



# Company Update

September 2021

A new focus on  
Copper in Australia

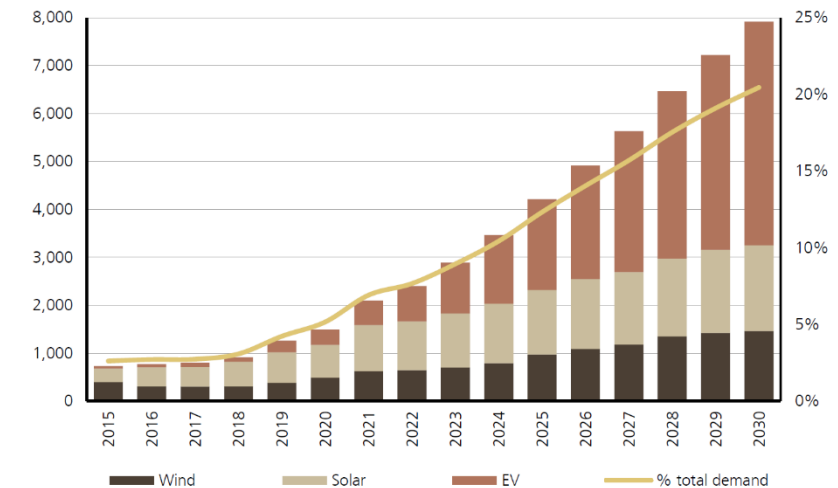




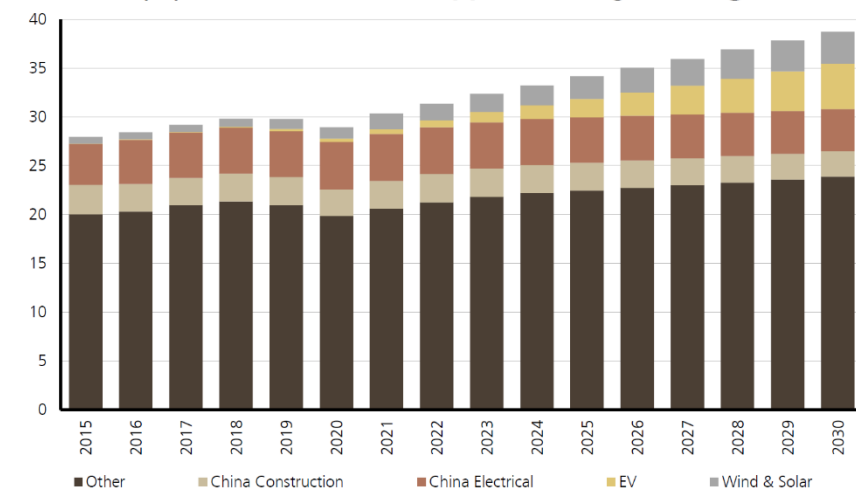
# New focus on Australian copper

- Increasing focus on copper exploration over past years.
- Strong fundamentals for growth in copper market, and growing supply side constraints in many key producing countries.
- Increasing demand for copper for de-carbonisation (renewable energy, electric vehicles), low substitution risk.
- Key assets now held by the Company:
  - ❖ Exclusive option over Briggs and Mannersley copper project (143Mt @ 0.29% Cu inferred mineral resource) in SE Queensland for a staged earn-in JV earning up to 70%.
  - ❖ Five exploration licences granted for Cu, Cu-Au, Au in SW Terrane of Western Australia.
  - ❖ Nine exploration licence applications submitted for to large-scale sediment-hosted copper exploration projects in the East Kimberley of WA.
  - ❖ Liquid investments worth ~ A\$7.7M in ASX-listed copper resources companies Caravel Minerals (CVV) and Canterbury Resources (CBY).
- African coal projects are no longer core assets and will be divested via a spin-out and in-specie distribution to existing shareholders.

Copper demand from key 'growth' sectors



Demand (kt): EV/Renewables support trend growth @ 2.5-3.0%





# Significant news flow over next four months

- Detailed soil sampling program at Briggs porphyry Cu project, Queensland (September 2021).
- 3,000m reverse circulation percussion (RC) drill program at Briggs, targeting extensions to known mineralisation and higher-grade zones (September-October).
- Commencement of roadside sampling for porphyry Cu-Au targets and intrusion related gold targets in SW of Western Australia (September-November).
- Negotiations with Kimberley Land Council and Traditional Owners regarding the East Kimberley copper projects (September-December).
- De-merger of African coal assets (October).





# Corporate snapshot



<b>Alasdair Cooke</b>	<b>Executive Chairman</b> Geologist and founding director, 30 years in exploration
<b>Frazer Tabeart</b>	<b>Executive Director and CEO</b> Geologist, porphyry Cu-Au expert, >30 years in exploration
<b>John Dean</b>	<b>Non-Exec Director</b> First Quantum Minerals Ltd appointment to the board
<b>Valentine Chitalu</b>	<b>Non-Exec Director</b> Independent director
<b>Ian Hume</b>	<b>Non-Exec Director</b> Independent director
<b>Daniel Davis</b>	<b>CFO and Co-Sec</b> CPA, >15 years in junior exploration corporate roles

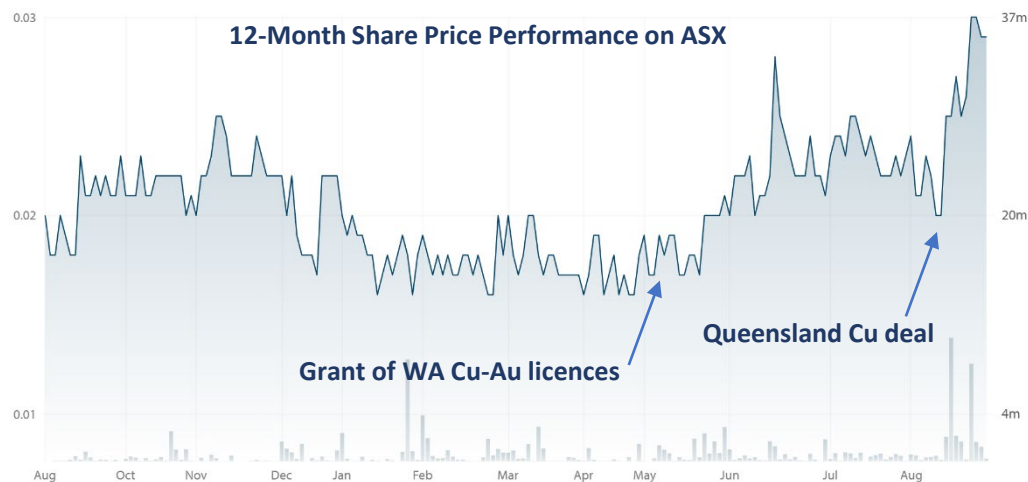
As of 31 August 2021:

