

African Energy Limited

ABN 63 650 431 226

ACN 650 431 226

Annual Report

2025

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Consolidated Entity') consisting of African Energy Limited (referred to hereafter as the 'Company' or 'Parent Entity') and the entities it controlled at the end of, or during, the year ended 30 June 2025 ("Year").

Directors

The following persons were directors of African Energy Limited during the whole of the year and up to the date of this report, unless otherwise stated:

Alasdair Cooke
Charles (Frazer) Tabeart
Valentine Chitalu
Daniel Davis

Principal activities

The principal activity of the Consolidated Entity during the year was the development of power projects in Southern Africa.

Dividends

No dividends have been paid or declared during the year.

Review of operations

The electricity crisis across southern Africa has deepened significantly since mid-2024 and shows little sign of early resolution.

South Africa continues to endure its worst-ever period of load shedding, with Stage 6 curtailments now routine and the Eskom coal fleet availability still languishing below 60%. Botswana's power imports from the region have become increasingly unreliable and costly, while the Morupule B power station continues to suffer repeated breakdowns and derated output. In Zambia, although Kariba water levels recovered somewhat after better rains in early 2025, the structural deficit in firm baseload capacity remains acute, forcing continued reliance on expensive emergency diesel generation and renewed load-shedding cycles. Namibia and Zimbabwe are in similar positions, with chronic shortfalls driving regional power prices to record levels.

Coal remains the only realistic near-term option for large-scale, dispatchable baseload generation in the Southern African Power Pool (SAPP). Renewable projects, while welcome, cannot yet replace the quantum of lost or unavailable capacity, and the region's governments and utilities have openly acknowledged that new coal-fired capacity is required to bridge the gap until alternative technologies become affordable at scale.

Against this backdrop, the fully permitted Sese Integrated Power Project retains its position as one of the very few "shovel-ready" large-scale generation projects in the entire SAPP. With 450 MW of initial phased capacity, Sese offers a rapid and material solution to the region's power emergency.

During 2025 the Company continued to pursue the divestment of the Sese Project. A comprehensive data room was maintained, multiple site visits were conducted, and binding offers were received from credible regional and international power developers. Negotiations with the multiple bidders have advanced with an outcome expected imminently.

Separately, the Company has continued discussions with several South African and international parties regarding the substantial coal resource at the Mmamabula West project, which lies adjacent to Eskom's Medupi and Matimba power stations and contains in excess of 2.5 billion tonnes of high-

quality thermal coal. While a data room remains open, no formal binding offers have yet been received for this asset.

Loss after tax for the consolidated entity amounted to \$992,846 (2024: \$60,012 profit after tax); the net liabilities at 30 June 2025 were (\$889,229) (2024: net assets \$107,972) and the cash outflows used in operating activities were \$348,577 (2024: \$449,513).

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity, other than the transactions detailed in the review of operations.

Matters subsequent to the end of the financial year

From October to December 2025, African Energy Limited borrowed \$100,000 from a related party, Mitchell River Group to fund ongoing working capital requirements. The loan carries a 10% interest rate and is secured against listed securities held by African Energy Limited.

Aside from the transaction detailed above, no matters or circumstances have arisen since the end of the financial year which have significantly affected or may significantly affect the operations, results, or state of affairs of the consolidated entity in future financial years.

Likely developments and expected results of operations

Information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

Environmental regulation

The consolidated entity is not subject to any significant environmental regulation.

Information on directors

Name:	Alasdair Cooke
Title:	Director
Qualifications:	BSc (Hons), MAIG
Experience and expertise:	<p>Mr Cooke has served as Chairman of the Board since its incorporation. Mr Cooke is a geologist with over 30 years' experience in the resource exploration industry throughout Australia and internationally. For the past 20 years Mr Cooke has been involved in mine development through various private and public resource companies, prior to which he held senior positions in BHP Billiton plc's international new business and reconnaissance group.</p> <p>Mr Cooke is a founding director of Mitchell River Group, which over the past seventeen years has established a number of successful ASX listed resources companies, including Panoramic Resources, operating the Savannah and Lanfranchi nickel projects in Australia; Albidon, operating the Munali Nickel Mine in Zambia, Mirabela Nickel, operating the Santa Rita nickel project in Brazil; Exco Resources, developing copper and gold resources in Australia; and EVE Investments.</p>

