

29th March 2017

SESE MINING LICENSE GRANTED

African Energy Resources advises that Botswana's Ministry of Mineral Resources, Green Technology and Energy Security has granted a mining license to the Sese Joint Venture:

- The Mining License (ML) covers an area of 51.47km² and contains 650Mt of raw coal in Measured and Indicated resources (see Table A below), which is entirely within the global resource of 2,517Mt of coal at Sese (see Appendix 1).
- The approved ML contains more than enough coal in the higher quality SS Seam for the currently contemplated 450MW power project at Sese plus multiple expansions (Diagram 1).
- The Mining License is valid for 25 years. This can be extended by a further period of up to 25 years on written application to the Minister not less than 12 months before expiry of the license.
- In conjunction with the previously approved Land Rights and Environmental Approval, the ML gives the owner the right to erect all buildings and infrastructure required to implement the project.
- Granting of the ML is an important step towards finalising the permits for the Sese integrated coal and power project, with the Generation and Export License being the only major outstanding permit required before the project can commence.

TABLE A	Tonnes	CV MJ/kg	Thickness m	Sulphur %	Ash %	Volatiles %	Moisture %
Measured							
SS Seam	221,645,944	18.21	11.63	2.29	28.27	20.65	8.06
SST Seam	17,219,414	13.23	1.23	0.76	42.34	19.74	6.82
SSU Seam	13,141,724	15.01	1.58	1.9	38.79	21.19	6.81
	252,007,082	17.70	14.44	2.17	29.78	20.62	7.91
Indicated							
SS Seam	249,548,161	15.48	10.25	1.99	37.45	18.49	7.14
SST Seam	108,074,948	11.83	5.51	1.06	48	17.25	6.06
SSU Seam	39,619,518	12.83	2.7	1.85	47.05	16.7	5.53
	397,242,627	14.22	18.46	1.72	41.28	17.97	6.69
TOTAL	649,249,709	15.57	18.24	1.89	36.81	19.00	7.16

For any further information, 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.

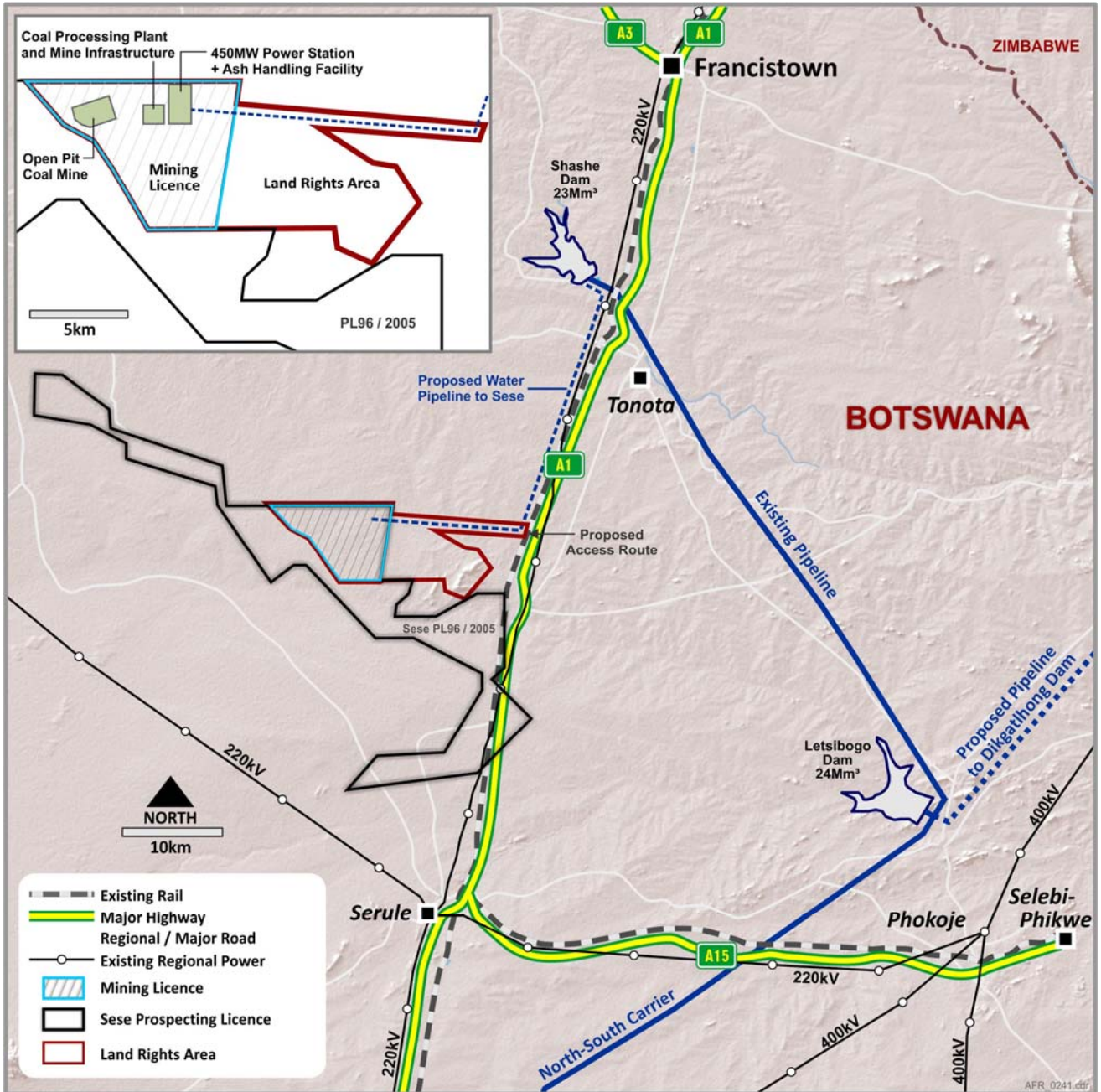


Diagram 1. Regional layout of key elements of the Sese integrated power project showing the outline of Sese Mining Licence area, proposed water pipeline location and land rights area.

APPENDIX 1: Global Coal Resources for African Energy's Coal Projects in Botswana

Sese: Resource Summary (Raw coal on an air-dried basis, 55% First Quantum Minerals Ltd, 45% AFR)								
Resource Zone	In-Situ Tonnes*	CV (MJ/kg)	CV (kcal/kg)	Ash %	IM%	VM%	FC%	S %
MEASURED (Bk-C)	333 Mt	17.6	4,200	30.2	7.9	20.6	41.4	2.1
MEASURED (Bk-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: Resource Summary (Raw coal on an air-dried basis, 55% First Quantum Minerals Ltd, 45% AFR)								
Resource Zone	In-Situ Tonnes*	CV (MJ/kg)	CV (kcal/kg)	Ash %	IM%	VM%	FC%	S %
INFERRED	2,501 Mt	14.6	3,500	40.2	6.1	19.8	31.9	2.0
TOTAL	2,501 Mt							

Mmamabula West: Resource Summary (Raw coal on an air-dried basis, 100% AFR)								
Resource Zone	In-Situ Tonnes*	CV (MJ/kg)	CV (kcal/kg)	Ash %	IM%	VM%	FC%	S %
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: Resource Summary (Raw coal on an air-dried basis, 100% AFR)								
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							

* 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.

The Coal Resources quoted for the Sese, Mmamabula West and Mmamantswe Projects in the table above have been defined in accordance with the practices recommended by the Joint Ore Reserves Committee (2004 edition of the JORC Code), with the exception of Sese West which is reported as per the 2012 edition. There have been no material changes to any of the resources since they were first announced.