<b>SHARES ON ISSUE:</b>	686.7M
<b>OPTIONS:</b>	40.0M
<b>CASH:</b>	~A\$1.4M
<b>VALUE OF LISTED SHARES HELD:</b>	~A\$6.5M
<b>DEBT:</b>	Nil

## MAJOR SHAREHOLDERS

<b>First Quantum Minerals Ltd</b>	<b>12.6%</b>
<b>Alasdair Cooke</b>	<b>7.3%</b>
<b>Peter Hannah</b>	<b>7.3%</b>
<b>Clear Elm Pty Ltd</b>	<b>2.6%</b>
<b>SAF Management</b>	<b>1.7%</b>

**Top 20 = 47%**  
**Top 40 = 60%**





# Briggs and Mannersley porphyry Cu project

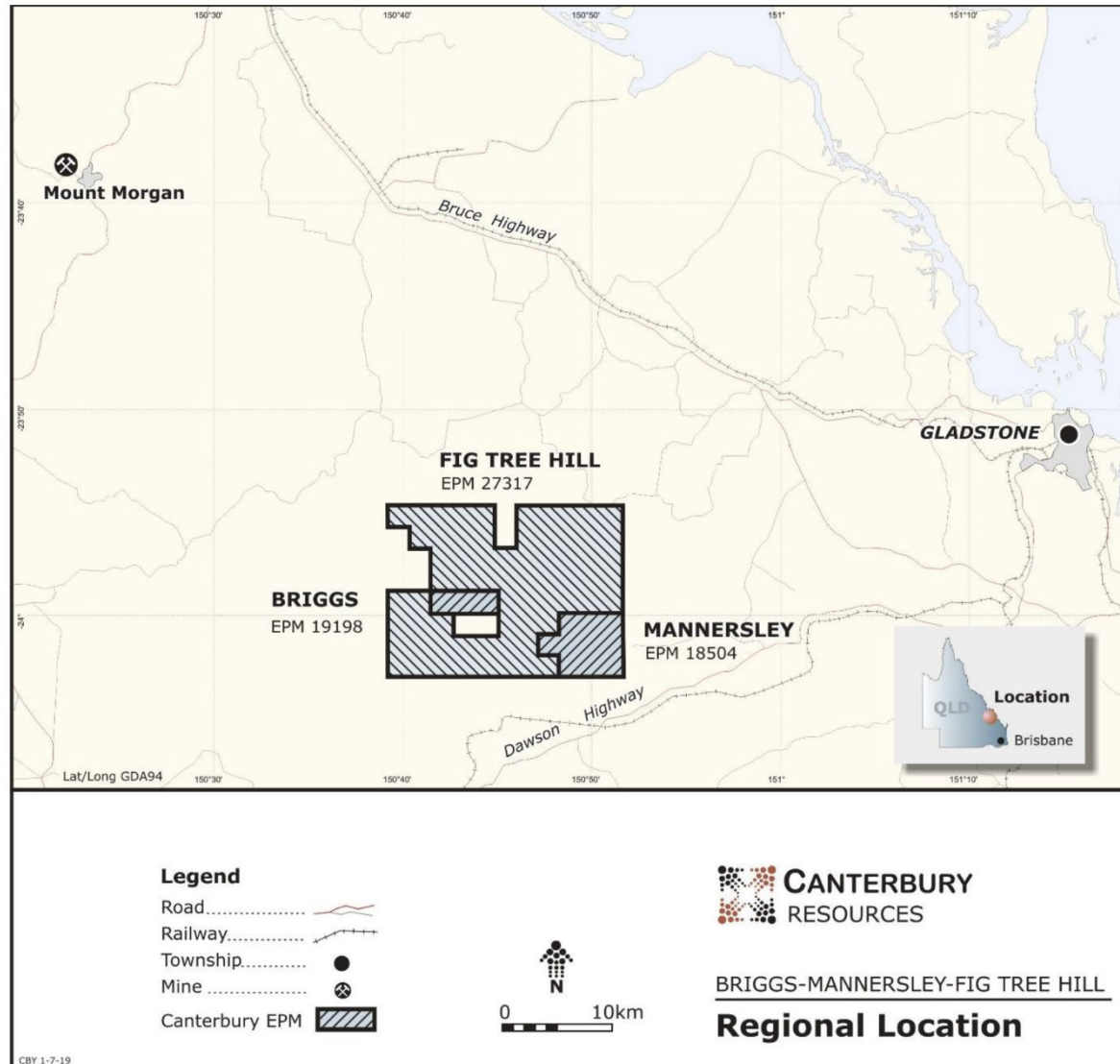


- SE Queensland - low risk, Tier 1 jurisdiction.
- Advanced porphyry copper project with published inferred mineral resource (JORC) at Briggs Central Porphyry.
- 143Mt @ 0.29% Cu, significant tonnage and grade upside.
- Easy access (private land), close to power, water, rail and only 50km to deep-water port (Gladstone).
- Option period and earn-in JV from Canterbury Resources (ASX: CBY):
  - Initial A\$1M equity investment into CBY to secure ~12-month exclusive option.
  - Commitment to fund to A\$750k exploration programs during option phase:
    - Detailed soil sampling to refine future drilling targets.
    - RC drilling program (~3,000m) to test immediate upside.
  - On exercise of option, \$15.25M, 3 stage earn-in to reach 70%:
    - Stage 1 (AFR 30%): \$2.25M within 2 years of exercising option.
    - Stage 2 (AFR 51%): further \$3M within 4 years of exercising option.
    - Stage 3 (AFR 70%): further \$10M within 9 years of exercising option.
- Drill ready, advanced copper project in a low-risk jurisdiction.





