

African Energy Resources Limited

ARBN 123 316 781

(to be renamed Alma Metals Limited)

NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY STATEMENT

For the Annual General Meeting to be held on 25 November 2021
at 10:00am (Western Standard Time)
at Suite 1, 245 Churchill Avenue, Subiaco, 6008, Western Australia

Due to the ongoing COVID-19 pandemic and strict limitation on physical attendance, the Company has taken steps to ensure attendance in person is in adherence to COVID-19 protocols. If the situation in relation to COVID-19 changes in a way that affects the Company's ability to facilitate an in-person Meeting as currently proposed, the Company will provide a further update ahead of the Meeting by releasing an announcement on the ASX market announcements platform.

Please complete the Proxy Form or Voting Instruction Form enclosed
and return it in accordance with the instructions set out on that form.

TIME AND PLACE OF ANNUAL GENERAL MEETING AND HOW TO VOTE

This Annual General Meeting of the Shareholders of African Energy Resources Limited (to be renamed Alma Metals Limited) will commence at **10:00am** (Western Standard Time) on **25 November 2021** at **Suite 1, 245 Churchill Avenue, Subiaco 6008, Western Australia**

The Directors have set a date to determine the identity of those entitled to attend, speak and vote at the Meeting. The date is 23 November 2021 at 4:00pm (Western Standard Time).

How you will be able to vote depends on if you are a Shareholder or a Chess Depositary Interest (CDI) holder. The majority of voters will be CDI holders. Both methods are listed below:

CHES Depositary Interests

CDI Holders are invited to attend and speak at the Meeting but are not entitled to vote at the Meeting. In order to have votes cast at the Meeting on their behalf, CDI holders must complete, sign and return the Voting Instruction Form (as attached to this Notice of Annual General Meeting) as per the information below so that CHES Depositary Nominees Pty Ltd (CDN) can vote the underlying Shares on their behalf.

Shareholders

Ordinary Shareholders may vote by attending the Meeting in person, by proxy or by authorised representative. Shareholders of the Company, entitled to attend, speak and vote are entitled to appoint one or more proxies to attend, speak and vote at this Meeting. The completion and return of a valid form of proxy will not prevent holders of ordinary Shares from attending, speaking and voting in person at the Meeting if so desired. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a Shareholder of the Company.

Voting in Person

To vote in person you need to attend the Meeting on the date and at the place set out above.

Attendance at Meeting

All holders of Shares appearing in the Company's Register of Shareholders at 23 November 2021 at 4:00pm Western Standard Time will be entitled to attend and vote at the Meeting. Given the current COVID-19 pandemic, voters are urged to vote by completing and returning the Voting Instruction Form.

Proxy Form and CDI Voting Instruction Form

To be effective, the Proxy or Voting Instruction Form must be received by the Company no later than 10:00am Western Standard Time on 23 November 2021. You should submit your Proxy Form or Voting Instruction Form in accordance with the instructions on that form.

Your Proxy Form or Voting Instruction Form is enclosed with this Notice, depending on your holder status.

Notice is hereby given that the Annual General Meeting of the Shareholders of African Energy Resources Limited (to be renamed Alma Metals Limited) will be held at Suite 1, 245 Churchill Avenue, Subiaco, 6008, Western Australia on 25 November 2021 at 10:00am (Western Standard Time), for the purpose of transacting the business set out below.

Due to the ongoing COVID-19 pandemic and strict limitation on physical attendance, the Company has taken steps to ensure attendance in person is in adherence to COVID-19 protocols. If the situation in relation to COVID-19 changes in a way that affects the Company's ability to facilitate an in-person Meeting as currently proposed, the Company will provide a further update ahead of the Meeting by releasing an announcement on the ASX market announcements platform.

The Explanatory Statement is to be read in conjunction with this Notice.

AGENDA

GENERAL BUSINESS

Resolution 1 – Receipt of Financial Statements and Reports

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That the Company consider and receive the profit and loss account and the balance sheet of the Company for the financial year ended 30 June 2021 and the reports of the Directors and Auditors thereon."

Resolution 2 – Re-election of Director – Vincent Masterton-Hume

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That Vincent Masterton-Hume, who retires by rotation in accordance with article 129 of the Articles of Association of the Company, and being eligible, offers himself for re-election, is hereby re-elected as a Director of the Company."