Name: **Charles (Frazer) Tabcart**

Title: Director

Qualifications: PhD, BSc (Hons) ARSM, MAIG

Experience and expertise: Dr Tabcart is a graduate of the Royal School of Mines with a PhD and Honours in Mining Geology. He has over 30 years' experience in international exploration and mining projects, including 16 years with WMC Resources. Whilst at WMC, Dr Tabcart managed exploration portfolios in the Philippines, Mongolia and Africa, gaining considerable experience in a wide variety of commodities and operating with staff from diverse cultural backgrounds, and developing a particular expertise in porphyry copper mineralisation.

Dr Tabcart was appointed Managing Director of the Company in November 2007 after serving two years as General Manager. Under his stewardship the Company discovered and delineated the coal resource at the Sese Coal & Power Project and acquired the Mmamabula West Project from Asenjo Energy.

Name: **Valentine Chitalu**

Title: Director

Qualifications: MPhil, BAcc, FCCA

Experience and expertise: Mr Chitalu, a Zambian national and resident, is a Chartered Certified Accountant, Fellow of the Association of Chartered Certified Accountants (UK) and holds a practicing certificate from the Zambia Institute of Certified Accountants. He also holds a Masters Degree in Economics, Finance and Politics of Development and a Bachelor's Degree in Accounting and Finance.

Mr Chitalu has been a Non-Executive Director of African Energy since listing and has assisted the Company through his extensive business and Government contacts in the region.

Name: **Daniel Davis**

Title: Director and Company Secretary

Qualifications: CPA

Experience and expertise: Mr Daniel Davis is a qualified accountant who has twenty years-experience in senior accounting and corporate roles for resources businesses in all stages from exploration to development, construction and mining.

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year, and the number of meetings attended by each director were:

	Full board	
	Attended	Held
Alasdair Cooke	-	-
Charles (Frazer) Tabcart	-	-
Valentine Chitalu	-	-
Daniel Davis	-	-

Shares issued on exercise of options

No shares were issued on exercise of options during the year.

Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditors

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Auditor's independence declaration

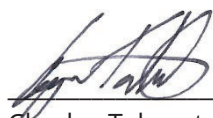
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Auditor

BDO Audit Pty Limited continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Charles Tabcart
Director

16 December 2025

Perth



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DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF AFRICAN ENERGY LIMITED

As lead auditor of African Energy Limited for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of African Energy Limited and the entities it controlled during the period.

Jarrad Prue
Director

BDO Audit Pty Ltd
Perth
16 December 2025

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The financial statements cover African Energy Limited as a consolidated entity consisting of African Energy Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is African Energy Limited 's functional and presentation currency.

African Energy Limited is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office:

Level 1, 245 Churchill Avenue
Subiaco WA 6008

Principal place of business:

Level 1, 245 Churchill Avenue
Subiaco WA 6008

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 16 December 2025. The directors have the power to amend and reissue the financial statements.

AFRICAN ENERGY LIMITED
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2025

	<i>Note</i>	30-Jun-25 A\$	30-Jun-24 A\$
Gain on acquisition of subsidiaries	3(a)	-	925,298
Other income	4(a)	66,803	-
Loss on listed investment	8	(346,770)	(173,384)
Personnel expenses	4(c)	(433,012)	(287,480)
Professional & administration expense	4(b)	(179,219)	(77,207)
Exploration & evaluation expensed	4(d)	(47,669)	(190,775)
Depreciation		(74,659)	(31,114)
Impairment expense		35,301	-
Interest expense		(2,321)	(1,959)
Foreign currency gain / (loss)		(11,300)	(103,367)
Profit/(loss) before income tax expense		(992,846)	60,012
Income tax expense	5	-	-
Profit/(loss) after income tax expense for the year		(992,846)	60,012
Other comprehensive income/(loss)			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(4,355)	63,673
Comprehensive profit/(loss) attributable to the owners of African Energy Limited		(997,201)	123,685