# Location and tenement status

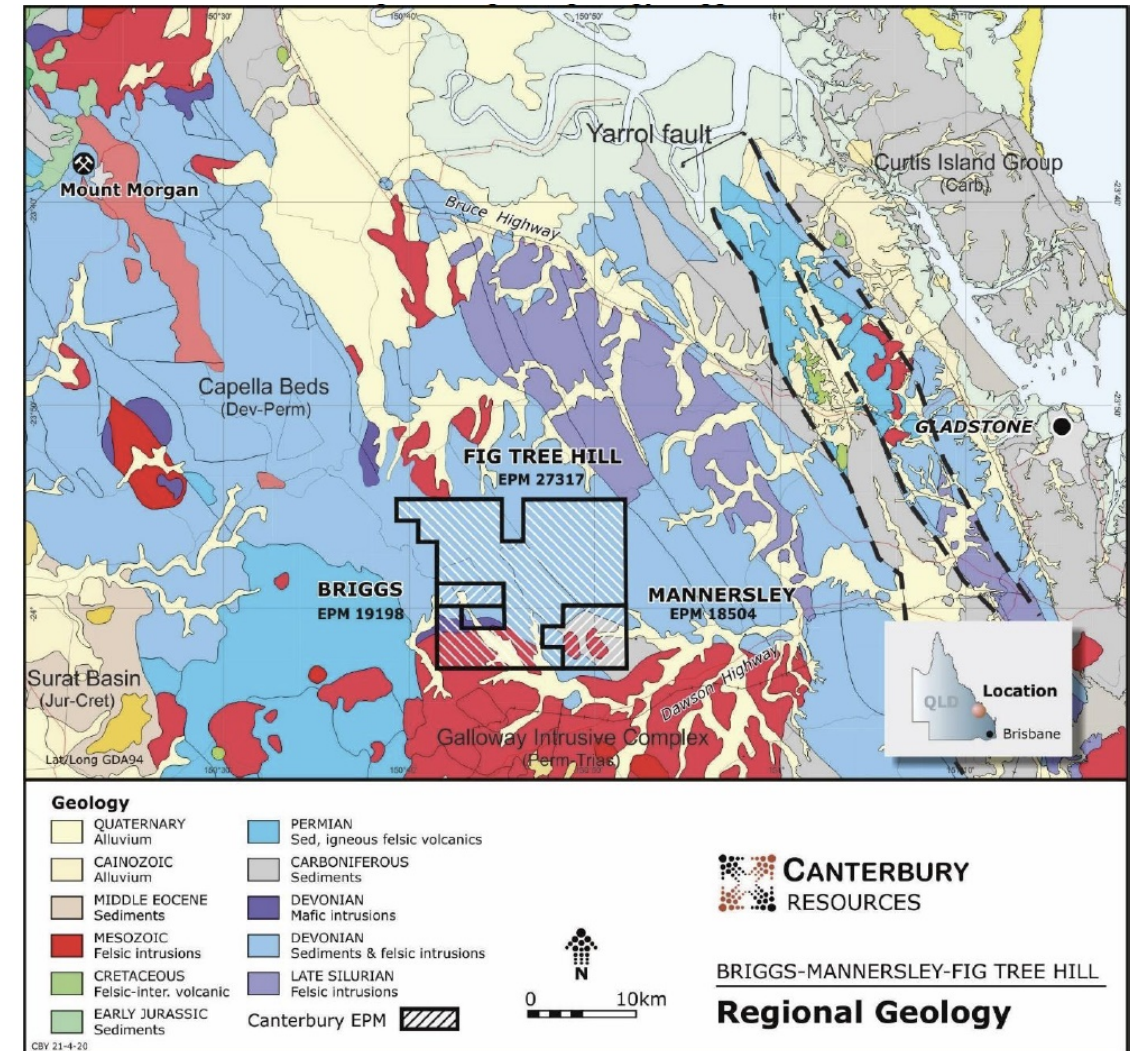


- Excellent infrastructure, close to road, rail, power, water and only 50km west of Gladstone, SE Queensland.
- Three EPM's:
  - Briggs EPM 19198 – renewal process initiated.
  - Mannersley EPM 18504, renewed in late 2020 for 5-years.
  - Fig Tree Hill EPM 27317, recently granted for 5-years.
- Project purchased outright by Canterbury from Rio Tinto Exploration (RTX) in early 2017.
- RTX retain a 1.5% NSR and will receive a cash payment of \$0.50/t of copper equivalent metal in reserves on a positive decision to mine.



# Geological setting & exploration history

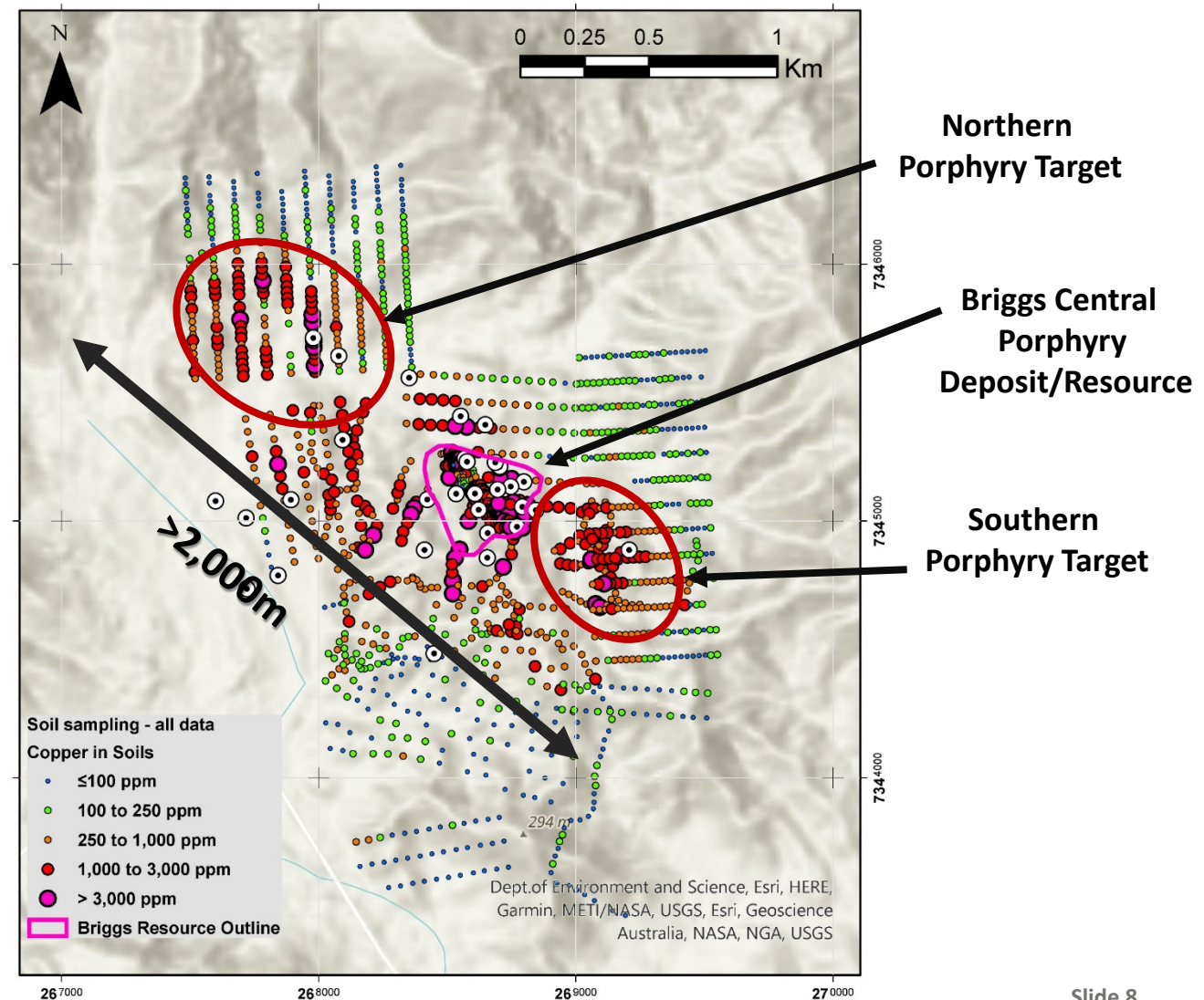
- Located in the New England Fold Belt, a Silurian to Permian island-arc prospective for copper and gold.
- Porphyry copper mineralisation associated with Permian to Triassic porphyritic intrusions of the Galloway Intrusive Complex.
- Multiple stages of porphyry intrusion, mineralisation and alteration seen at Briggs, and porphyry Cu mineralisation drilled at Mannersley.
- Extended but limited exploration history over more than 50 years:
  - Noranda (1969-1972)
    - Briggs discovery through stream sediment survey and geological mapping
    - Ground geophysics (IP) and drilling (14 holes)
  - Geopeko (1969-1975)
    - Initially held surrounding ground, extensive geochemical sampling
    - 2 core holes
  - CRA Exploration (1991-1994)
    - Mapping and soil sampling
    - 7 RC holes
  - Rio Tinto Exploration (2012-2016)
    - 3D IP and VTEM geophysical surveys to evaluate conceptual, deep target
    - 1 core hole only
  - Canterbury Resources (2017-present)
    - 5 core holes
    - Inferred mineral resource estimate





