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SALE OF ZAMBIAN URANIUM PROJECTS

HIGHLIGHTS

- African Energy Resources Ltd has executed a binding agreement to sell its Zambian uranium portfolio to TSX-V listed GoviEx Uranium Inc. for consideration of 3.0M GoviEx shares and 1.6M common share purchase warrants.
- GoviEx shares last traded at C\$0.325
- On completion, this transaction will unify African Energy's Chirundu and Kariba Valley properties with GoviEx's Mutanga project, resulting in contiguous tenements containing combined mineral resources of 15.2Mlb U₃O₈ in the Measured and Indicated categories and 45.2Mlb U₃O₈ the Inferred category.
- GoviEx also owns uranium projects in Niger, where Measured and Indicated resources containing 110.75Mlb U₃O₈ and Inferred resources containing 27.6Mlb U₃O₈ have been identified.
- The sale of African Energy's uranium projects is subject to various regulatory approvals and is expected to close before the second half of July 2017.
- African Energy continues to focus on its portfolio of power generation projects in Botswana, including the 450MW Sese Joint Venture.

The Transaction

African Energy Resources Limited ("African Energy") advises that it has executed a binding agreement to sell its Zambian uranium projects to GoviEx Uranium Inc. (TSX-V: GXU, "GoviEx") for 3.0M GoviEx shares and 1.6M common share purchase warrants (the "Transaction").

Under the terms of the Transaction, GoviEx will acquire African Energy's Zambian subsidiaries which own the Kariba Valley Prospecting Licence, the Chirundu Mining Licence and the Chirundu Prospecting Licence. The Chirundu Mining Licence contains the Njame and Gwabe uranium deposits where African Energy previously outlined 7.3Mlb U₃O₈ in Measured and Indicated Resources, plus an additional 3.8Mlb U₃O₈ in Inferred Resources (refer to market releases made by African Energy in 2009, 2010).

The Transaction is expected to close by the second half of July 2017, and is conditional upon the receipt of regulatory approvals, consents or waivers from the TSX Venture Exchange ("TSX-V"), the Zambian Minister of Mines, the Ionisation Board in Zambia and Zambian Competition Act approval.

As part of the Transaction, GoviEx will issue African Energy 3.0 million common shares of GoviEx (the "Consideration Shares") and 1.6 million common share purchase warrants of GoviEx (the "Consideration Warrants"). The Consideration Shares, Consideration Warrants and GoviEx shares underlying the Consideration Warrants will be subject to certain contractual transfer restrictions for a period of six months from the closing date of the Transaction.

Each Consideration Warrant will be convertible, for a period of three years, into one common share of GoviEx at a price per share equal to the United States dollar equivalent of 160% of the ten (10) day VWAP of GoviEx's common shares on the TSX-V calculated from the last trading day before the closing date of the Transaction.

The Consideration Warrants include an acceleration clause such that if the closing price of GoviEx common shares is equal to or greater than 190% of the closing market price of GoviEx common shares on the closing date of the Transaction for a period of fifteen consecutive trading days, GoviEx may give written notice that holders of the Consideration Warrants have sixty days within which to exercise the Consideration Warrants, failing which they will expire unexercised.

About GoviEx

GoviEx is a Canadian listed junior company whose principal objective is to become a significant uranium producer through the continued exploration and development of its projects in Niger, Zambia and Mali. GoviEx owns the Madaouela Project in Niger, where Measured and Indicated resources containing 110.75Mlb U₃O₈ and Inferred resources containing 27.6Mlb U₃O₈ have been identified, and the Mutanga Project in Zambia.

When complete, the Transaction will unify African Energy's Chirundu and Kariba Valley properties with GoviEx's Mutanga project, and will result in contiguous tenements with approximately 140km strike-length over prospective Karoo sediments. The unified properties include three Mining Licences and contain combined mineral resources of 15.2Mlb U₃O₈ in the Measured and Indicated categories and 45.2Mlb U₃O₈ the Inferred category. Sections between the known deposits remain under-explored with several high-priority drill targets identified for follow-up.

GoviEx's major industry shareholders include Cameco – one of the world's largest uranium producers providing about 18% of global supply, Toshiba, whose wholly owned subsidiary is Westinghouse (a world leader in supplying nuclear technology), and Denison Mines – a uranium development and exploration company focused in the infrastructure-rich eastern portion of the Athabasca Basin region in northern Saskatchewan, Canada.

For further information on GoviEx and their mineral resource inventory, please refer to their website <http://www.goviex.com/resources.php>

For further information on the Transaction or African Energy's other projects, please contact the Company directly on +618 6465 5500.

For and on behalf of the Board

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 report relating to Exploration results, Mineral Resources or Ore Reserves is based on information compiled by Dr Frazer Tabcart (an employee of African Energy Resources Limited) who is a member of The Australian Institute of Geoscientists. Dr Tabcart has sufficient experience which is relevant to the style of mineralisation and type of deposit 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 Tabcart consents to the inclusion of the data in the form and context in which it appears.