AFRICAN ENERGY LIMITED
Consolidated statement of financial position
As at 30 June 2025

	<i>Note</i>	30-Jun-25 A\$	30-Jun-24 A\$
Assets			
Current assets			
Cash and cash equivalents	6	40,249	474,744
Trade and other receivables	7	92,706	83,835
Total current assets		132,955	558,579
Non-current assets			
Investment in listed securities	8	404,565	693,539
Property, plant & equipment		199	194
Right of use assets	10(a)	899,274	953,723
Total non-current assets		1,304,038	1,647,456
Total assets		1,436,993	2,206,035
Liabilities			
Current liabilities			
Trade and other payables	9	735,822	519,666
Lease liability	10(b)	31,149	27,365
Provisions	11(a)	71,662	70,160
Total current liabilities		838,633	617,191
Non-current liabilities			
Lease liability	10(b)	991,471	995,147
Provisions	11(b)	496,118	485,725
Total non-current liabilities		1,487,589	1,480,872
Total liabilities		2,326,222	2,098,063
Net assets/(liabilities)		(889,229)	107,972
Equity			
Share capital	12	4,840,405	4,840,405
Accumulated losses		(5,971,875)	(4,979,029)
Reserves	13	242,241	246,596
Total (deficiency in equity) / equity attributable to shareholders of the Company		(889,229)	107,972

AFRICAN ENERGY LIMITED
Consolidated statement of changes in equity
For the year ended 30 June 2025

	Contributed equity	Accumulated losses	Foreign Currency Translation Reserve	Share-based Payments Reserve	Total equity
At 30 June 2023	4,840,405	(5,039,041)	6,123	176,800	(15,713)
Profit for the period	-	60,012	-	-	60,012
Other Comprehensive loss					
Effect of translation of foreign operations to group presentation currency	-	-	63,673	-	63,673
Total comprehensive loss for the year	-	60,012	63,673	-	123,685
Transactions with owners in their capacity as owners:					
Share-based payments	-	-	-	-	-
At 30 June 2024	4,840,405	(4,979,029)	69,796	176,800	107,972
Loss for the year	-	(992,846)	-	-	(992,846)
Other Comprehensive income					
Effect of translation of foreign operations to group presentation currency	-	-	(4,355)	-	(4,355)
Total comprehensive income for the year	-	(992,846)	(4,355)	-	(997,201)
Transactions with owners in their capacity as owners:					
Share-based payments	-	-	-	-	-
At 30 June 2025	4,840,405	(5,971,875)	65,441	176,800	(889,229)

AFRICAN ENERGY LIMITED
Consolidated statement of cash flows
For the year ended 30 June 2025

	<i>Note</i>	30-Jun-25 A\$	30-Jun-24 A\$
Cash flows from operating activities			
Receipt of recharged costs		66,803	-
Payments to suppliers and employees		(367,711)	(41,855)
Payments for exploration and evaluation expenditure		(47,669)	(407,658)
Net cash outflow from operating activities	20	(348,577)	(449,513)
Cash flows from investing activities			
Received on acquisition of AFR group	3	-	662,291
Acquisition of listed investments		(57,795)	-
Net cash (outflow) / inflow from funding activities		(57,795)	662,291
Cash flows from financing activities			
Lease repayments		(29,915)	(24,316)
Net cash (outflow) from investing activities		(29,915)	(24,316)
Cash and cash equivalents at the beginning of the year			
Net (decrease)/increase in cash and cash equivalents		474,744	267,530
Effect of exchange rate fluctuations on cash held		(436,287)	188,462
		1,792	18,752
Cash and cash equivalents at the end of the year	6	40,249	474,744

Note 1. Material accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. The comparative information included in the financial report includes the period from 1 July 2023 to 30 June 2024.