# Exploration status – surface geochemistry

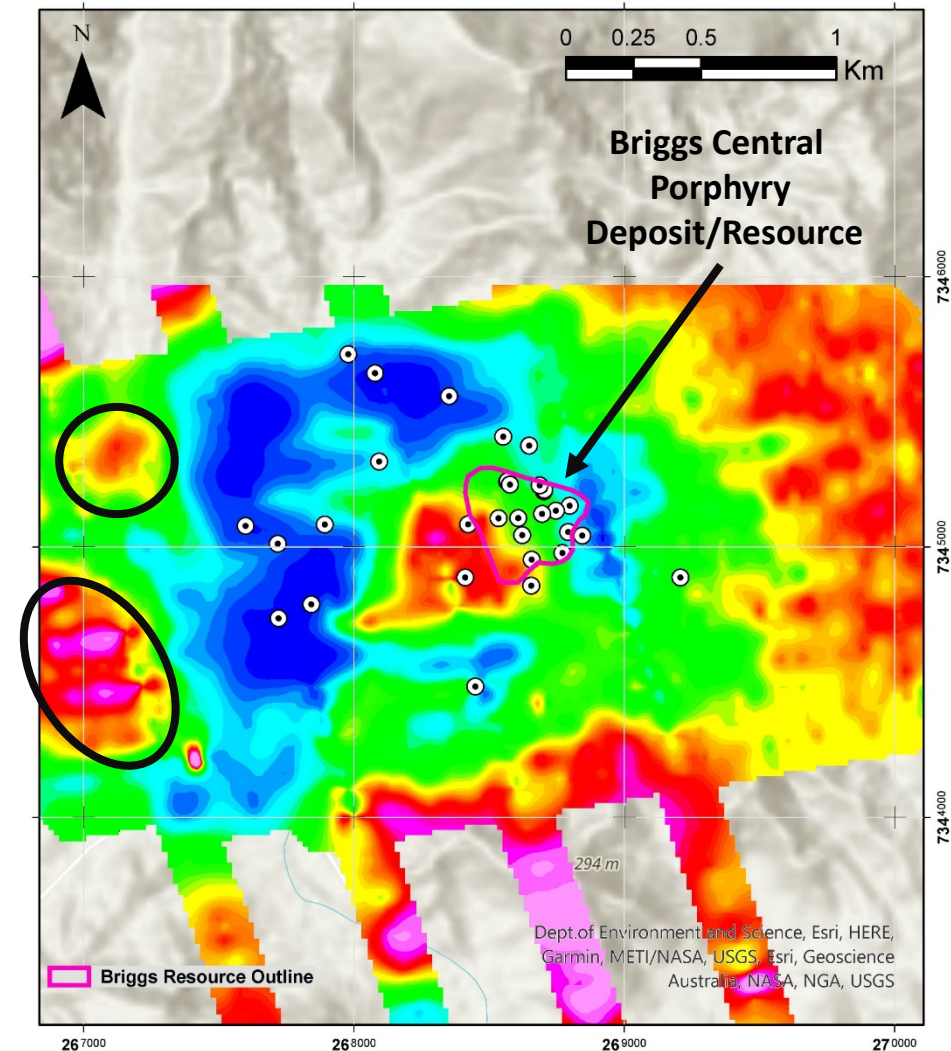
- Outcropping mineralisation, soil sampling very effective.
- Mineralisation over >2km strike length, but most of the drilling focused in the central 500m only (Briggs Central).
- Multiple historic soil sampling programs show several very strong copper anomalies (North, South, Central).
- Inconsistent analytical techniques and high detection limits limit the value of these surveys.
- AFR to fund a new detailed survey for full multi-element analysis to aid future drill campaigns.





