Developing Power Projects in Southern Africa

Annual General Meeting Presentation   20th November 2015
2015 Company Highlights

- Completion of initial Sese investment by First Quantum Minerals Ltd (FQM) in January 2015
- Progression of technical, commercial and permitting programs at Sese JV under FQM mgmt
- Re-alignment of Mmamabula West as a power project and allocation of appropriate funding for AFR to progress development of this project
- Binding terms agreed for sale of Mmamantswe project to South African developer for USD $20M
- Balance sheet strengthened through repayment of all debt, reduction in corporate costs and a healthy residual cash position (~AUD $8M)
- Continued on-market support from major shareholders in Top 20
- Share buy-back announced in November 2015

* Subject to shareholder approval at today’s AGM

AFR now participating in the development of three large-scale power projects in Botswana
Surrounded by robust demand for power: every country in SADC is chronically short of reliable, affordable base-load power

Regional hub: AFR’s projects are centrally located within the SAPP transmission grid

Easy access to core infrastructure: AFR’s projects in close proximity to grid connection

Stable business environment: Botswana provides the most secure/stable fiscal and political setting in southern Africa
### Sese JV
- Advanced project
- Measured resource*
- Approved EIA for 300MW
- Water allocation approved
- Surface rights approved
- First Quantum Minerals earning up to 75% interest
- AFR’s 25% interest loan carried to commercial operation of power station

### Mmamabula West
- Indicated/inferred resource*
- Good quality thermal coal suitable for power generation and export
- EIA under amendment to include 300MW + 300MW
- Project being developed for submission in RSA coal-fired IPP procurement program
- AFR is the lead developer
- Export potential to RSA/Asia

### Mmamantswe
- Advanced project
- Measured resource*
- Approved EIA for 2,000MW
- Water source registered
- Project consortium to submit bid into South Africa’s coal-fired IPP procurement program
- AFR to sell project for $20M if project bid is shortlisted and taken to financial close

* Refer to resource table in Appendix 1
The Sese JV: Summary

First Quantum Minerals Limited will invest up to $20M in the Sese JV

- AUD $8M invested by FQM to take a 51% interest and management of the JV
- FQM sole funding the next AUD $12M to increase interest to 75%
- This funding is being used to investigate the development of a fully integrated coal mine and mine-mouth power station
- FQM are responsible for sourcing all additional funding beyond the initial $20M investment
- AFR’s 25% share of additional funding will be loaned to it by FQM, and carried to commercial production
- Technical, permitting and commercial programs making good progress
The Sese JV: Project Development Plan

Sese JV - project development tasks underway

TECHNICAL
- Transmission study on existing Tx options between Botswana and Zambia
- Confirmation of critical power plant (boiler) technology, unit size and layout
- Drilling and test-work to finalise fuel specification

PERMITTING
- Execute Land Lease Agreement (surface rights approval in place)
- Complete Water Supply Agreement (2.8 GL p.a. water allocation approved)
- Complete Coal Supply Agreement and submit ML application

COMMERCIAL
- Prepare and submit Development Approval Order
- Confirm design and cost estimate for fully integrated power project
Mmamabula West: Power Development Opportunity

Mmamabula provides an immediate development opportunity for power generation

- 2.47 billion tonnes in two main coal seams, each ~5m thick, 100-130m deep
- Geometry and coal quality provides multiple options for **power generation and/or export** of coal
- AFR re-aligning this project to bid into South Africa’s IPP procurement program
- AFR evaluating potential for direct IPP supply to large-scale industrial users and mining houses
- Budget approved for immediate work program to reduce development risk of power generation at this project
- Surface rights being prepared, water supply options under study, EIA being amended, grid connection study
Large diameter drilling cores from which a power station fuel specification will be derived
### Mmamabula West: Indicative Development Plan

<table>
<thead>
<tr>
<th>Time Frame</th>
<th>Activities</th>
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</thead>
<tbody>
<tr>
<td>Q3 2015</td>
<td>TECHNICAL</td>
</tr>
<tr>
<td></td>
<td>LDD drilling and finalisation of fuel specification</td>
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<tr>
<td>Q4 2015</td>
<td>TECHNICAL</td>
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<tr>
<td></td>
<td>Power station preliminary design</td>
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<tr>
<td></td>
<td>Final drilling for reserves, geotech</td>
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<tr>
<td>Q1 2016</td>
<td>TECHNICAL</td>
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<td></td>
<td>Mine DFS</td>
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<tr>
<td>Q2 2016</td>
<td>PERMITTING</td>
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<tr>
<td></td>
<td>Amend ESIA/EMP to include 600MW power in addition to 4Mtpa ROM</td>
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<td></td>
<td>Secure Surface Rights and Lease Agreement</td>
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<tr>
<td>Q3 2016</td>
<td>COMMERCIALLY</td>
</tr>
<tr>
<td></td>
<td>Coal Supply Agreement + ML application</td>
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<tr>
<td>Q4 2016</td>
<td>COMMERCIALLY</td>
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<tr>
<td></td>
<td>Water Supply Agreement</td>
</tr>
<tr>
<td>Q1 2017</td>
<td>COMMERCIALLY</td>
</tr>
<tr>
<td></td>
<td>Prepare SA IPP bid submission</td>
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<tr>
<td></td>
<td>Ongoing direct mine IPP power off-take negotiations</td>
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<tr>
<td></td>
<td>Coal export off-take negotiations</td>
</tr>
</tbody>
</table>
Mmamantswe - $20M Sale Opportunity