Going concern

The consolidated financial statements have been prepared on a going concern basis, which assumes that the Group will be able to realise its assets and extinguish its liabilities in the ordinary course of business. For the year ended 30 June 2025, the Group had a loss after tax of A\$992,846 and had cash and cash equivalents of A\$40,249 as at that date, with net cash outflows from operations of A\$348,577 for the year.

The ability of the Group to continue as a going concern is dependent on securing additional funding through debt or equity to continue to fund its operations.

These conditions indicate a material uncertainty that may cast a significant doubt about the entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. Management believes there are sufficient funds to meet the entity's working capital requirements as at the date of this report.

The financial statements have been prepared on the basis that the entity is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

- The Directors are of the opinion that the Group's exploration assets will attract further capital investment when required; and
- The Directors expect the Group to be successful in securing additional fund through debt or equity issues, when and if required.

Should the Company not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements and that the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting year.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 17.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of African Energy Limited ('company' or 'parent entity') as at 30 June 2025 and the results of all subsidiaries for the financial year then ended. African Energy Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity' or the 'group'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Foreign currency translation

The financial statements are presented in Australian dollars ("A\$"), which is African Energy Limited's functional and presentation currency. Functional currency of subsidiaries is US Dollar ("USD").

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such

transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the year. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Income tax

The income tax expense or benefit for the period is the tax payable on that year's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled, and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Associates

Associates are entities over which the consolidated entity has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment.

When the consolidated entity's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the consolidated entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The consolidated entity discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Equity investments

Equity investments are classified as financial assets at fair value through profit or loss, as designated upon initial recognition. Fair value movements are recognised in profit or loss.

Leases

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

The Group presents right-of-use assets and lease liabilities as separate line items in the relevant sections of the Statement of Financial Position and additional information is shown in notes to the financial statements.

Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Provisions

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the year is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- the fair values of the assets transferred
- the liabilities incurred to the former owners of the acquired business
- the equity interests issued by the group
- the fair value of any asset or liability resulting from a contingent consideration arrangement, and
- the fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- the consideration transferred
- the amount of any non-controlling interest in the acquired entity, and
- the acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or as financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2025. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payments (Note 19)

The Group values options issued at fair value at the grant date using the binomial option pricing model taking into account the exercise price, the term of the option, the impact of dilution, the share price at grant date, the expected volatility of the underlying share, the expected dividend yield and risk-free interest rate for the term of the option. Performance rights are valued at face value of the share on the date of issue. At each reporting period management assess the probability of the vesting of options and performance rights where applicable in accordance with AASB 2 – Share based payments (non-market conditions). The probability is assessed to either be less likely or more likely (0% or 100%) and a vesting expense is recorded accordingly.

Business combinations (Note 3)

As discussed in note 1, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the consolidated entity taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

Lease term (Note 10)

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the consolidated entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The consolidated

entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Rehabilitation provision (Note 11)

Rehabilitation costs are a normal consequence of mineral exploration and mining, and the majority of this expenditure is incurred on ceasing exploration activities or the end of the mine's life. In determining an appropriate level of provision, consideration is given to the expected future costs to be incurred, the timing of these expected future costs, and the estimated future level of inflation. The ultimate cost of rehabilitation is uncertain and costs can vary in response to many factors including changes to the relevant legal requirements or the emergence of new restoration techniques.

Note 3. Business combination

a) Business combination

On 31 August 2023 the Company acquired 100% interest in African Energy Holdings SRL and all of its subsidiaries for a nominal consideration of US\$1 (A\$2).

The assets and liabilities recognised as a result of the acquisition are as follows:

	31-Aug-23 A\$
Net assets acquired	
Cash	662,291
Trade & other receivables	84,058
Investment in listed securities*	866,923
Right of use asset	1,013,703
Total assets	2,626,975
Trade & other payables	114,897
Lease liability	1,084,053
Rehabilitation provision	502,725
Total liabilities	1,701,675
Net assets acquired	925,300
Consideration	2
Net assets acquired	925,300
Gain on acquisition	925,298

* The investment portfolio is comprised of 86,692,308 shares in Alma Metals Limited (ASX: ALM).

