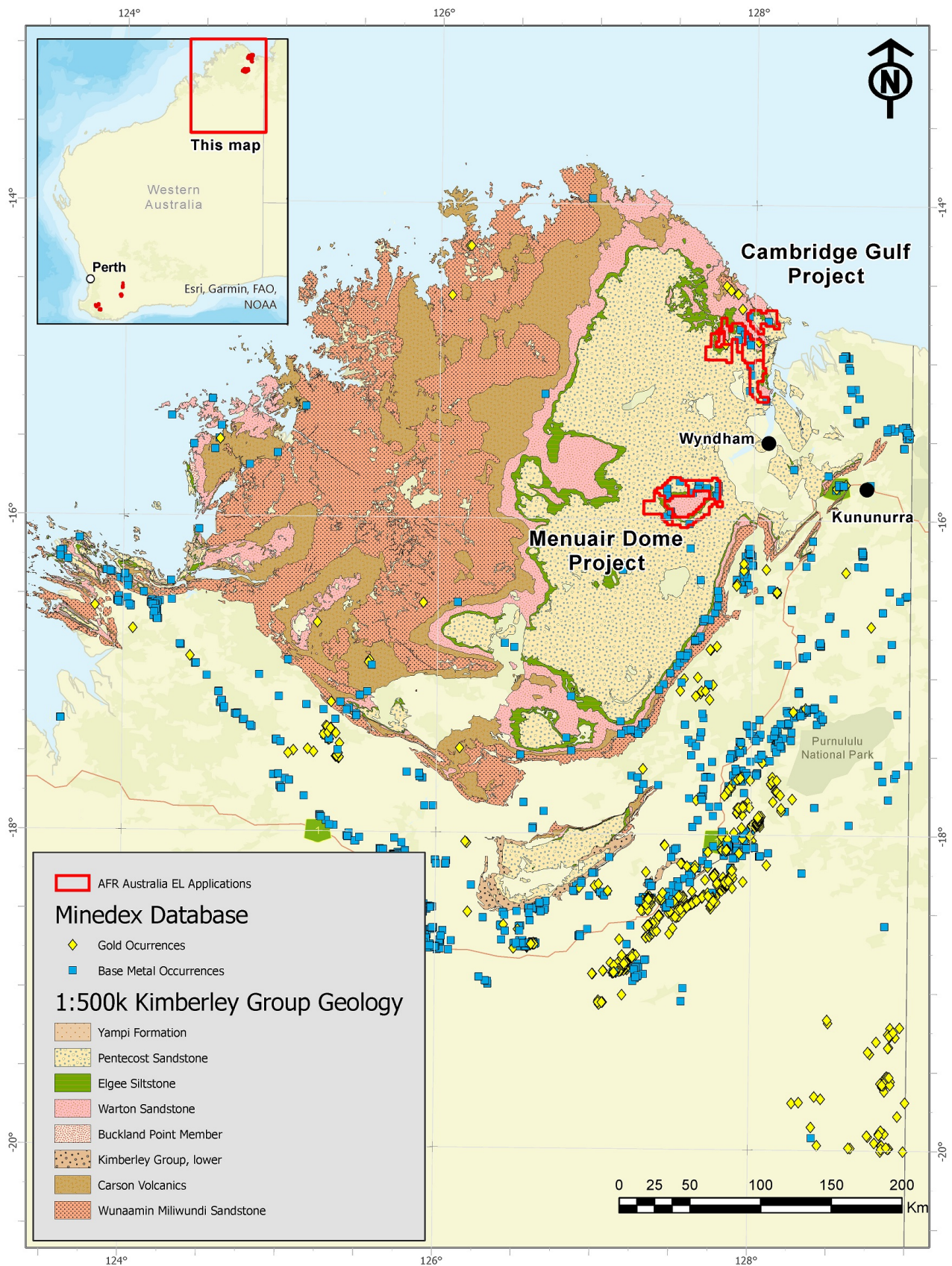


Figure 1 Regional setting of the East Kimberley copper projects applied for by AFR