South Africa is seeking 600MW of cross-border, coal-fired baseload IPP

- Very few bids shortlisted for the domestic portion of the IPP program
- Cross-border IPP proposals thus likely to receive close attention
- Binding term sheet executed to sell Mmamantswe to an experienced SA developer who intends to submit a bid:
  - Qualifying criteria and the documentation (RFP) for cross-border projects to be released late 2015/early 2016
  - Developer has formed a bid consortium and will sole fund bid preparation/submission
  - AFR will sell the project company to the development consortium for USD $20M if the consortium wins the tender and is able to achieve financial close
Summary – Project Pipeline

**Sese JV**
- FQM evaluating the development of an integrated mine and power station
- FQM earning-in, AFR loan carried to production from power station

**Mmamabula**
- Multiple power project potential with future coal export potential
- AFR sole funding pre-development activities prior to introducing partner(s)

**Mmamantswe**
- Binding terms agreed for a Share Sale to a South African developer
- Potential $20M short-term return, conditional upon SA IPP bid success
Corporate Summary

ASX Code          AFR
Shares on issue   620 million
Market Cap (@ $0.055) AUD $34M
Cash (30 Sep 2015) AUD $7.9M
Debt              Nil

Major Shareholders
The Sentient Group 23%
First Quantum Minerals 11%
Management          10%
Top 20              62%
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## Global Coal Resources for AFR Limited Coal Projects in Botswana

### Sese Coal & Power Project: Resource Summary (Raw coal on an air-dried basis), FQM 51%, AFR 49%

<table>
<thead>
<tr>
<th>Resource Zone</th>
<th>In-Situ Tonnes*</th>
<th>CV (MJ/kg)</th>
<th>CV (kcal/kg)</th>
<th>Ash %</th>
<th>IM%</th>
<th>VM%</th>
<th>FC%</th>
<th>SC%</th>
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</thead>
<tbody>
<tr>
<td>MEASURED (Block-C)</td>
<td>333 Mt</td>
<td>17.6</td>
<td>4,200</td>
<td>30.2</td>
<td>7.9</td>
<td>20.6</td>
<td>41.4</td>
<td>2.1</td>
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<tr>
<td>MEASURED (Block-B)</td>
<td>318 Mt</td>
<td>16.0</td>
<td>3,820</td>
<td>34.8</td>
<td>7.4</td>
<td>20.4</td>
<td>37.4</td>
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<tr>
<td>INDICATED</td>
<td>1,714 Mt</td>
<td>15.3</td>
<td>3,650</td>
<td>38.9</td>
<td>6.6</td>
<td>18.7</td>
<td>35.8</td>
<td>2.0</td>
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<tr>
<td>INFERRED</td>
<td>152 Mt</td>
<td>15.0</td>
<td>3,600</td>
<td>39.1</td>
<td>6.4</td>
<td>19.5</td>
<td>34.9</td>
<td>2.2</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>2,517 Mt</strong></td>
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### Sese West Project: Resource Summary (Raw coal on an air-dried basis) FQM 51%, AFR 49%

<table>
<thead>
<tr>
<th>Resource Zone</th>
<th>In-Situ Tonnes*</th>
<th>CV (MJ/kg)</th>
<th>CV (kcal/kg)</th>
<th>Ash %</th>
<th>IM%</th>
<th>VM%</th>
<th>FC%</th>
<th>SC%</th>
</tr>
</thead>
<tbody>
<tr>
<td>INFERRED</td>
<td>2,501 Mt</td>
<td>14.6</td>
<td>3,500</td>
<td>40.2</td>
<td>6.1</td>
<td>19.8</td>
<td>31.9</td>
<td>2.0</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>2,501 Mt</strong></td>
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### Mmamabula West Project: Resource Summary (Raw coal on an air-dried basis) AFR 100%

<table>
<thead>
<tr>
<th>Resource Zone</th>
<th>In-Situ Tonnes*</th>
<th>CV (MJ/kg)</th>
<th>CV (kcal/kg)</th>
<th>Ash %</th>
<th>IM%</th>
<th>VM%</th>
<th>FC%</th>
<th>SC%</th>
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</thead>
<tbody>
<tr>
<td>MEASURED</td>
<td>N/A</td>
<td></td>
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<tr>
<td>INDICATED</td>
<td>892 Mt</td>
<td>20.2</td>
<td>4,825</td>
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<td>41.0</td>
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<tr>
<td>INFERRED</td>
<td>1,541 Mt</td>
<td>20.0</td>
<td>4,775</td>
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<td>5.7</td>
<td>25.9</td>
<td>41.2</td>
<td>1.7</td>
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<td><strong>TOTAL</strong></td>
<td><strong>2,433 Mt</strong></td>
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### Mmamantswe Project: Resource Summary (Raw coal on an air-dried basis) AFR 100%

<table>
<thead>
<tr>
<th>Resource Zone</th>
<th>In-Situs Tonnes*</th>
<th>CV (MJ/kg)</th>
<th>CV (kcal/kg)</th>
<th>Ash %</th>
<th>IM%</th>
<th>VM%</th>
<th>FC%</th>
<th>SC%</th>
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<tbody>
<tr>
<td>MEASURED</td>
<td>978 Mt</td>
<td>9.5</td>
<td>2,270</td>
<td>56.5</td>
<td>3.9</td>
<td>15.8</td>
<td>21.8</td>
<td>2.0</td>
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<tr>
<td>INDICATED</td>
<td>265 Mt</td>
<td>7.9</td>
<td>1,890</td>
<td>62.3</td>
<td>3.3</td>
<td>14.2</td>
<td>18.1</td>
<td>2.1</td>
</tr>
<tr>
<td>INFERRED</td>
<td>N/A</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1,243 Mt</strong></td>
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* 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.