The acquired business incurred a net loss after tax of \$395,293 for the period from 31 August 2023 to 30 June 2024.

Note 4. Income and expenses

	30-Jun-25 A\$	30-Jun-24 A\$
a) Other income		
Sale of data	66,803	-
	66,803	-
b) Administration expenses		
Corporate costs	117,289	53,249
Other administration costs	61,930	23,958
	179,219	77,207
c) Employee expenses		
Directors fees	12,000	12,000
Contractors' fees	246,718	154,904
Salaries and wages	174,294	120,576
	433,012	287,480
d) Exploration expenses		
Operating costs	47,669	190,775
	47,669	190,775

Note 5. Income tax expense

	30-Jun-25 A\$	30-Jun-24 A\$
<i>(a) The major components of income tax are:</i>		
Current income tax	-	-
Deferred income tax	-	-
<i>(b) A reconciliation between tax expense and the product of accounting loss before tax multiplied by the Company's applicable income tax rate is as follows:</i>		
Accounting loss before income tax	(992,846)	1,637
At the Company's statutory income tax rate of 25% (2024: 25%)	(248,212)	409
Non-deductible expenses	-	-
Share based payments	-	-
Non-assessable amounts	-	(231,325)
Impact of reduction in future corporate income tax rate	-	-
DTA not brought to account as their realisation is not probable	248,212	230,916
	-	-
Deferred tax liabilities @ 25% (2024: 25%) have not been recognised in respect of:		
Exploration & Evaluation Expenditure	-	-
Prepayments	-	-
	-	-
Deferred tax assets have not been recognised in respect of:		
Provisions and accruals	-	-
Business related costs	-	-
Carry forward revenue losses	527,782	279,570
Capital losses	-	-
	527,782	279,570

Note 6. Cash and cash equivalents

	30-Jun-25 A\$	30-Jun-24 A\$
A-1+	12,553	178,329
FNB Botswana (not rated)	27,496	82,321
Standard Bank South Africa (not rated)	200	214,094
	40,249	474,744

Note 7. Trade and other receivables

	30-Jun-25 A\$	30-Jun-24 A\$
GST and VAT receivables	61,267	45,543
Other receivables	31,439	38,292
	92,706	83,835

Note 8. Investment in listed securities

	30-Jun-25 A\$	30-Jun-24 A\$
<i>Shares in Alma Metals Ltd (86,692,308 shares)</i>		
Value at 1 July	693,539	-
Value on acquisition date ¹	-	866,923
Purchase of 14,448,720 ALM shares	57,796	-
Change in market value	(346,770)	(173,384)
Value at 30 June (101,141,028 shares)	404,565	693,539

¹ On 31 August 2023, the Group acquired 86,692,308 shares in Alma Metals Ltd (ASX: ALM) through acquisition of African Energy Holdings SRL and its subsidiaries.

Note 9. Trade and other payables

	30-Jun-25 A\$	30-Jun-24 A\$
Trade creditors	1,272	70,715
Deferred payables ¹	734,550	448,951
	735,822	519,666

¹ Deferred payables include amounts owed to creditors that extended credit terms to defer payment until such a time where African Energy Limited has sufficient working capital to settle the debt owing and can continue to meet their debts as and when they fall due for operational requirements.

Note 10. Leases

The Group has a lease in Botswana, assumed through the acquisition of the AFR group. Movements in the right of use asset and lease liabilities for the period from the acquisition date until the end of the financial year are set out in the tables below.