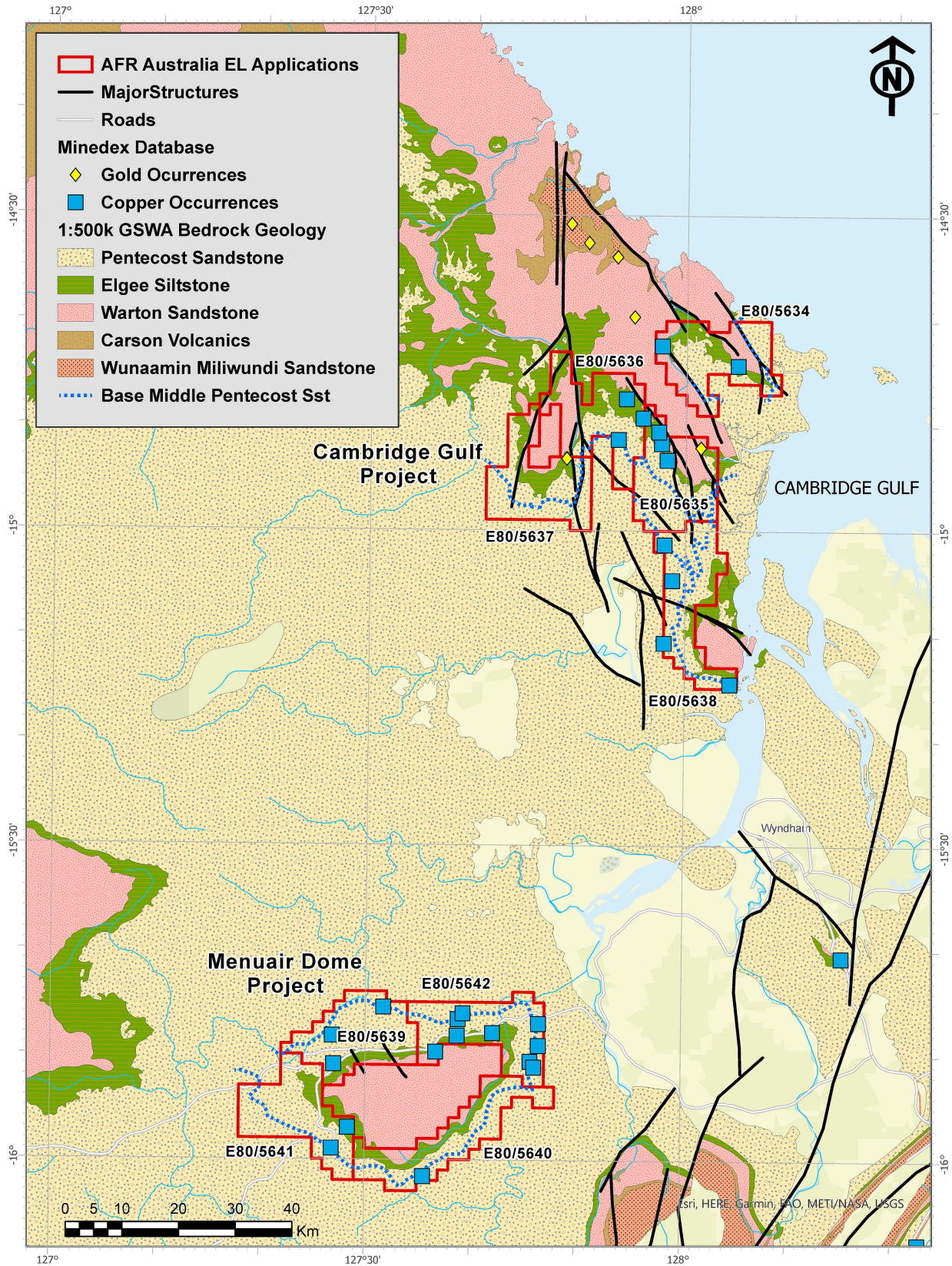


Figure 2 District scale geology showing copper occurrences at two distinct stratigraphic positions within the Palaeo-Proterozoic Kimberley Group sediments.

Geological Setting and Targeting of Stratiform Copper in the East Kimberley

The East Kimberley plateau comprises flat to near flat lying clastic sediments and volcanic rocks of the Kimberley Group. The lower part of the Kimberley Group contains the Wunaamin Miliwundi sandstones and the Carson Volcanics comprising massive, altered basalts and minor clastic sediments. These are overlain by the massive red siltstones and minor shales of the Elgee Siltstone, and then in turn by the Pentecost Sandstone, comprising Lower, Middle and Upper units.

Known copper occurrences have been mapped within or adjacent to the shale units of the Elgee Siltstone and associated with glauconitic sandstones at the base of the Middle Pentecost Sandstone (see Figure 2). In both instances, these horizons represent reduced sequences which make favourable hosts for copper sulphide precipitation. Copper may have been sourced from the underlying altered basalts of the Carson Volcanics. Copper accumulation may have occurred at structural sites in the reduced host sequences such as fault margins to sub-basins and along the edges of uplifted domes.

The two projects under application cover known copper occurrences that represent both structural settings:

- The **Cambridge Gulf Project** contains several known copper occurrences in both the Elgee Siltstone and the base of the Middle Pentecost Sandstone. The area shows significant sub-basin marginal faulting, which may have acted as fluid pathways for copper bearing solutions to move from the underlying Carson Volcanics into the stratigraphically higher trap sites.
- The **Menuair Dome Project**, as the name implies, contains several copper occurrences around the margins of the Menuair Dome, with copper occurring in both favourable stratigraphic horizons.

No known exploration of any significance for copper has been documented for these two project areas, representing a first mover opportunity for African Energy.

Next Steps

African Energy Resources has initiated a process to discuss land access and potential future commercial cooperation with the traditional owners of the lands within which these licence applications lie.

Subject to satisfactory progress with these discussions, the Company plans to undertake an initial program of helicopter-supported stream sediment sampling to broadly evaluate both project areas and to define targets for follow-up geological mapping and soil sampling.

Further updates on progress with the above will be provided when possible.

For and on behalf of the board.

Authorised for release by Dr. 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 reviewed 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.

Forward Looking Statements:

Any forward-looking information contained in this news release is made as of the date of this news release. Except as required under applicable securities legislation, African Energy does not intend, and does not assume any obligation, to update this forward-looking information. Any forward-looking information contained in this news release is based on numerous assumptions and is subject to all of the risks and uncertainties inherent in the Company's business, including risks inherent in resource exploration and development. As a result, actual results may vary materially from those described in the forward-looking information. Readers are cautioned not to place undue reliance on forward-looking information due to the inherent uncertainty thereof.