# Exploration status – geophysics (VTEM) survey

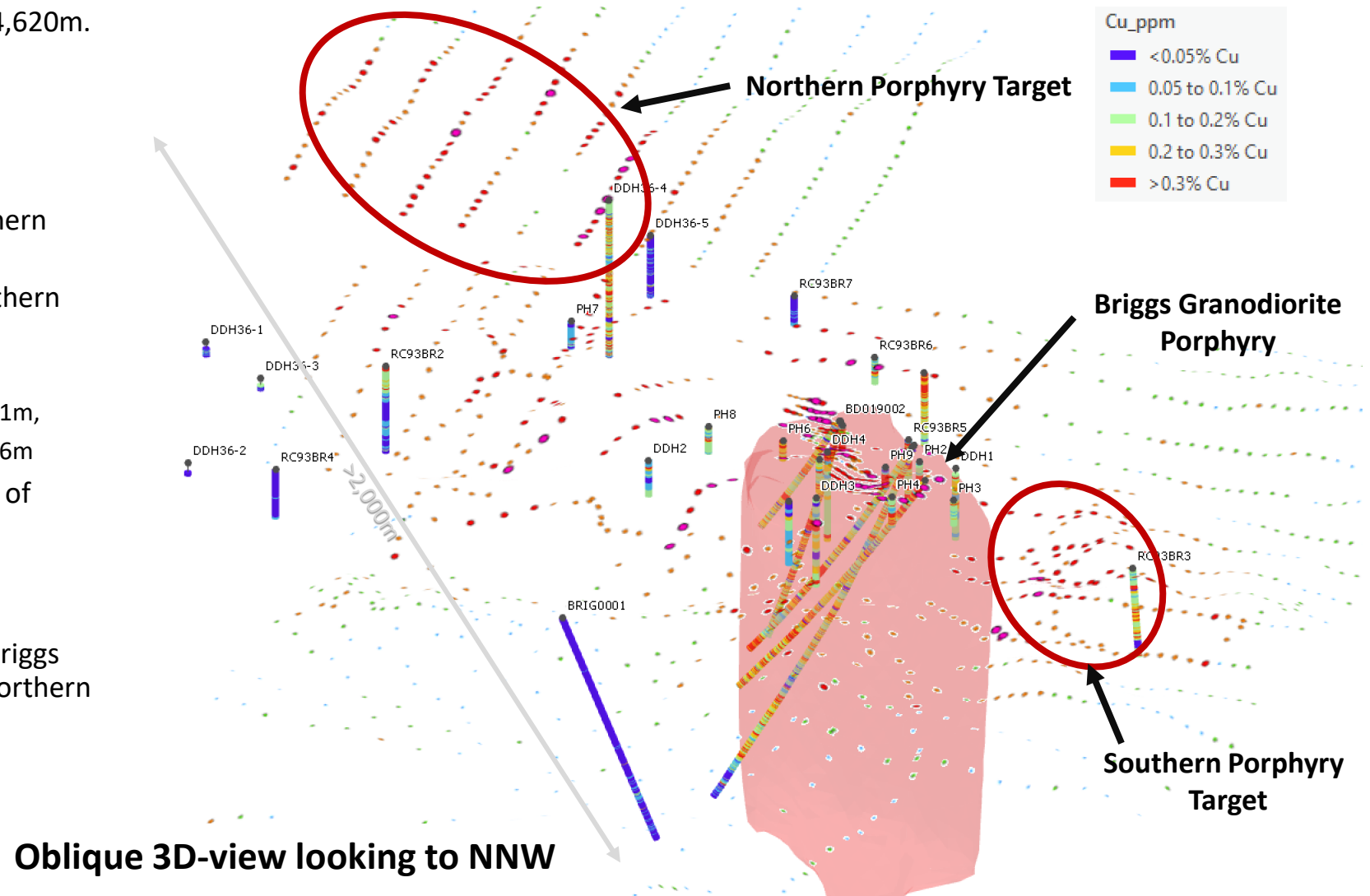
- VTEM survey flown in mid-2015 for Rio Tinto Exploration.
- Donut shaped anomaly broadly consistent with known porphyry mineralisation at Briggs Main.
- Several untested anomalies to west of Briggs Central Porphyry with similar EM response.





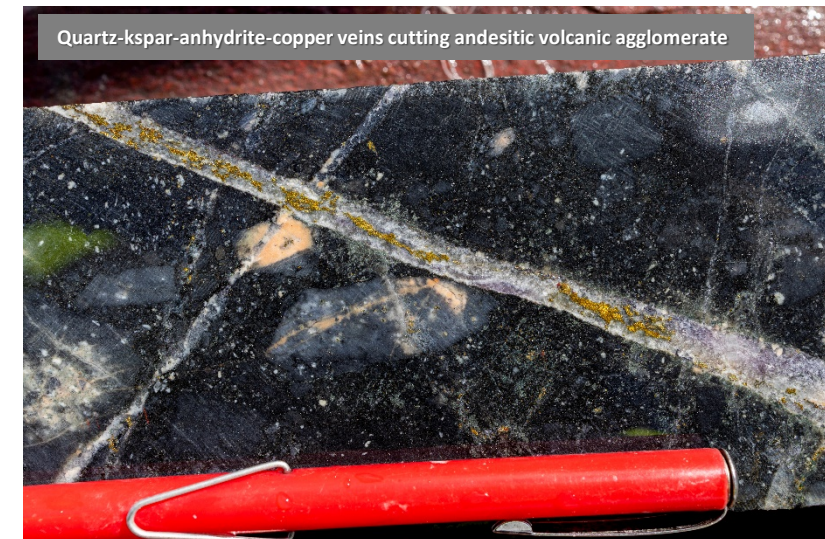
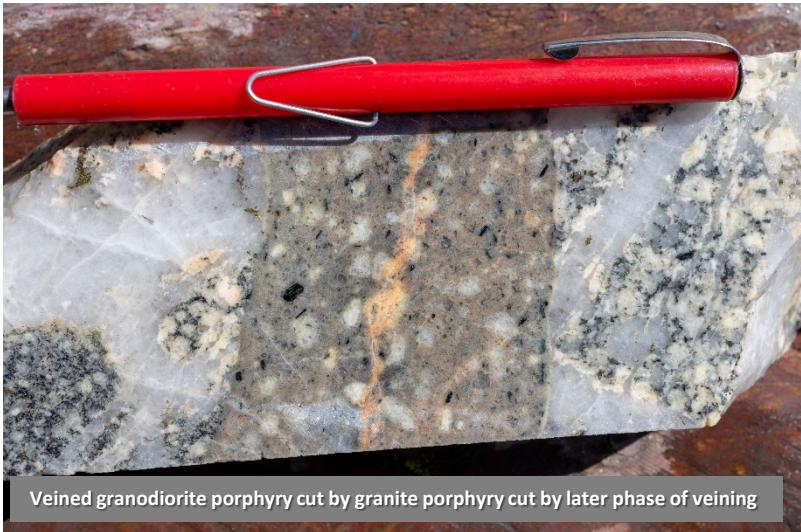
# Exploration status – very limited drilling to date

- Only 32 holes drilled at Briggs to date for 4,620m.
- Of these, only 8 drilled to >150m depth:
  - 5 core holes by Canterbury (2017).
  - 1 core hole by RTX (2015).
- Almost no drilling into Northern and Southern porphyry targets, except:
  - DDH36-4 (Geopeko) on edge of northern porphyry target:
    - 65m @ 0.26% Cu from 28-93m;
    - and 90m @ 0.26% Cu from 111-201m,
    - and 57m @ 0.23% Cu from 209-266m
  - RC93BR3 (CRA Exploration) on edge of southern porphyry target:
    - 84m @ 0.26% Cu from 26-110m.
- AFR to fund 3,000m RC drilling program to evaluate potential higher-grade zones at Briggs Central and preliminary test of both the Northern and Southern Porphyry targets.





# Multi-phase intrusions and Cu mineralisation





# Briggs Central – inferred resource estimate

- 143Mt @ 0.29% Cu inferred mineral resource (JORC 2012).
- Modelled as bulk tonnage, low-grade resource, no domaining of higher-grade zones.
- Mainly hosted in granodiorite porphyry.
- Higher grades zones in peripheral volcanic rocks and volcanoclastic sediments and internal quartz rich zones (“brain rock”).
- Significant upside for grade and tonnage improvement:
  - Higher grade zones poorly drilled to date.
  - Structural control on NE side not fully tested.
  - Northern and southern porphyry targets virtually untested by drilling (but encouraging grades in the very few shallow holes to date – see earlier slides).
  - Overall, very small number of drill holes into a very large system –more drilling needed to establish an updated working model for the geology and resource.