(a) Right of use asset

	30-Jun-25 A\$	30-Jun-24 A\$
Opening carrying value	953,723	-
Acquired during the year	-	1,013,316
Depreciation for the period	(74,659)	(30,757)
Effect of translation of foreign currency operation to group presentation currency	20,210	(28,836)
Carrying value at 30 June	899,274	953,723

Note 10. Leases (continued)

(b) Lease liabilities

	30-Jun-25 A\$	30-Jun-24 A\$
Opening carrying value	1,022,512	-
Acquired during the year	-	1,084,053
Lease payments	(29,915)	(24,180)
Interest	(2,297)	(1,948)
Effect of translation of foreign currency operation to group presentation currency	32,320	(35,413)
	1,022,620	1,022,512
Current lease liability	31,149	27,365
Non-current lease liability	991,471	995,147
	1,022,620	1,022,512

Note 11. Provisions

	30-Jun-25 A\$	30-Jun-24 A\$
a) Current provisions		
Provision for employee entitlements ¹	71,662	70,160
b) Non-current provisions		
Rehabilitation provision ²	496,118	485,725

¹ Includes annual leave and statutory severance provisions in Botswana.

² Possible rehabilitation costs at the Sese trial pit estimated at approximately US\$324,000.

Note 12. Share capital

	30-Jun-25 A\$	30-Jun-24 A\$
Contributed equity	4,840,405	4,840,405
	4,840,405	4,840,405

	Date	Number of shares	Issue price \$	A\$
Balance at 30 June 2024		692,960,630		4,840,405
Balance at 30 June 2025		692,960,630		4,840,405

Note 12. Share capital (continued)

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Capital risk management

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position.

Note 13. Reserves

	30-Jun-25 A\$	30-Jun-24 A\$
<i>Foreign Currency Translation Reserve</i>		
Opening	69,796	6,123
Movement	(4,355)	63,673
Closing	65,441	69,796
<i>Share-based Payments Reserve</i>		
Opening	176,800	176,800
Movement	-	-
Closing	176,800	176,800
Total Reserves	242,241	246,596

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Note 14. Financial instruments

Financial risk management objectives

The consolidated entity's activities expose it primarily to market and liquidity financial risks. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity.

Risk management is carried out by the Board of Directors ('the Board'). The Board identifies, evaluates and hedges financial risks within the consolidated entity.

Market risk

Foreign currency risk

The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Note 14. Financial instruments (continued)

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

At 30 June 2025, the foreign currency denominated balances include receivables, payables and leases, all denominated in Botswana Pula (BWP). The foreign currency denominated cash include A\$14,059 of cash held in BWP and A\$12,850 held in US Dollars (USD). The foreign currency denominated balances are as follows:

	30-Jun-25 A\$	30-Jun-24 A\$
Financial assets		
Cash	26,909	296,415
Receivables	93,273	79,906
Total financial assets	120,182	376,321
Financial liabilities		
Payables	(108,853)	(128,939)
Leases	(1,022,620)	(1,022,512)
Total financial liabilities	(1,131,473)	(1,151,451)
	(1,011,291)	(775,130)

Sensitivity analysis

The following table summarises the sensitivity of financial instruments held at balance date to movement in the exchange rate of the AUD to the BWP and AUD to USD with all other variables held constant. The 10% sensitivity is based on management's estimate of reasonably possible changes over a financial year.

	30-Jun-25 A\$	30-Jun-24 A\$	30-Jun-25 A\$	30-Jun-24 A\$
	Impact on profit after tax		Impact on other equity	
10% increase in AUD value	(101,125)	(94,218)	(4)	16,705
10% decrease in AUD value	101,125	94,218	4	(16,705)

Price risk

The consolidated entity is not exposed to any significant price risk.

Interest rate risk

The consolidated entity is not exposed to any significant interest rate risk.

Liquidity risk

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 15. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by BDO Audit Pty Ltd, the auditor of the company:

	2025 A\$	2024 A\$
<i>Audit services - BDO Audit Pty Ltd</i>		
Audit or review of the financial statements	15,000	15,450
Total remuneration of auditors	15,000	15,450

The disclosures include amounts received or due and receivable by BDO Audit Pty Ltd and their respective related entities.

Note 16. Contingencies and commitments

Contingent assets and liabilities

The consolidated entity had no contingent assets or liabilities at 30 June 2025 (2024: nil).

Commitments

The consolidated entity had no capital or other commitments at 30 June 2025 (2024: nil).