Resolution 3 – Re-election of Director – John Dean

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That John Dean, who retires in accordance with article 129 of the Articles of Association of the Company, and being eligible, offers himself for re-election, is hereby re-elected as a Director of the Company."

Resolution 4 – Approval of change of Company name

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

"That for the purposes of section 25 of The Companies (Guernsey) Law, 2008 and for all other purposes, the name of the Company be changed from African Energy Resources Limited to 'Alma Metals Limited'."

Resolution 5 – Approval of additional 10% capacity

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

"That, the Company have the additional capacity to issue equity securities provided for in Listing Rule 7.1A."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of those persons. However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from

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| (ii) | voting, and is not an associate of a person excluded from voting, on the Resolution; and the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way. |
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BY ORDER OF THE BOARD

Daniel Davis
Company Secretary
Dated: 28 October 2021

This Explanatory Statement is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the Notice.

The Directors recommend that Shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions.

1. Resolution 1 – Receipt of Financial Statements and Reports

The Company's 2021 Annual Report contains the financial statements of the Company for the financial year ended 30 June 2021. It also contains a report by the Directors and the Company's auditors.

Pursuant to article 83 of the Articles, the ordinary business of an Annual General Meeting of the Company is to receive and consider the profit and loss account and the balance sheet of the Company and the reports of the Directors and the auditors. Article 206 requires a balance sheet and profit and loss to be laid before the Company at its Annual General Meeting each year together with a report by the Directors and a report by the Company's auditors.

2. Resolution 2 – Re-Election of Director – Vincent Masterton-Hume

Mr Vincent Masterton-Hume was last re-elected as a director on 16 November 2018.

Article 129 provides for the rotation of one-third of Directors at the annual general meeting. Additionally, Listing Rule 14.4 provides that a Director must retire from office no later than the longer of the third annual general meeting of the Company or 3 years following that Director's last election or appointment.

Pursuant to these provisions, Mr Masterton-Hume, being a Director of the Company, retires by way of rotation and, being eligible, offers himself for re-election as a Director of the Company.

Details of the qualifications and experience of Mr Masterton-Hume are set out in the 2021 Annual Report for the Company.

The Board recommends the re-election of Mr Masterton-Hume as a Director.

3. Resolution 3 – Re-Election of Director – John Dean

Mr John Dean was last re-elected on 16 November 2018.

Article 129 provides for the rotation of one-third of Directors at the annual general meeting. Additionally, Listing Rule 14.4 provides that a Director must retire from office no later than the longer of the third annual general meeting of the Company or 3 years following that Director's last election or appointment.

Pursuant to these provisions, Mr Dean, being a Director of the Company, retires by way of rotation and, being eligible, offers himself for re-election as a Director of the Company.

Details of the qualifications and experience of Mr Dean are set out in the 2021 Annual Report for the Company.

The Board recommends the re-election of Mr Dean as a Director.

4. Resolution 4 – Approval of change of company name

The Directors have determined to seek Shareholder approval to change the name of the Company to Alma Metals Limited. The Directors believe that this change in company name will more accurately reflect the Company's transformation away from a focus upon energy projects in Africa to a focus upon copper projects.

Section 25 of The Companies (Guernsey) Law, 2008, requires a company to obtain shareholder approval by a special resolution to change its name. This Resolution seeks this approval.

The proposed name has been reserved by Company. If the Resolution is passed, the change of name will take effect following a registration in Guernsey.

The Directors recommend that Shareholders vote in favour of the Resolution.

5. Resolution 5 - Approval of additional 10% capacity

5.1 Background

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

Under Listing Rule 7.1A, however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%.

An "*eligible entity*" means an entity which is not included in the S&P/ASX 300 Index and which has a market capitalisation of \$300 million or less. The Company is an eligible entity for these purposes.

This Resolution seeks Shareholder approval by way of special resolution for the Company to have the additional 10% capacity provided for in Listing Rule 7.1A to issue equity securities without Shareholder approval.

If this Resolution is passed, the Company will be able to issue equity securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If this Resolution is not passed, the Company will not be able to access the additional 10% capacity to issue equity securities without shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing equity securities without Shareholder approval set out in Listing Rule 7.1.

5.2 Specific information required by Listing Rule 7.3A

(i) Period for which approval is valid

An approval under Listing Rule 7.1A commences on the date of the annual general meeting at which the approval is obtained and expires on the first to occur of the following:

- (a) The date that is 12 months after the date of the annual general meeting at which the approval is obtained.
- (b) The time and date of the Company's next annual general meeting.
- (c) The time and date of the approval by Shareholders of a transaction under Listing Rule 11.1.2 or Listing Rule 11.2.