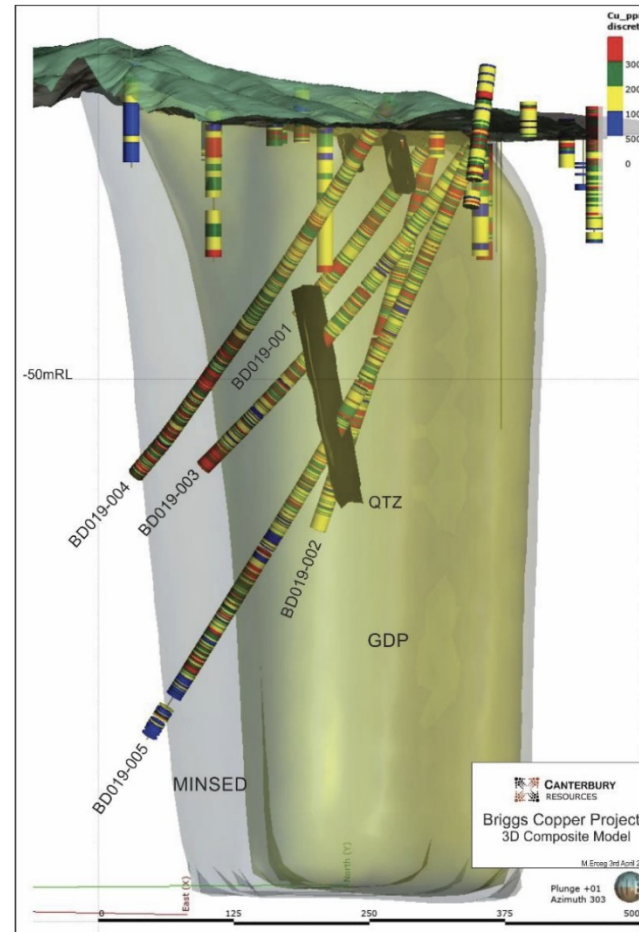


Figure 54 SW-NE drill section through BD019-001 and BD019-002 viewed NW

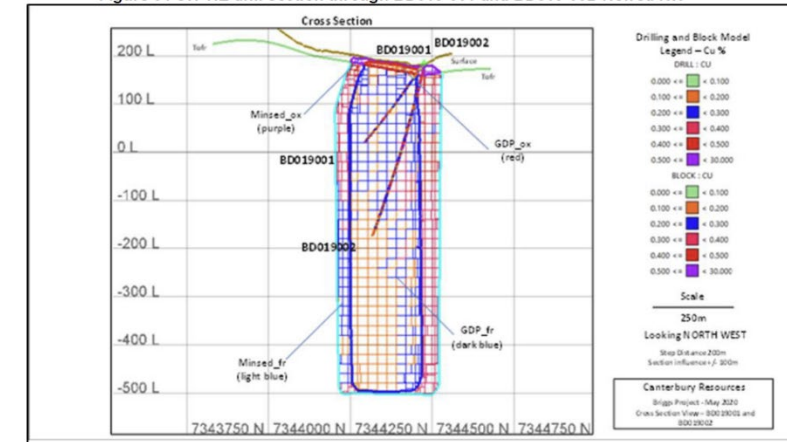
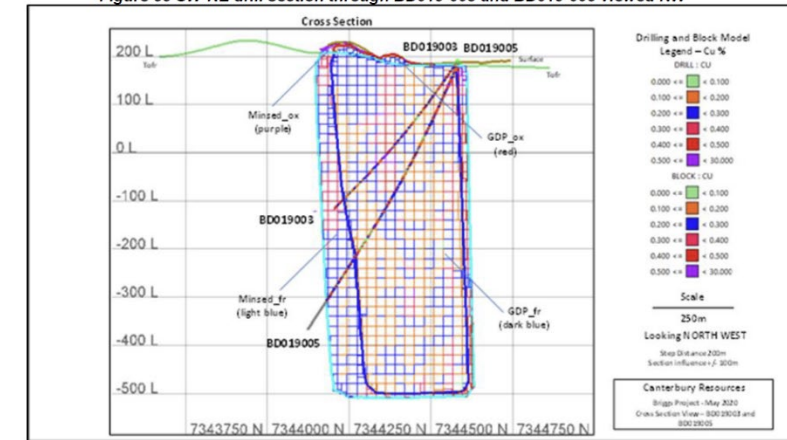


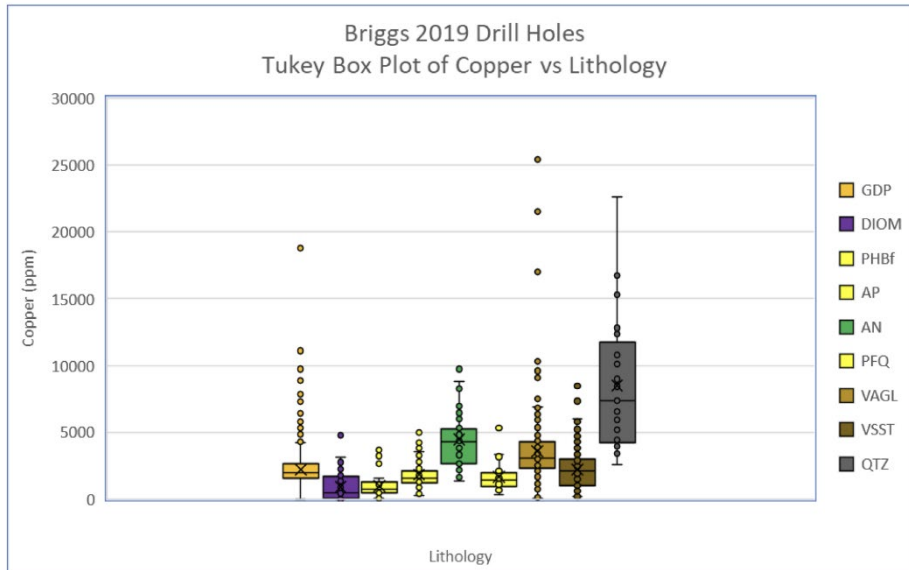
Figure 55 SW-NE drill section through BD019-003 and BD019-005 viewed NW





# Immediate work programs in SE Queensland

- Short term (commencing this September):
  - Soil sampling program on 100m x 50m grid to guide drilling. Approx cost \$100k.
  - RC drilling for shallow high-grade zones and initial test of northern and southern porphyry targets ~3000m (~12 holes). Approx. cost \$650k.
- Longer term:
  - Resource update +/- scoping study.
  - Review regional stream sediments to evaluate other targets.
  - Deeper core drilling at Briggs and more RC drilling in upper 300m to reach indicated resource.
  - Prefeasibility Study.