Note 17. Parent entity information

	30-Jun-25 A\$	30-Jun-24 A\$
Current Assets	17,374	180,121
Non-Current Assets	477,764	693,539
Total Assets	495,138	873,660
Current Liabilities	1,551,411	1,325,292
Total Liabilities	1,551,411	1,325,292
Contributed equity	4,840,405	4,840,405
Accumulated losses	(6,073,477)	(5,468,837)
Reserves	176,800	176,800
Total Equity	(1,056,272)	(451,632)
Loss for the year	(604,640)	(435,919)
Other comprehensive income / (loss) for the year	-	-
Total comprehensive income/(loss) for the year	(604,640)	(435,919)

There were no commitments, contingent liabilities or contingent assets at the parent level at 30 June 2025 (2024: nil).

Note 18. Related parties

a) Group structure

The consolidated entity consists of African Energy Limited, being the parent company, and its subsidiaries, as per the table below.

Name of entity	Country of incorporation	Ownership interest	
		30-Jun-25	30-Jun-24
Botswana Energy Solutions Limited ²	British Virgin Is.	-	100%
Mmamantswe Coal (Pty) Ltd	Botswana	100%	100%
African Energy Holdings SRL 2	Barbados	100%	100%
Phokoje Power (Pty) Ltd	Botswana	100%	100%
African Energy Holdings SRL ¹	Barbados	100%	100%
African Energy Holdings 3 SRL ¹	Barbados	100%	100%
Sese Power (Pty) Ltd ¹	Botswana	100%	100%
Sese Coal Ltd ¹	Barbados	100%	100%
Sese Power Subsidiary (Pty) Ltd ¹	Botswana	100%	100%
African Energy Resources (Pty) Ltd ¹	Botswana	100%	100%

¹ Subsidiaries acquired on 31 August 2023 (transaction details disclosed in note 3).

² Subsidiary deregistered during the year ended 30 June 2025.

b) Key management personnel disclosure

	30-Jun-25 A\$	30-Jun-24 A\$
Director fees	12,000	12,000
Consulting fees	261,600	135,000
Total short-term benefits	273,600	147,000
Share-based payments	-	-
Total KMP remuneration	273,600	147,000

No payments of short-term benefits were made to KMP. The outstanding balance of unpaid fees at 30 June 2025 is \$614,950 (2024: \$379,750).

c) Other related party transactions

The terms and conditions of the transactions with directors and associates and their related entities were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-director related entities on an arm's length basis.

	30-Jun-25 A\$	30-Jun-24 A\$
<i>Alma Metals Limited</i> ¹		
Geological consultancy	23,042	-
Unpaid at 30 June	1,760	-
<i>Mitchell River Group</i> ²		
Geological consultancy	811	777
Unpaid at 30 June	63	185

¹ Alma Metals Limited is a company related by directors Alasdair Cooke, Frazer Tabearnt and Valentine Chitalu.

² Mitchell River Group is a company related by directors Alasdair Cooke and Frazer Tabearnt.

Note 18. Related parties (continued)

There were no other transactions with related parties during the year ended, or the outstanding balance at 30 June 2025 (2024: nil).

Note 19. Share-based payments

No shares of options were issued to KMP during the current or the previous financial year.

Note 20. Reconciliation of profit after income tax to net cash from operating activities

	30-Jun-25	30-Jun-24
	\$	\$
(Loss) for the year	(992,846)	1,637
<i>Adjusted for:</i>		
Gain on acquisition of subsidiaries	-	(925,298)
Loss on change in fair value of equity investments (FVPL)	346,770	173,384
Depreciation and amortisation expense	74,659	30,359
Interest expense	2,321	1,959
Impairment expense	(35,301)	-
Foreign currency gain on operating items	11,300	58,377
Change in operating assets & liabilities		
(Increase) / decrease in receivables	(9,278)	(95,440)
Increase in payables	253,798	305,509
Net cash from/(used in) operating activities	(348,577)	(449,513)

Note 21. Events after the financial year

From October to December 2025, African Energy Limited borrowed \$100,000 from a related party, Mitchell River Group to fund ongoing working capital requirements. The loan carries a 10% interest rate and is secured against listed securities held by African Energy Limited.