(ii) Minimum price at which equity securities may be issued

Any equity securities issued under Listing Rule 7.1A must be in an existing quoted class of the eligible entity's equity securities and issued for a cash consideration per security which is not less than 75% of the volume weighted average market price for securities in that class, calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (a) the date on which the price at which the securities are to be issued is agreed by the entity and the recipient of the securities; or
- (b) if the securities are not issued within 10 Trading Days of the date in paragraph (a), the date on which the securities are issued.

(iii) Purposes for which funds raised may be used

Equity securities can only be issued under Listing Rule 7.1A for a cash consideration. Funds raised by the issue of equity securities under Listing Rule 7.1A may be used for the continued development of the Company's current assets, the acquisition of new assets or other investments (including expenses associated with such acquisition), and for general working capital.

(iv) Risk of economic and voting dilution

If this Resolution is approved by Shareholders and the Company issues equity securities under Listing Rule 7.1A, the existing Shareholders' voting power in the Company will be diluted.

There is a risk that:

- (a) the market price for the equity securities in that class may be significantly lower on the issue date than on the date of the Shareholder approval under Listing Rule 7.1A; and
- (b) the equity securities may be issued at a price that is at a discount to the market price for those equity securities on the issue date.

The table below shows the potential dilution of existing Shareholders on the basis of 3 different assumed issue prices and values for variable "A" in the formula in Listing Rule 7.1A.2. This includes one example that assumes that "A" is double the number of Shares on issue at the time of the approval under Listing Rule 7.1A and that the price of Shares has fallen by 50%.

Number of Shares on Issue (Variable "A" in Listing Rule 7.1A.2)	Number of Shares issued under additional 10% capacity	Dilution		
		Funds raised based on issue price of 1.6 cents	Funds raised based on issue price of 3.2 cents	Funds raised based on issue price of 6.4 cents
		(50% decrease in current issue price)	(Current issue price)	(100% increase in current issue price)
686,710,630 (Current)*	68,671,063	\$1,098,737	\$2,197,474	\$4,394,948
1,030,065,945 (50% increase)	103,006,594	\$1,648,105	\$3,296,211	\$6,592,422
1,373,421,260 (100% increase)	137,342,126	\$2,197,474	\$4,394,948	\$8,789,896

*The number of Shares on issue (variable "A" in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table has been prepared on the following assumptions:

1. The current Shares on issue are the Shares on issue as at 8 October 2021.
2. The issue price set out above is the closing price of the Shares on the ASX on 8 October 2021.
3. The Company issues the maximum number of equity securities available under the additional 10% capacity.
4. No Options are exercised into Shares before the date of the issue of the equity securities.

(v) Allocation Policy

The Company's allocation policy for the issue of equity securities under the additional 10% capacity will depend on the prevailing market conditions at the time of any proposed issue. The identity of the allottees of equity securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (a) the methods of raising funds that are available to the Company, including but not limited to, a rights issue or other issue in which existing security holders can participate;
- (b) the effect of the issue of the equity securities on the control of the Company;
- (c) the financial situation and solvency of the Company; and
- (d) advice from corporate, financial and broking advisers (if applicable).

The allottees under the additional 10% capacity have not been determined as at the date of this Notice but may include existing substantial shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company and may include new investors who have not previously been Shareholders.

(vi) Equity securities issued under Listing Rule 7.1A.2 in the previous 12 months

The Company has not issued or agreed to issue any securities under Listing Rule 7.1A.2 in the 12 months preceding this Meeting.

(vii) Voting Exclusion Statement

A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the equity securities. No existing shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

In this Explanatory Statement, the following expressions have the following meanings:

"**Annual General Meeting**" or "**Meeting**" means this Meeting.

"**Articles**" means the Articles of Association of the Company as amended from time to time.

"**ASX**" means the ASX Limited, ABN 98 008 624 691.

"**ASX Listing Rules**" or "**Listing Rules**" means the listing rules of the ASX.

"**Board**" means the Board of Directors of the Company.

"**CDI**" means a CHESS Depositary Interest representing a unit of beneficial ownership in the Shares registered in the name of CHESS Depositary Nominees Pty Ltd.