Note higher copper grades (0.5% to 1.2% Cu) in quartz rich (QTZ) “brain rock” zones such as pictured on right and andesitic volcanics (AN) and volcanic agglomerates (VAGL)

Several outcropping zones of these “brain rock” textured quartz bodies remain untested by drilling





# SW Terrane copper-gold exploration in WA

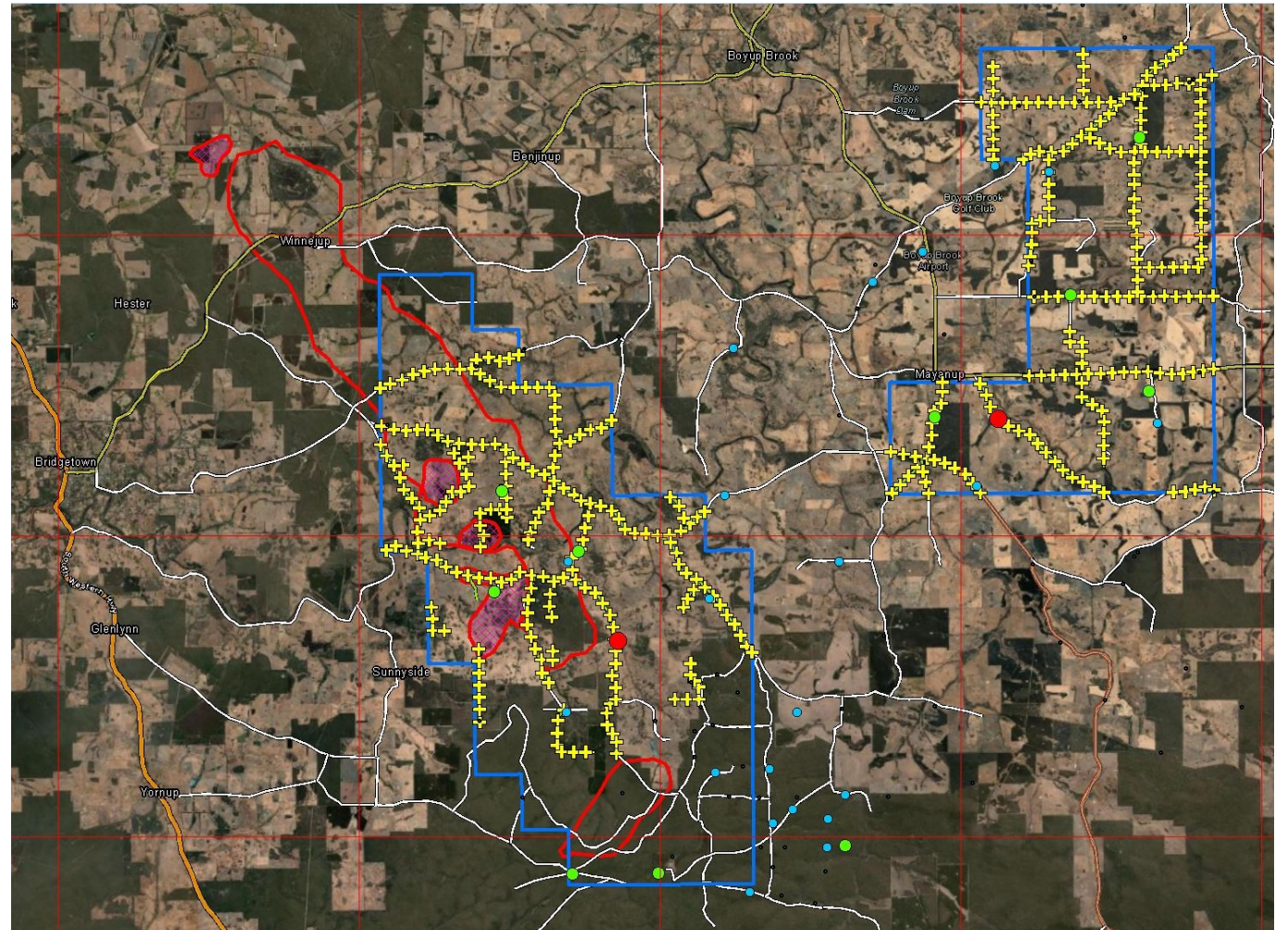
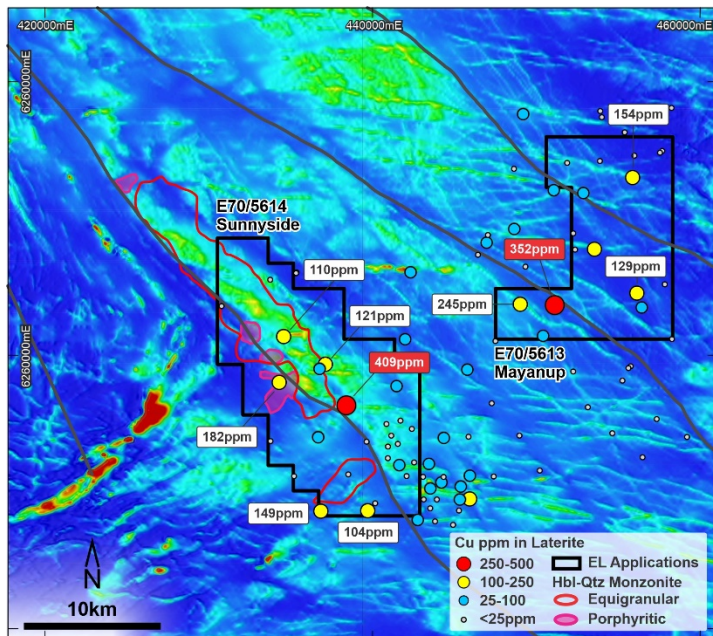
- Five exploration licences granted in the highly prospective South-West Terrane of WA, and one other under application.
- Three project areas which are considered prospective for large porphyry-style Cu-Au deposits and/or intrusion related orogenic Au deposits.
- Sunnyside-Mayanup and Tarin Rock projects are close to major crustal scale lineaments believed to represent old subduction zones that host large-scale porphyry deposits such as Boddington and Caravel (Calingiri).
- The Kondinin Project straddles a major N-S fault zone which links an old subduction zone with the terrane boundary between the South-West Terrane and the Youanmi Terrane, and which is considered prospective for intrusion related gold mineralisation.
- Field evaluation of the project areas will commence during the current quarter, initially comprising roadside soil sampling and geological mapping.