No other matters or circumstances have arisen since the end of the financial year which have significantly affected or may significantly affect the operations, results, or state of affairs of the consolidated entity in future financial years.

Note 22. Commitments and contingencies

Contingent assets and liabilities

The consolidated entity had no contingent assets or liabilities at 30 June 2025 (2024: nil).

Commitments

The consolidated entity had no capital or other commitments at 30 June 2025 (2024: nil).

Name of entity	Type of entity	Trustee, partner or participant in JV	% of share capital	Country of incorporation	Australian resident	Foreign jurisdiction(s) in which the entity is a resident for tax purposes (according to the law of the foreign jurisdiction)
African Energy Limited	Body Corporate	-	n/a	Australia	Yes	n/a
Botswana Energy Solutions Limited	Body Corporate	-	-	British Virgin Islands	No	British Virgin Islands
Mmamantswe Coal (Pty) Ltd	Body Corporate	-	100%	Botswana	No	Botswana
African Energy Holdings SRL 2	Body Corporate	-	100%	Barbados	No	Barbados
Phokoje Power (Pty) Ltd	Body Corporate	-	100%	Botswana	No	Botswana
African Energy Holdings SRL	Body Corporate	-	100%	Barbados	No	Barbados
African Energy Holdings 3 SRL	Body Corporate	-	100%	Barbados	No	Barbados
Sese Power (Pty) Ltd	Body Corporate	-	100%	Botswana	No	Botswana
Sese Coal Ltd	Body Corporate	-	100%	Barbados	No	Barbados
Sese Power Subsidiary (Pty) Ltd	Body Corporate	-	100%	Botswana	No	Botswana
African Energy Resources (Pty) Ltd	Body Corporate	-	100%	Botswana	No	Botswana

Basis of Preparation

This Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the Corporations Act 2001, reflecting the amendments to section 295(3A)(vi) and (vii) which clarify the definition of foreign resident as being an entity that is treated as a resident of a foreign country under the tax laws of that foreign country. These amendments apply for financial years beginning on or after 1 July 2024. The CEDS includes certain information for each entity that was part of the consolidated entity at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements.

Determination of tax residency

Section 295(3B)(a) of the Corporation Acts 2001 defines Australian resident as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency. Section 295 (3A)(a)(vii) requires the determination of tax residency in a foreign jurisdiction to be based on the law of the foreign jurisdiction relating to foreign income tax.

In determining tax residency, the consolidated entity has applied the following interpretations:

- Australian tax residency
The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5
- Foreign tax residency
Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in determining tax residency in those foreign jurisdictions and ensure compliance with applicable foreign tax legislation.

Partnerships and trusts

Section 295(3B)(b) and (c) of the Corporation Acts 2001 have been introduced to clarify that an Australian resident for the purposes of these disclosures includes a partnership with at least one member of which is an Australian resident within the meaning of the Income Tax Assessment Act 1997 and a resident trust estate under the meaning in Division 6 of the Income Tax Assessment Act 1936. There are no partnerships or trusts in the consolidated group and no interests held in joint ventures by the group entities.

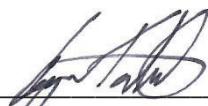
Directors' declaration

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2025 and of its performance for the year ended on that date;
- there are reasonable grounds to believe that the company and its subsidiaries will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Charles Tabcart
Director

16 December 2025
Perth

INDEPENDENT AUDITOR'S REPORT

To the members of African Energy Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of African Energy Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of African Energy Limited, is in accordance with the *Corporations Act 2001*, including:

- i) Giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year ended on that date; and
- ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.



Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Directors report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.



A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

https://www.auasb.gov.au/media/apzlw0y/ar3_2024.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd

BDO

A handwritten signature in black ink, appearing to read 'J Prue', written in a cursive style.

Jarrad Prue

Director

Perth, 16 December 2025