"**Company**" of "**AFR**" means African Energy Resources Limited (ARBN 123 316 781).

"**Corporations Act**" means Corporations Act 2001 (Cth) of Australia.

"**Directors**" means the Directors of the Company from time to time.

"**equity securities**" has the same meaning as in the Listing Rules.

"**Explanatory Statement**" means this explanatory statement.

"**Law**" means The Companies (Guernsey) Law, 2008.

"**Meeting**" means the meeting convened by this Notice.

"**Notice**" or "**Notice of Meeting**" means the notice of meeting that accompanies this Explanatory Statement.

"**Resolution**" means a resolution contained in the Notice.

"**Share**" means a fully paid ordinary Share in the capital of the Company.

"**Shareholder**" means a registered holder of a Share in the Company.

"**WST**" or "**Western Standard Time**" means Western Standard Time, Perth, Western Australia.

LODGE YOUR INSTRUCTION

ONLINE
www.linkmarketservices.com.au

BY MAIL

African Energy Resources Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia


BY FAX

+61 2 9287 0309


BY HAND

Link Market Services Limited
Level 12, 680 George Street, Sydney NSW 2000


ALL ENQUIRIES TO

Telephone: +61 1300 554 474


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CDI VOTING INSTRUCTION FORM
STEP 1
DIRECTION TO CHESS DEPOSITARY NOMINEES PTY LTD

I/We being a holder of CHESS Depositary Interests (**CDIs**) of African Energy Resources Limited (**Company**) hereby direct CHESS Depositary Nominees Pty Ltd (**CDN**) to vote the shares underlying my/our CDI holding at the Annual General Meeting of stockholders of the Company to be held at **10:00am (WST) on Thursday, 25 November 2021 at Suite 1, 245 Churchill Avenue, Subiaco, 6008, Western Australia**, and at any adjournment or postponement of that Meeting, in accordance with the following directions. By execution of this CDI Voting Instruction Form the undersigned hereby authorises CDN to appoint such proxies or their substitutes in their discretion to vote in accordance with the directions set out below.

STEP 2
VOTING INSTRUCTIONS

Voting instructions will only be valid and accepted by CDN if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an ☒.

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Receipt of Financial Statements and Reports	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Approval of Additional 10% Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Director – Vincent Masterton-Hume	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
3 Re-election of Director – John Dean	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4 Approval of change of Company Name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				



* If you do not mark the "For", "Against" or "Abstain" box your vote will not be counted.

STEP 3
SIGNATURE OF CDI HOLDERS – THIS MUST BE COMPLETED

CDI Holder 1 (Individual)

Sole Director and Sole Company Secretary

Joint CDI Holder 2 (Individual)

Director/Company Secretary (Delete one)

Joint CDI Holder 3 (Individual)

Director

This form should be signed by the CDI Holder in accordance with the instructions overleaf.



HOW TO COMPLETE THIS CDI VOTING INSTRUCTION FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's CDI register. If this information is incorrect, please make the correction on the form. CDI Holders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your CDIs using this form.**

DIRECTION TO CHESSE DEPOSITARY NOMINEES PTY LTD

Each CHESSE Depositary Interest (CDI) is evidence of an indirect ownership in the Company's shares of common stock (Shares). The underlying Shares are registered in the name of CHESSE Depositary Nominees Pty Ltd (CDN). As holders of CDIs are not the legal owners of the Shares, CDN is entitled to vote at the Meetings of stockholders on the instruction of the registered holders of the CDIs.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either holder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with Link. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: with respect to an Australian company, where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

LODGEMENT OF A CDI VOTING INSTRUCTION FORM

This CDI Voting Instruction Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00am (WST) on Tuesday, 23 November 2021**, being not later than 48 hours before the commencement of the Meeting. Any CDI Voting Instruction Form received after that time will be invalid.



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the CDI Voting Instruction Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, stockholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the CDI Voting Instruction Form).



BY MAIL

African Energy Resources Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
Level 12, 680 George Street,
Sydney NSW 2000

*during business hours Monday to Friday (9:00am - 5:00pm) and subject to public health orders and restrictions



COMMUNICATIONS PREFERENCE

We encourage you to receive all your shareholder communication via email. This communication method allows us to keep you informed without delay, is environmentally friendly and reduces print and mail costs.



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Communications' and click the first button to receive all communications electronically and enter your email address. To use the online facility, securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).