# Roadside soil sampling to commence in WA

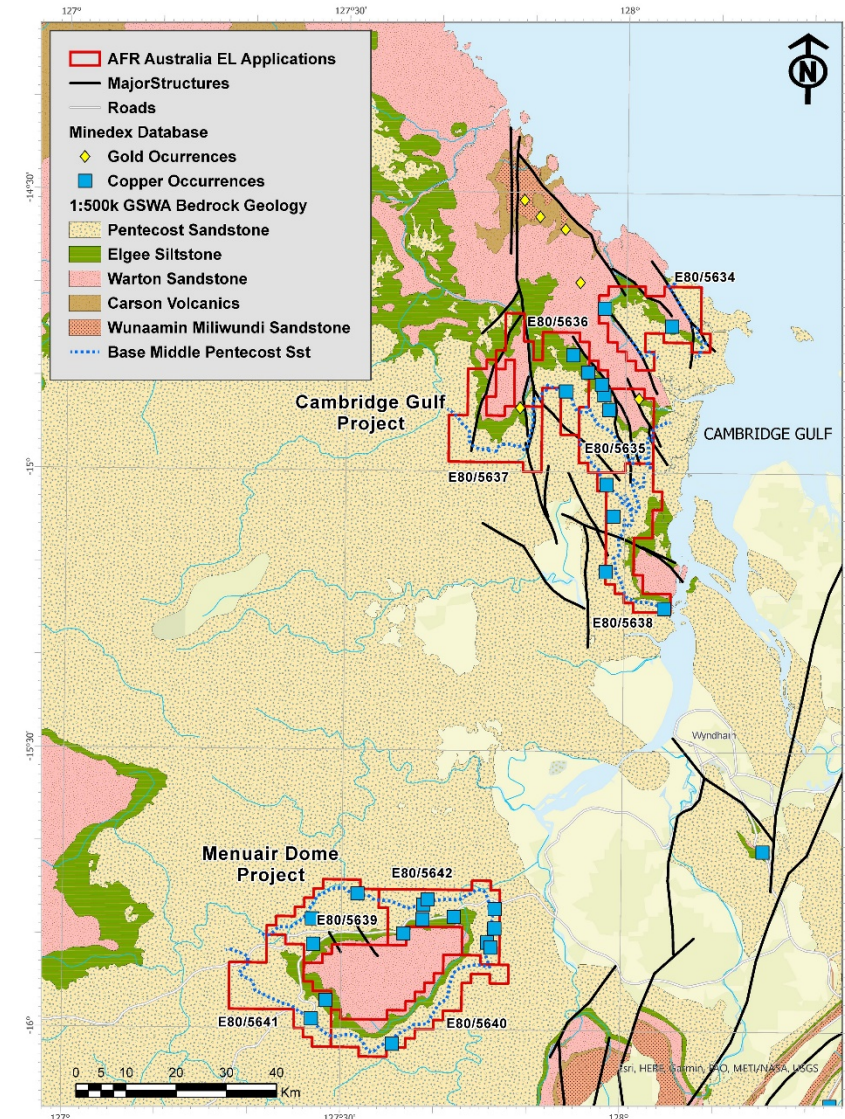
- Sunnyside and Mayanup contain elevated copper values in regional CSIRO laterite sampling, and locally porphyritic hornblende-quartz monzonites (good host rocks for porphyry Cu deposits).
- Roadside soil sampling on a nominal 400m spacing to commence this quarter to refine areas of copper anomalism for further follow-up.





# East Kimberley copper projects

- Nine maximum size exploration licence applications covering two new projects in the East Kimberley District of Western Australia:
  - Cambridge Gulf Project – five maximum size EL applications.
  - Menuair Dome Project – four maximum size EL applications.
- 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.
- Both projects considered highly 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 commenced discussions for Native Title Heritage Protection and Mineral Exploration Agreements with the Kimberley Land Council, who are representing the traditional owners of these lands.
- Helicopter supported stream sediment sampling program to be undertaken once these agreements have been executed.





# De-merger of coal assets



- African Energy plans to de-merge its African coal assets into an unlisted public company and immediately distribute the shares in the new Coal Co to existing AFR shareholders via an in-specie distribution (on a 1 for 1 basis).
- Upon completion of the de-merger, AFR will become an exclusively Australian focused copper and gold explorer and will be renamed and rebranded (subject to shareholder approval at the AGM).
- Shareholders who hold AFR shares at the record date will receive the same number of shares in the new Coal Co and will own equal stakes in each company.
- This allows AFR management to focus on growth opportunities in copper in stable jurisdictions, for which funding is readily available, whilst shareholders retain full exposure to the upside in the coal assets.

African Energy Resources Limited	+	Coal Co
ASX Listed, 686.7M shares on issue		Unlisted public Company with 686.7M shares on issue
Ability to raise funds to apply to copper and gold exploration		Limited funding requirements, limited funding options for coal
Four major assets (all in Australia): <ul style="list-style-type: none"><li>• Briggs and Mannersley copper project (QLD)</li><li>• SW Terrane Cu-Au portfolio (WA)</li><li>• East Kimberley Copper Projects</li><li>• Liquid investments in Caravel Minerals (CVV) and Canterbury Resources (CBY) valued at ~ A\$7.7M</li></ul>		Three major assets (all in Botswana): <ul style="list-style-type: none"><li>• 30% of the Sese Coal and Power JV</li><li>• 100% of the high quality Mmamabula West coal project</li><li>• 100% of the Mmamantswe coal project</li></ul>



# Summary

- African Energy is now an Australian focussed copper exploration company.
- Coal assets to be de-merger and distributed in-specie to shareholders.
- Focus on projects with potential for large-scale style of copper mineralisation:
  - ❖ Exclusive option over Briggs and Mannersley copper project (143Mt @ 0.29% Cu inferred mineral resource) in SE Queensland, with staged earn-in JV earning up to 70%.
  - ❖ Five exploration licences granted for Cu, Cu-Au, Au in SW Terrane of Western Australia.
  - ❖ Nine exploration licence applications submitted for to large-scale sediment-hosted copper exploration projects in the East Kimberley of WA.
  - ❖ Liquid investments worth ~ A\$6.5M in ASX-listed copper resources companies Caravel Minerals (CVV) and Canterbury Resources (CBY).
- Strong news flow from Queensland and Western Australian projects over next 4-6 months.





# Cautionary Notes



This presentation has been prepared by African Energy Resources Limited (“African Energy”) to assist in informing interested parties about the Company and its progress. It should not be considered as an offer or invitation to subscribe for or purchase any securities in African Energy or as an inducement to make an offer or invitation with respect to securities in the Company. No agreement to subscribe for securities in either Company will be entered into on the basis of this presentation.

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*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 and references to “Measured Resources”, “Inferred Resources” and “Indicated Resources” are to those terms as defined in the JORC Code.*

*Information in this presentation relating to Exploration results and Mineral Resources is based on information compiled by Dr Frazer Tabeart who is a member of The Australian Institute of Geoscientists. Dr Tabeart 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 a Competent Person under the 2012 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Tabeart consents to the inclusion of the data in the form and context in which it appears.*

*There is information in this presentation relating to:*

- *The Mineral Resource estimate for the Briggs deposit, which was previously announced on 18 August 2021, and*
- *Exploration Results which were previously announced on 22 October 2020, 11 May 2021 and 20 August 2021.*

*Other than as disclosed in those announcements, the Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements, and that all material assumptions and technical parameters have not materially changed. The Company also confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcements.*